TITAN
COMPANY

SEC 30 / 2020-21

15th July 2020

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 36th Annual General Meeting ('AGM') of the Company for FY 2019-20 as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Annual Report for the financial year 2019-20

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 36th Annual General Meeting of the Company to be held on Tuesday, 11th August 2020 at 2.30 p.m. (IST) via two-way Video Conference / Other Audio Visual Means. The said Notice forms part of the Annual Report 2019-20 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 FY20.

The Annual Report for FY 2019-20 is available on the website of the Company at https://www.titancompany.in/sites/default/files/Annaul%20Report%202019-20.pdf

This is for your information and records.

Thank You
Yours Truly,
For TITAN COMPANY LIMITED

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SHETTY

Digitally signed by DINESH S SHETTY
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Date: 2020.07.15 11:55:51 +05'30'

Dinesh Shetty
General Counsel & Company Secretary

TITAN
COMPANY

Resolute, Resurgent.

TITAN COMPANY LIMITED

36th ANNUAL REPORT **2019-20**

Welcome to the Titan Company Annual Report 2019-20

To view or download this report, please log on to **www.titancompany.in**

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Corporate Overview

Statutory Reports

Financial Statements

Resolute, **Resurgent.**

As uncertainty grips the world, we at Titan remain resolute to find the opportunities amidst the challenges and unearth new ways to emerge stronger.

We are reimagining our customer-experience efforts, pushing forward on newly created priorities, driving innovation to make our portfolio more relevant, accelerating omni-channel integration and reinforcing our diverse relationships. We are maintaining a very agile response to the needs of our customers to deepen connect, recalibrating our store expansion and intensifying our efforts on cost management. And while we carry out all of this, needless to say, the safety and security of our employees and customers remains sacrosanct.

Titan has a strong portfolio of brands, robust assets and industry-leading capabilities. Most importantly, we are anchored by the values and ethos of the Tata Group which provide us a framework for how we operate and engage as individuals with our customers, business partners, colleagues and communities, our values will be especially relevant to navigate these unprecedented times and ensure that we remain a trusted partner to all our stakeholders.

Through the compelling combination of resilience, response and recovery, a resurgent Titan will prevail.

This is TITAN

Founded in 1984 as a joint-venture between TATA Group and Tamilnadu Industrial Development Corporation (TIDCO), Titan Company Limited (Titan) is among India's most respected lifestyle companies. We have established leadership positions in the Watches, Jewellery and Eyewear categories led by our trusted brands and differentiated customer experience. We have also successfully forayed into the verticals of Indian Dress Wear and Fragrances, underpinned by our deep understanding of evolving customer preferences.

Titan brands have endeared millions of people by being an embodiment of innovation and quality. We continue to find new and exciting ways to deepen brand engagement– be it offering exceptional in-store experience,investing in digital channels, or connecting with audiences through progressive and socially relevant campaigns. Passionately striving for the highest global standards in all that we do, we embrace sustainability, both socially and environmentally. Our steadfast focus is on carving a distinctive place in the hearts and minds of customers through our actions and values.

In our proud history of over three decades, anchored by the TATA ethos, our commitment to excellence has permeated every aspect of our business model. Backed by our committed employees, exclusive design studios, state-of-the-art manufacturing units and our trusted partnerships, we continue to grow and set new benchmarks in our industry.

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 pro-actively engages in issues concerning community it operates in and the environment in general.

One of the Largest
Watchmakers globally

11k+ multi-brand outlets
selling our watches

#2 by volume
ranking in the smart wearables category in India

4 times
in Forbes Asia Fab Fifty

$2.8 bn
annual revenue

~7,500
employees

1,700+ stores
with 2.2mn+ sq.ft. retail space

~$12 bn
market capitalisation
as on 31st March 2020

Our Strengths and Differentiators

Design and Development
- 800+ New time products every year
- Red Dot Award to 2 Edge watches
- Differentiated jewellery collections
- Customised lenses with 3D visual mapping

Manufacturing
- 15 Manufacturing and assembly facilities
- State-of-the-art Karigar Centres for jewellery
- Components exported to Swiss watch makers
- 3600+ employees engaged in factories

Brand Building
- Tanishq: India's leading jewellery brand
- Titan: Our flagship watch brand
- Raga: Exclusive women's watch brand
- Fastrack: India's largest youth brand
- Sonata: India's largest selling watch brand
- SKINN: Leading perfume brand in India
- Taneira: Special occasion wear saree brand
- Titan EyePlus: India's largest optical retail chain

Retail and Customer Service
- Exceptional customer experience
- Merchandising effectiveness
- Impactful retail identities
- Engagement of store staff
- Extensive after sales service network

One Company, Many Brands

Our Brands					
Luxury	FAVRE-LEUBA	ZOYA The Exquisite Diamond Boutique A TATA PRODUCT			
Premium	XYLYS Swiss made; NEBULA 18K Solid Gold Watches by TITAN	TANISHQ			
Mid market	TITAN; fastrack move on; SF	CARATLANE; Mia by TANISHQ	TITAN eyeplus; fastrack	SKINN by TITAN Fine French Perfumes; fastrack PERFUME	TANEIRA A TATA PRODUCT
Mass market	SONATA A TATA PRODUCT				

Associated Brands

Joint Venture

MONT BLANC

Licenced Brands

TOMMY HILFIGER WATCHES

POLICE WATCHES

ANNE KLEIN

KENNETH COLE

COACH NEW YORK

Financial Highlights

Revenue from operations

₹ 20,010 crore

₹ 19,070 crore
FY 2018-19

ROCE

35%

36%
FY 2018-19

EBITDA

₹ 2,564 crore

₹ 2,181 crore
FY 2018-19

EPS

₹ 17.09

₹ 15.48
FY 2018-19

ROE

23%

24%
FY 2018-19

PBT

₹ 2,105 crore

₹ 1,997 crore
FY 2018-19

PAT

₹ 1,518 crore

₹ 1,374 crore
FY 2018-19

Market Capitalisation

₹ 82,893 crore

₹ 101,372 crore
FY 2018-19

Highlights of the Year

Inaugurated our new "Design Excellence Centre" at the Corporate Office

'Taneira' opened its first store in Pune

'Taneira' opened flagship store in Hyderabad

Held the biennial franchisee and dealer meets across jewellery, watches and eyewear divisions

The Watch Case Manufacturing Plant at Coimbatore, Tamil Nadu, achieved Gold rating in IGBC certification by CII

Fastrack strengthened its offerings by launching a collection of perfumes with Bollywood actress Ananya Pandey as the brand ambassador

Tanishq launched the well-received Swayahm collection of both plain and studded jewellery, to give women elegant new reasons to indulge and celebrate her moments of successes

Tanishq launched the 'Virasat' collection, inspired by the rich heritage and artistry of the royal city of Udaipur, in the plain gold category for the festival season of Diwali

Fastrack brand launched 'Reflex Beat', a smart watch having activity tracker with heart rate monitoring functionality

Acqui-hire and technology purchase of HUG Innovations to propel our growth in the category of smart wearables

Expanding our physical footprint

	Number of stores added in the year	Number of stores as on 31st March 2020	Number of towns where present
Tanishq	40	327	204
Zoya	1	4	3
CaratLane	37	92	33
Mia	8	38	19
World of Titan	13	499	221
Fastrack	11	183	85
Helios	16	92	42
Titan EyePlus	47	584	229
Taneira	8	12	5

Letter from the Managing Director

Against a tough operating backdrop, we delivered a fairly satisfactory financial performance. Revenue from operations grew to ₹ 20,010 crore in FY 2019-20, up 4.9% from ₹ 19,070 in FY 2018-19.

Dear Shareholders,

This is my first letter to you since succeeding Mr. Bhaskar Bhat as the Managing Director on 1st October 2019. I would like to begin by acknowledging Bhaskar's immense contribution to Titan over the past 30 years. Notably, serving at the helm for over 17 years, he has been the architect behind creating a one-of-a-kind institution in the world of business. On behalf of the Board, management and all our employees, we extend our deepest thanks and appreciation to Bhaskar for his stellar stewardship and for building Titan into a company that is deeply rooted in values, passionately delivers on its commitments, and brings real value to all stakeholders.

Reviewing the year gone by, it was challenging for most sectors, including retail and lifestyle. The slowdown in the growth of the Indian economy, subdued consumer sentiments and a significant rise in gold prices dampened our performance for the first half of the year. In the third quarter and the first two months of the fourth quarter, we delivered an improved performance which was in line with our growth targets, particularly for our Watches and Wearables Divisions. This was driven by product innovation and our strong presence on e-commerce channels. However, the nationwide lockdown to control the spread of the novel coronavirus outbreak resulted in lost sales with all our stores staying closed from 22nd March till the 1st week of May. Additionally, in certain states, we had to contend with the closure of shopping malls even before the lockdown, as per the directive of the state governments, impacting the business of our stores located in those malls.

Against a tough operating backdrop, we delivered a fairly satisfactory financial performance. Revenue from operations grew to ₹ 20,010 crore in FY 2019-20, up 4.9% from ₹ 19,070 crore in FY 2018-19. We achieved significant success in reining in our overheads to levels similar to last year, despite the addition of new stores across our various businesses. This enabled us to safeguard our profitability with EBITDA for the year standing at ₹ 2,564 crore, up 17.6% compared to ₹ 2,181 crore in FY 2018-19. Profit after tax was up by 10.4% to ₹ 1,518 crore compared to ₹ 1,374 crore in FY 2018-19.

As I write this letter, India continues to tackle the health crisis unleashed by the pandemic. Over the next few months, it is expected that customers will postpone shopping at malls and stores due to the contagion of hitherto unimaginable proportions. For Titan, with most of our products being discretionary and in the 'touch-and-feel' category, sales are likely to be under additional pressure during this period of uncertainty. Notwithstanding the challenges, we are determined to find ways to become more customer-focussed and more efficient. We have implemented stringent safety measures across all our stores, which will help us in reassuring our customers and moving much faster towards normalcy. We are also accelerating our omni-channel marketing strategy with a renewed focus on e-commerce as customers look to increasingly shop online. Further, we are reimagining customer convenience by offering options such as 'try-at-home' to 'endless aisle' to video shopping. We also remain focussed on driving relevant product innovations across our different businesses to capture mind and market share. To explain further, in the Jewellery Division, we are working extensively on creating a strong product portfolio at affordable price points. Smart wearables along with other differentiated collections continue to be a focal point for our Watches and Wearables Division.

While the current crisis is unprecedented, we also firmly believe that on the other side of every crisis is an opportunity; we are working resolutely towards capturing the same. Following the outbreak of the pandemic, the perception of gold as an asset class has improved considerably. Large scale weddings and international holiday travels are expected to reduce, freeing up funds for jewellery purchase. We may also witness a spree of 'indulgence consumption' after the lockdown is lifted and the situation is near-normal, opening up growth prospects for our products in the category of Watches and Fragrances. Titan is staying prepared to seize this expected demand.

The transformed economic scenario necessitates that we re-evaluate our operations to ensure adequate liquidity. In December 2019, well before the lockdown, we commenced a 'War on Waste' programme for our overhead costs and capital expenditure. Given the external crisis, we are re-emphasising the relevance of this programme across all our functions and divisions. Costs will be another major focus area in these trying times. At the same time, in line with our commitment to being a trusted partner to all our stakeholders, we are reaching out to all our associates, vendors and other business partners to ensure that they are capable of managing through the crisis and there are no disruptions in payments to vendors, particularly MSMEs. We are also extending our full support to our dedicated employees to navigate these uncertain times.

In closing, I would like to extend my sincere thanks to everyone who has contributed to our success as a company over the past twelve months. In particular, I want to express my gratitude to our Board for their strategic guidance; our customers, partners and suppliers for the trust they continue to place in us; our shareholders, for their support and confidence; and finally, our employees for their dedication. Notwithstanding the potential impact of external factors, Titan is committed to stay agile and create a more efficient and stronger business that is primed for a resurgence in improving market conditions.

Best regards

C K Venkataraman
Managing Director

Resolute in Driving Innovation

Titan has a legacy of winning the hearts of customers through stylish, quality offerings. Our passion for innovation continues to inspire exclusive and relevant collections across categories, season after season, year after year.

Jewellery Division

Our flagship Tanishq brand is admired for its exquisite and exclusive collections in gold and studded jewellery. This year's creativity highlights included 'Ahalya,' a high-value diamond necklace collection, inspired by the inner fire and radiance of a woman and the 'Virasat' collection in the plain gold category for the festival season of Diwali, inspired by the rich heritage and artistry of the royal city of Udaipur.

Targeted at young, aspirational women, our brand Mia offers trendy designs at affordable price points. 'Mia Classics', a diamond intensive collection, designed to go with any season, any look and any occasion; 'Smolitaires', a collection of single stone finger rings to celebrate life milestones; and 'Sassy Silver' collection with mother-of-pearl and colour stones embedded in 92.5 sterling silver were among the exciting new launches.

CaratLane is our fast-growing omni-channel jewellery brand offering modern, everyday designs. Several new collections at affordable price points were launched in line with the brand's mission of making beautiful jewellery accessible to everyone.

Watches and Wearables Division

Our diverse and desirable collection of watch brands enable us to reach out to every customer segment – for the office-going executive to the trendy youth, for the woman of purpose to the aspiring Indians residing in smaller towns; for those looking for premium designs to those whose focus is functionality; we have watches for everyone and to match every occasion. Further, our strategic foray into wearables through our smart watches has enabled us to meet the growing demand for technology-enabled health and fitness products.

Titan, our flagship watch brand, continued to attract customers with its innovative offerings. A new segment of mechanical watches recapturing the era of hand craftsmanship and precision and 'Titan Maritime', a collection inspired by sea voyages during medieval era were among the novel creations. The brand also collaborated with Khadi and Village Industries Commission to co-develop a set of two watches for men and women. These timepieces bring to life material innovation in watches by using authentic, hand spun khadi on the dial and strap.

Under our premium 'Nebula' which is for gold watches, 'Nebula Deccan Treasures' collection was launched using gemstone carving techniques of the Indian Deccan region.

Our strategic foray into wearables through our smart watches has enabled us to meet the growing demand for technology-enabled health and fitness products

The watches co-developed in collaboration with Khadi and Village Industries Commission (KVIC) were launched at a press event inaugurated by Honourable Union Minister of MSME, Shri Nitin Gadkari.

Several smart products were also launched including Titan Connected, a full touchscreen smartwatch with analogue hands.

Under the Titan Raga brand for women, 'Raga Cocktails' collection with Swarovski crystals at the premium end, 'Raga Viva III' at affordable prices and 'Raga Facets' – a collection inspired by the amalgamation of different shapes, materials, finishes and colours were the new creations.

Our youth brand Fastrack launched 'Reflex Beat' with heart rate monitor and is witnessing high sell-through across channels. Other notable launches include 'Game of Thrones' collection, based on the popular series and enabled by our exclusive manufacturing rights in India; the 'Road Trip' collection to cater to the travel-inclined youth; and the 'Space collection' inspired by the achievements of India in the field of outer space.

Sonata, our value brand of functionally styled watches at affordable prices, launched several new collections resonating with evolving customer aspirations. Notable among them included 'Sonata Stride', the brand's first hybrid collection loaded with inbuilt activity tracker to help maintain a healthy lifestyle.

Today, majority of our brands are market-leading in their categories, reflecting our success in driving innovation that resonates with the customer's aspirations. In the challenging operating environment, Titan remains more determined than ever to stay true to its philosophy of customer-centric innovation. This unwavering pursuit of innovation will enable us to remain relevant and capture a larger share of the market opportunity once the operating environment rebounds to normal.

Eyewear Division

Under the Titan brand, a major launch was the 'Titan Signature' collection in the category of frames. Marking our presence in the high-end fashion segment, the in-house designed collection has received a very enthusiastic response from customers. We also introduced in-house designed Titan lens 'Clear Sight' having best-in-class scratch resistance and clarity. In sunglasses, 'Titan Midnight Sun' collection was launched. We also launched new collections for sunglasses under Fastrack brand, including our debut into smart sunglasses through Fastrack audio and a lightweight collection called 'Floatables'. These differentiated innovations will help us to connect better with customer preferences.

New Businesses

We are bringing about differentiation into the unorganised saree market through our national brand Taneira. During the year, Taneira launched '1000 Summer Memories' collection of cotton sarees at very affordable price points to drive customer walk-ins and build the right brand perception. The brand also added new collection of pure and all-natural unstitched suit sets, along with in-house designed festive and workwear saree collections.

Our fragrances brand SKINN offers fine French perfumes at very attractive price points. The brand opened a large new segment by launching premium deodorants, which have been well received in the markets. Perfumes were also launched under the Fastrack brand.

Resolute in **Strengthening Access**

In the changing milieu, we remain focussed on expanding our retail footprint and aligning our reach to meet evolving customer needs and provide a seamless shopping experience.

Jewellery Division

Tanishq expansion

As a 25-year-old brand, Tanishq has reached high levels of presence across India. At the same time, there is significant scope for expansion in the smaller towns and cities where we are either absent or under-penetrated. To reach out to these aspirational customers, we are pursuing our 'Middle India' focussed expansion programme. During the year, allied to this strategy, many stores were opened across tier 3 and tier 4 towns. A mix of company-owned stores and asset-light franchise model is further enabling us to strengthen our reach. The thrust on store expansion will continue in the coming year to strengthen access.

Omni-channel and remote selling

We are harnessing digital capabilities such as video selling, augmented reality and virtual reality to make it easier for customers to connect with our products and make purchases online. During the pandemic, we quickly rolled out endless aisles across all our Tanishq stores, wherein customers have access to large touchscreens to browse the entire collection. Also, with jewellery products being in the touch and feel category, we are now bringing the retail store to our customers. CaratLane offers Try@Home service to customers and this facility has now been extended to our other jewellery brands as well. The acceleration of our digital efforts will help us to overcome the challenges of operating in a new normal as well as capitalise on new opportunities.

Developing overseas potential

Over the past couple of years, we have been reaching out to overseas customers through our brand e-commerce sites. To give a greater thrust to this activity, we recently formed an international business division. The division is developing the jewellery opportunity in the US and other markets.

Eyewear Division

Titan EyePlus retail chain continues to be priority channel, along with our presence at multi-brand outlets and departmental stores for our sunglasses. We are also focussing on a comprehensive omni-channel approach by seamlessly integrating physical stores with digital platform. Post the nationwide lockdown, we developed 'assisted E-commerce', a new process to reach out to our customers. Under this method, our team help customers navigate the website to generate remote ordering, while benefiting our customers.

Watches and Wearables Division

Omni-channel experience

Our watches and wearables are available on multiple channels which include our exclusive outlets – World of Titan, Helios and Fastrack Stores, multi-brand outlets (MBOs), large format departmental stores, brand e-commerce sites as well as e-commerce platforms. Our tie-ups with leading marketplaces like Amazon, Flipkart, Myntra have been the highest growing channel for us. This year we rolled out omni-channel experience in our Watches and Wearables Division by providing customers the choice to 'order online and collect from store,' 'reserve online and try on in-store,' or 'get it shipped from nearest store.' Video shopping, online appointment booking and endless aisle options are also available to enhance customers' shopping experience. In the post-COVID era where customers are likely to gravitate towards digital options, our omni-channel approach should prove to be advantageous.

New Businesses

Confident about the long-term market opportunity for our Indian Dress Wear Brand Taneira, we are exploring multiple formats to establish a strong retail identity. Currently, we have a mix of high street stores, mall stores as well as villa format. We are also studying the market response in the various cities that we are present to arrive at the right business model. The insights from different formats and cities will help us to formulate the appropriate retail expansion strategy to grow our brand. We have also forayed into the e-commerce space to increase brand awareness and reach.

Our fragrances are available at India's leading large format stores. We are also tapping our company-owned retail network of World of Titan to grow our accessibility. To strengthen brand awareness, we often set up kiosks at key mall locations and participate in fragrance festivals at department stores. Our website www.skinn.in went live during the year under review; this along with our presence on key marketplaces has made e-commerce our fastest growing channel.

Creating a
Great Place to Work

We are committed to fostering an environment that facilitates employee well-being, safeguards employee rights, and promotes growth. Our people strategy is built on the cultural tenets of driving a performance culture while maintaining unconditional positive regard for people.

The Company had around 7,500 employees on rolls of which 1,986 were women as on 31st March 2020. Of the total head-count, 3,096 employees were engaged in manufacturing, 3,543 in retail and 821 in corporate and support functions. The net addition to employee base during the year was 389 employees. Of the total base, 145 employees are differently abled.

Driving wellness

We are encouraging the adoption of wellness programs through employee involvement and participation. Last year, Titanians pledged to take small yet significant steps in their journey towards wellness - physical, mental, emotional and financial. This journey was divided into four distinct phases - Step Challenge, 101 Healthy Days, 101 Happy Days, and Transform. Each phase had both online and onsite engagement activities to keep the aspirants on track. Titan partnered with TruWorth Wellness App to ensure that the initiative is an ongoing, consistent one. The program was customised across all regions and units wherein the respective HR teams conducted programs curated for the specific target audience.

Improving engagement

Businesses can only excel when employees thrive, which is why employee engagement is important to us. Titan's engagement strategy is deeply entrenched in the philosophy that employee experience is the direct influencer of engagement. At every step of employee lifecycle, processes have been built to ensure enriching and fulfilling work experience. To gain employee insights and ensure that Titan is on the right track of creating the best employee experience possible, engagement scores are formally measured annually. We are also training engagement champions from various functions and business units with the intent to improve engagement at team levels leading to higher overall engagement.

Encouraging growth and development

We offer a range of programs that enable our people to grow and develop. Work on the four-tiered leadership program continued as per plan. Young Leaders Program 3.0 was launched with a new program design. New elements like social immersions and shadowing were introduced for Emerging Leaders Program. A significant benefit from immersion experience are learnings that impact business decisions, fuel innovations or drive improved efficiencies. Job shadowing on the other hand enables employees to gain knowledge of their roles and responsibilities and hone their skills by working alongside another team member. Senior and Top Management Development programs also continued with special focus on immersions. The 2nd edition of Leadership Conclave was conducted in the fourth quarter of the year. For employees outside of leadership programs, learning inputs and programs were designed, curated and rolled out based on not only the Individual Development Plans but also the Titan Competency Framework. Functional journeys specific to sales and manufacturing were launched this year.

Protecting our people

The final quarter of the financial year brought with it the challenges of dealing with the COVID-19 pandemic. Through this ongoing crisis, our topmost priority has been to ensure the utmost safety of our employees. From a quick turn-around to a 100% work-from-home strategy during the lockdown period; supporting employees through online wellness sessions; implementing regular learning initiatives through digital media; extending assistance to travelling employees to reach their destinations safely, providing one-on-one online help; and ensuring no disruption or slowdown in employee development; through our comprehensive efforts, we aim to ensure that every aspect concerning our employees is looked into and taken care of to complete satisfaction.

Maintaining positive relations

The employee relations climate continues to be peaceful and positive. Long-term agreements with employees working at Hosur and Roorkee factories were signed off in a win-win manner.

Resolute in **Deepening Our Engagement**

Through our customer engagement efforts, we remain committed to not only enrich experiences but also connect to a larger purpose, foster meaningful relationships and better the world we live in.

Progressive advertising

Over the years, we have evolved our branding strategy from product centricity to socially relevant communications. Our advertising and marketing campaigns are based on socio-cultural issues, celebrate women and question stereotypical thinking. Through our memorable commercials, we have been known to touch an emotional chord with our audiences, drive conversations and inspire positive thinking and progressive behaviour. In a world where customers are increasingly seeking more social responsibility from their brands, we will continue to emphasise on progressive advertising to connect with them at a deeper level.

Brands that symbolise trust

The trust that we have earned for our brands is among our greatest differentiators. We continue to nurture this trust through transparent and exceptional offers. Our Golden Harvest Jewellery Purchase Plan, under which customers deposit monthly instalments for a fixed period to be redeemed against jewellery purchase on the maturity of the scheme and be eligible for a special discount, continues to run successfully for more than 15 years. The Tanishq Exchange Program is another excellent proposition where customers are offered the best exchange value for their old gold against the purchase of Tanishq jewellery, in addition to being a completely transparent process.

Digital Marketing

As customer shopping patterns continue to evolve across stores and digital, we have adapted our engagement to keep pace with changing times and ensure fluidity across all touchpoints. Our websites and e-commerce brand sites have continued to improve, becoming more robust with content and functionality. This year we revamped Tanishq and SKINN websites. Our digital strategy is to consistently deliver the identity and lifestyle of our brands to our customers; endorsing our success, Fastrack continues to be the most followed brand on Instagram. Our focussed digital campaigns during festivals like Durga Pujo and Ganeshotsav has also helped to reach out to our customers and build a more endearing connect.

New technologies

The growing awareness of health and fitness has resulted in significant traction in the demand for wearables as they come with activity trackers. Further, advancements in research have been leading to increased innovation in this category. This year, to boost the technological capabilities of our wearables and offer more differentiated features, we acqui-hired HUG Innovations Inc. This acquisition will enable us to gain access to their patented technology in the field of Advance Gesture Recognition. HUG Innovations has been recognised amongst the Top 10 innovative start-ups in the world at Mobile World Congress, Barcelona. We are ranked 2nd by volume in India by IDC in smart wearables; the new expertise will help us to further elevate customer experiences and fast-forward our wearables journey.

Safe to shop

Given the threat of the global health crisis, we are committed to ensuring that our stores are safe for our customers and employees. We used the lockdown period to review the best safety practices and prepare ourselves for the day ahead. Customers visiting our stores after the lifting of lockdown have been very satisfied with our heightened safety protocols. We will continue to ensure stringent safety and protection measures through this period of uncertainty to ensure the well-being of those visiting our stores.

Exciting associations

Titan has deepened brand engagement through celebrity endorsements. We continue to tie-up with popular and famous people whose personality, lifestyle and career choices resonate with our target audience. This year we brought on board Ayushmann Khurrana, a celebrated actor, singer and writer, as the brand ambassador of Titan EyePlus. His commitment to his craft reflects Titan's unflinching commitment to quality and design excellence. We also roped in Bollywood actress Ananya Panday as the brand ambassador for our Fastrack Perfumes. A true youth icon and connecting very closely with Fastrack's personality which is trendy, edgy, youthful and vibrant, she is a seamless fit for the brand. We also collaborated with the much-coveted movie 'Mission Mangal' to launch a range of Sonata watches inspired by the women scientists in the film and this was the first time that our brand associated with a movie.

Improving connect through our people

Our front-end team is knowledgeable, efficient and passionate about service. We continue to drive in-store experience by conducting training sessions for our store staff.

Staying connected

During the nationwide lockdown, our 3,000 strong frontline staff of the Eyewear Division reached out to more than half a million of our customers to check their well-being and specifically, if they had any trouble with their eyewear. Our efforts received widespread appreciation.

Resolute in **Growing Responsibly**

Titan is determined to be a responsible, sustainable business. It is important for us to contribute to the communities where we work and drive inclusive progress.

Our Corporate Social Responsibility (CSR) focus areas include upliftment of the underprivileged girl child, skill development for the underprivileged and support for Indian art, crafts and heritage. We also support local causes that benefit our neighbourhood as part of our responsible citizenship initiative.

Support for girl child/education

We help in supporting rural girls from underprivileged backgrounds to complete their school education through remedial education and holistic engagement. This year we provided remedial education for the girl child in two most backward regions of Tamil Nadu and Karnataka. Our total reach was 15,910 girls during the year. We have initiated the engagement at Tiruvannamalai, Tamil Nadu and will be moving out after a successful tenure at Krishnagiri, Tamil Nadu in the current year. Under our Kanya Sampurna programme, we created about 50 model anganwadis in Kattumannar Koil and Yadgir to be showcased to the government. As part of our support to education, we also invest in building the capacity of teachers. We completed a teacher training programme in Krishnagiri, Tamil Nadu, covering 296 teachers from government schools. Scholarships were given to 129 students to enable them to pursue higher education.

Skill development for underprivileged

Titan LeAP, our centre of excellence for skill development set up at Chennai, trained 715 youth during the year. This employability skilling programme will empower them to earn an average monthly salary of ₹ 12,500. We have also launched skill development programme for the differently abled youth in Chennai, besides adopting two government Industrial Training Institutes (ITIs) in the tribal region of Tamil Nadu for holistic engagement. Across all skill programmes we have skilled 12,000 youth.

Support to Indian arts, crafts and heritage

Our programmes with the craft communities at Banaras and Kashmir will be coming to a close this year. We have seen good traction in both these programmes. The third engagement with Charaka has shown a promising beginning.

Design Impact Awards (DIA)

As part of the DIA programme, we invest in capacity building, mentorship and engagement of SMEs working with Titan.

Responsible citizenship

Under Happy Eyes, our comprehensive Eye Care programme, a mobile eye care unit has been launched in collaboration with Sankara Eye Hospital, to scale our eye care programme to the rural masses. A total of 2.46 lakh people have benefited under this programme.

Besides the lakes in Hosur, Tamil Nadu and one near our Corporate Office, we have restored two more water bodies in Chennai. Another note-worthy highlight has been the voluntary participation of our employees in mass eye screening programme in Gulbarga, Karnataka.

COVID-19 Relief

Company level contribution

- Committed a sum of ₹ 7 crore from the CSR funds of FY 2020-21 towards the One-Tata Group efforts.
- Contributed a sum of ₹ 1 crore to the Tamil Nadu CM Public Relief Fund.

Local response

- As a President of Hosur Industries Association, Titan helped in raising funds from industries to setting up a COVID-19 special ward at ESI Hosur.
- Contributed approximately ₹ 32 lakh towards ventilators, ICU beds and hospital equipment at Hosur, Vellore and Mysore.
- Provided Personal Protective Equipment (PPE) to the tune of ₹ 26 lakh at Hosur, Sikkim, Bengaluru, Chikkaballapur.
- Provided food and water to over 12,000 migrants and students alike.
- Provided about 100 barricades to Traffic Police at Bengaluru for lockdown support in containment areas.

Employee engagement

- One day salary contribution from employees amounting to ₹ 70 lakh to Tata Community Initiatives Trust.
- Many employees, franchisees, vendors and their employees contributed in their individual capacity towards local support for food and protective gear for COVID-19 warriors.

20,000+ hrs
Employee volunteerism across our CSR programmes

3.50 lakh
Lives touched during the year through our CSR programmes

Sustainability at Titan

Success is measured in terms of how much Titan has been able to impact its environment, society and other stakeholders. Be it the natural resources or impact on people in the community, the below illustration gives a glimpse of the success the Company has achieved over the years.

Energy conservation

67% Electricity from Renewable Sources at Manufacturing Plants

Water conservation

47% of water used across the Company is recycled and lake rejuvenation initiative undertaken

Recycling

44% of gold and 47% of brass used in production is from recycled sources

CSR

Reached out to over 3.5 lakh beneficiaries through various CSR initiatives

Approach to Reporting

A Paradigm Shift in Reporting

Titan Company Limited started its Integrated Reporting two years back in line with its commitment upholding highest standards of transparency in communication and ethos of Corporate Governance.

This is our third year of Integrated Report in line with our continuous commitment to voluntarily disclose more information to our stakeholders on all aspects of our business especially the developments and improvements in our non-financial objectives that have been achieved over the past three years.

We have tried and captured all the key elements of the Integrated Report along with the annual report to essentially highlight the organisation's perspectives and performance across identified Material topics such as Manufacturing, Financial, Human, Intellectual, Social & Relationship and Natural capitals to all stakeholders in a transparent manner that provides a glimpse on the long-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.

The Integrated Report of Titan Company Limited has been prepared in accordance with IIRC's Integrated Reporting framework <IR>.

Through our Integrated Report, we have managed to identify our capitals, with specific reference to the inputs, activities and outcomes relevant to them as well as a brief review of how we have performed in achieving Key Performance Indicators (KPI) which measure our financial and non-financial performance in respect of these various capitals. This report has been structured to provide stakeholders with financial and non-financial information that is relevant. It aims to provide stakeholders with a holistic view of how Titan creates value across stakeholder groups and the interlinkages across each of these Capitals.

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

Intellectual Capital
(pg 30)

Human Capital
(pg 32)

Financial Capital
(pg 33)

Social and Relationship Capital
(pg 34)

Manufactured Capital
(pg 35)

Natural Capital
(pg 36)

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

Sustainable Value Creation for Stakeholders

Titan Company Limited ("Company") continues to work in sectors that are either unorganised or characterised by poor business practices and ethics. Whether it is in the watches, jewellery, eyewear or even the Indian Dress Wear business, the Company strives to work in these sectors to create business models that transform business practices into those of organised sectors. These are characterised by value-based practices across the entire value chain reflected in the manner in which the products are procured, produced and sold.

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 those persons, groups or 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 & Partners
- 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.

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

Subject of Engagement

Employees
Employee Engagement

The Company engages with employees through various forums such as Heartbeat, Employee Engagement Survey, etc. to understand their concerns. Further, customised employee connect programmes are deployed across locations to enable employees to voice their concerns. The Company uses the service of Great Place to Work to conduct an employee satisfaction survey every year. Results from the last year's survey indicated a high level of participation and positive overall employee engagement. Through a variety of reward and recognition mechanisms, employee engagement is constantly reinforced. The Company's leadership development programmes engages all categories of employees through a structured development intervention classified as Young Leaders, Emerging Leaders, Senior Management programmes.

Customers
Customer Satisfaction

A variety of activities and initiatives are undertaken to engage with customers across geographies, demographics and segments. The Company uses both traditional engagement channels like surveys and research, as well as digital media to understand the customer needs and expectations. The Net Promoter Score (NPS) is also used to understand customer satisfaction. Creating forums and communities on the digital media helps the Company to incorporate its feedback on a real-time basis, which also enables it to continuously upgrade and improve customer service with better proposition. The Encircle loyalty program, empowers the Company to further enhance relationships with customers as well as engage with them on the Company's product and service offerings which drive them to greater level of engagement and satisfaction. The Company has invested in customer 360° with the help of Salesforce tools which has aided in higher engagement with customers. Further, the Unified Customer Service program has helped the Company to connect with customers through various channels and serve their needs and expectations in a dynamic manner.

Vendors, Contractors and Suppliers
Continuous engagement through vendor meets, workshops and conferences

The Company works closely with its vendors, suppliers and other service providers who have been playing an important role ranging from procurement to manufacture 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. An excellent example of this engagement is the manner in which the Company has transformed the jewellery industry in the country, by enhancing the quality of life of the karigars working for the Company. Another example has been the manner in which the Company has worked with the women self-help groups at Hosur for over 25 years now, in providing livelihood opportunities by providing them with outsourced/subcontract activities.

Business Associates

As a consumer-facing organisation, the Company has a wide network of business associates including franchisees, management agents, dealers, etc. They play a key role in connecting the Company to its end consumers apart from delivering products and services. The Company engages with its business associates through franchisee meets, forums, and conferences as well as one-to-one meetings to understand their issues and concerns, as well as share its growth plans and insights about consumers, behaviour and trends.

CSR Partners and NGOs

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 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 interacts with various government departments and regulatory bodies from time to time to further address issues and concerns on behalf of the industry. Issues like ease of doing business, industry regulations, compliance and regulatory framework are some of the areas the Company regularly takes up on behalf of the industry at various industry and government forums including at the Indian Horological Federation and the World Gold Council, thereby ensuring the views of the industry and the government are aligned.

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.

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. This exercise improves the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.

The Company conducted materiality analysis across stakeholder groups as per integrated reporting framework materiality assessment process. The analysis resulted in six material topics, which were formalised and implemented in the management's approach.

Materiality assessment survey was conducted through a competent third-party agency.

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 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.

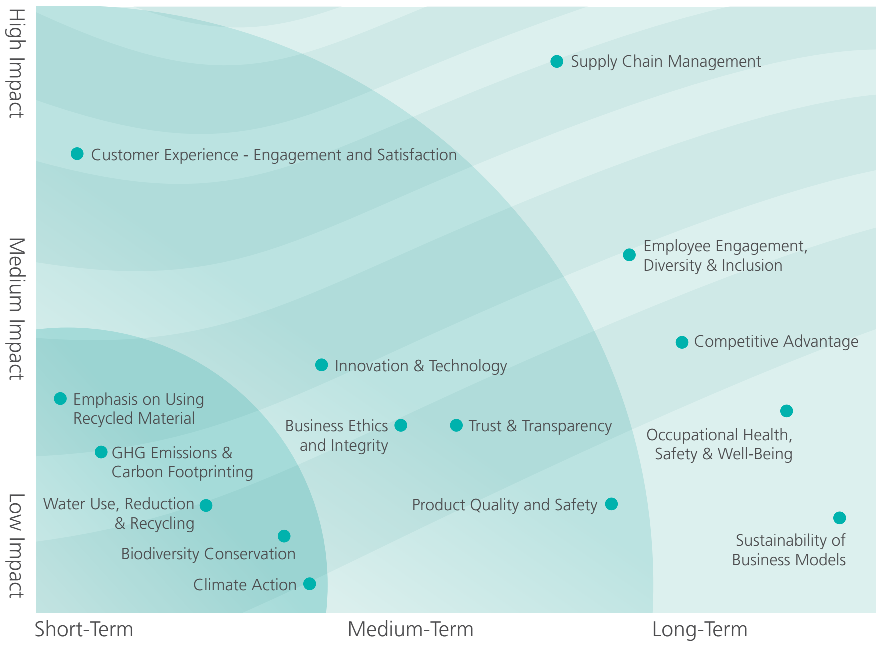
After receiving the inputs from the stakeholders, the Company analysed its responses and requested the senior management to prioritise the material topics. The Company also validated the outcomes of the survey through discussions about the relevance and completeness of the material topics.

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 has been identified as additional areas which are material to the Company. The prioritised material aspects are:

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

Materiality Matrix



Customer Experience

Elevating Customer Experience is ingrained in the values of the Company, guiding the Company towards attaining the vision of creating elevating experiences for the people it touches and significantly impacts the world it works in. The Company pays heed to the customer voice, their needs and expectations through several modes. Further, there are several programs to engage and nurture relationships and continued engagement with customers to earn their trust and loyalty. programmes such as Make Hearts Beat, SMILE etc. are customised across divisions to improve customer experience. The Encircle loyalty program has over the years grown into one of India's largest loyalty program in the retail space.

Supply Chain Management

In order to achieve strategic advantage through its integrated supply chain, the Company has an effective supply chain model supported by strong distribution network. This ensures reliable supply of products and services to customers in expanding geographies. With robust processes in place across the supply chain, the Company is able to maintain and grow its customer confidence. The primary focus is to build a sustainable and agile integrated supply chain ecosystem in India. The Company treats vendors, sub-contractors, etc. as associates in its supply chain. The Company ensures responsible business through replenishment analytics based planning, stock supply visibility, monitoring of logistics costs, etc. These have led to improved efficiencies in the supply chain process and practices and enabled the Company to move towards supply chain sustainability.

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 has 26% of employees who are women, 6% of employees from affirmative action category and 145 who are differently abled. There are several people-friendly practices to support gender diversity at Titan.

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 network 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.

Product Innovation and Technology

The Company will focus on new technologies and innovation that was hitherto on simplification and optimisation of core processes, with a view to create a deeper understanding of its stakeholders expectations and enhancing their digital experience. Investment on the Company's websites to integrate the brick and mortar stores with that of the online channel has provided an enhanced shopping experience for the customers. The Company has enabled its jewellery and eyewear customers to try on jewellery and spectacle frames virtually. The frontline staff at the stores are equipped with a state-of-the-art CRM tool that comes with pertinent details to enhance the quality of customer engagement. 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. The newly introduced e-learning for associates and employees has gained momentum with the launch of Titan-U, a new platform for creating awareness and training on relevant topics across the organisation. With the pool of data scientists and data warehouse experts, the Company has boosted its capabilities that has led to deeper customer insight and a more efficient process in lead management, optimisation of merchandising mix and campaign management. The Company has a pool of 160 champions trained on 26 Tools - "Untangle". These champions have worked on 200 innovation products. With the acqui-hire of HUG Innovations (a wearable and IoT platform startup), the Company is poised to leapfrog into the wearables segment that has been growing rapidly.

Significant focus on R&D has led to simplification of processes, introduction of alternate materials, addition of features to products etc.

Product Manufacturing, Quality and Safety

In order to build a stronger relationship with all its stakeholders, especially customers, the Company strives to work together more closely in a constructive and transparent manner. 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 efficiencies and cost competitiveness to ensure responsive management across the value chain. The multi-locational manufacturing sites enables the Company not only to de-risk operations but also enable it to serve the distribution network much effectively.

Occupational Health, Safety and Well-Being

The Company aims to make a positive contribution to safeguarding human rights, health, safety and well-being of all employees and all other stakeholders. Efforts to improve occupational health, safety and well-being conditions at all of its operations are ongoing. The prevention of work-related injuries is a key focus area for business operations, particularly at the manufacturing facilities where the inherent risks of health and safety incidents are high. Over the past several 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. The entire Company's operations (including Company-owned retail stores) are certified under OHSAS standards, the first of its kind in the industry to cover all its operations.

Our Business Model

Our business model leverages our unique value drivers to provide high quality products and services and create value for all of our stakeholders in a responsible and sustainable way.

INPUT

Financial Capital	UoM	2019-20
Equity	₹ Cr.	6,825
Reserves	₹ Cr.	6,736
Total Capital Employed	₹ Cr.	6,825
Capital Expenditure	₹ Cr.	1,197
Market Capitalisation (as on 31st March 2020)	₹ Cr.	82,892
Human Capital	**UoM**	**2019-20**
On Roll Employees	Nos.	
Top Management and Leadership	Nos.	90
Manufacturing	Nos.	3,096
Sales, Marketing & Retail	Nos.	3,543
Corporate & Support Functions	Nos.	821
Off Roll Employees		
At Manufacturing and Offices	Nos.	4,500
At Retail Stores	Nos.	12,651
Diversity Aspect		
Male	Nos.	5,564
Female	Nos.	1,986
Differently Abled (Within the Above)	Nos.	145
Training, Learning & Development - Staff		
Investments Per Person	₹	16,707
Training	Man-days	6.2
Unionised Employees		
Investments Per Person	₹	1,248
Training	Man-days	3.7
Training for Senior/Top Management/Professional Courses		
Investments Per Person	₹	1,98,029
Training	Man-days	5.11
Social and Relationship Capital	**UoM**	**2019-20**
Number of showrooms across all formats	Nos.	1,739
Retail footprint	Sq.Ft	22,75,924
Number of Touchpoints (apart from showrooms)	Nos.	11,000
National Campaigns and Initiatives	Nos.	31
Jewellery Division		
• Pan India Number of Showrooms	Nos.	369
• Key Vendor Base	Nos.	84
Watches Division		
• Pan India Number of Showrooms	Nos.	774
• Key Vendor Base	Nos.	60
CSR Budget	₹ Cr.	32
Vendors/Suppliers/Distributors Training Programmes	Nos.	3
Natural Capital	**UoM**	**2019-20**
Jewellery Division		
Gold and Silver Recycled	Tonnes	21.32 Tonnes Gold 1.0 Tonne Silver
Energy Consumption (Fuel+Grid+RE)	Lakh Units	65
Water Consumption	KL	35,398
Investments in Environmental Conservation/Biodiversity	₹ Cr.	3.1
Watches Division		
Precious Gold Consumed	Tonnes	0.0067
Total Recycled Gold	Tonnes	0.034
Energy Consumption (Fuel+Grid+RE)	Lakh Units	164
Water Consumption	KL	61,424
Investments in Environmental Conservation/Biodiversity	₹ Cr.	0.83
Manufactured Capital	**UoM**	**2019-20**
Jewellery Division		
• Tonnes of Gold Processed	Tonnes	29.8
• Tonnes of Silver Processed	Tonnes	3.7
• Investment in Quality	₹ Cr.	4
Watches Division		
• Quantity of watches produced	Lakh	166.92
• Tonnes of Brass Used	Tonnes	781.9
• Cost of Quality Per Watch Produced	₹	28.98
Eyewear Division		
Lenses Production	Lakh	9.27
Cost of Quality	₹ Cr.	25.3
Intellectual Capital	**UoM**	**2019-20**
Research and Development CTS Group	₹ Cr.	0.84
Eyewear Division		
• New Collections (NC) Launched	Nos.	846
Jewellery Division		
• New Collections (NC) Launched	Nos.	4
• Collaboration Investment (IIT s)	₹ Cr.	0.13
Watches Division		
• New Materials Introduced - Aluminium Products	K	68
• New Technologies Introduced - Variety	K	224
Research and Development Capex	₹ Cr.	2.37

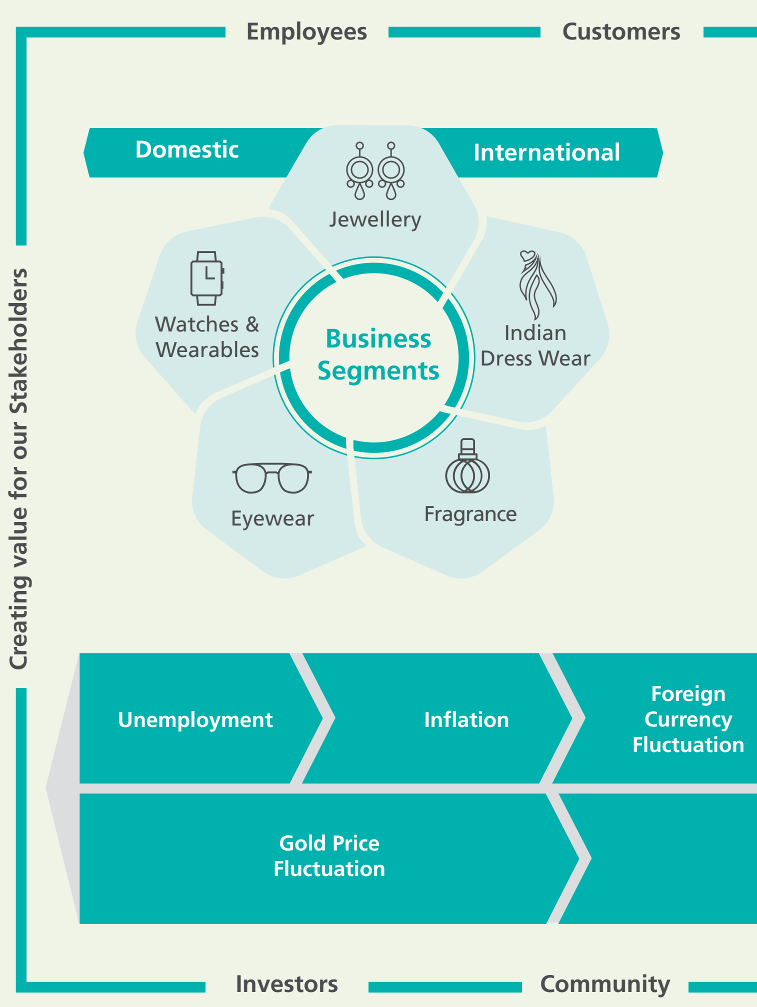
VALUE CREATION USING SIX CAPITALS

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.



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
ZOYA
CARATLANE

Eyewear Brands

TITAN EYEPLUS
FASTRACK
GLARES

New Business

SKINN
TANEIRA

OUTPUT

Financial Capital	UoM	2019-20
PBT Margin - PBT Margin after exceptional items	%	10.52
Sales to Net Fixed Assets	Ratio	18.10
Sales to Debtors	Ratio	93.31
Sales to Inventory	Ratio	2.59
Retained Earnings	₹ Cr.	3,758
Return on Capital Employed (EBIT)	%	34.67
Return on Net Worth	%	23.34
Market Capitalisation (as of 31st March 2020)	₹ Cr.	82,892
Human Capital	**UoM**	**2019-20**
No. of candidates identified as Emerging Leaders	Nos.	67
No. of candidates identified as Young Leaders	Nos.	13
Total Spends on Training, Learning and Development	₹ Cr.	1.99
Investment per person on training/development	₹ lakh	1.11
Attrition-Overall	%	2
Social and Relationship Capital	**UoM**	**2019-20**
CSR Spend	₹ Cr.	30.99
Titan supports - Social Intervention area	Nos.	5
Number of Beneficiaries Impacted	Lakh	3.50
Jewellery Division		
Brand Track Scores (Spontaneous)	%	78
Complaints per thousand	Nos.	1.66
Number of Buyers-Tanishq	Lakh	19.79
New Products Sale	₹ Cr.	3,403
Net Promoter Score	Score	63
Watches Division		
Brand Track Scores (Spontaneous)	Nos	78
Market Returns	%	1.69
Number of Followers on Social Media	Mn	2.60
Net Promoter Score-World of Titan	Score	67
Net Promoter Score-Fastrack	Score	71
Eyewear Division		
Network Growth-Dealers and Franchisee	Nos.	5,787
Damage returns from stores	%	3.71
Brand Track Scores (Spontaneous)	Nos.	81
Net Promoter Score	Score	71
Natural Capital	**UoM**	**2019-20**
Jewellery Division		
Specific Consumption of Energy Per Product	KW per unit	6.76
Specific Consumption of Water Per Product	KL per unit	0.52
Water Recycled	%	75.85
Watches Division		
Specific Consumption of Energy Per Product	KW per unit	2.67
Specific Consumption of Water Per Product	KL per unit	14.4
Wind Energy Contribution	%	70%
Solar Energy Contibution	%	1.56%
Total CO_2 Emissions	Tonnes	2,035.1
CO_2 Emissions Reduced	Kgs/Watch	0.19
Silver Recycled	%	10.97
Water Recycled	%	81.81
Eyewear Division		
Specific Consumption of Energy Per Product	KW per unit	3.55.
Specific Consumption of Water Per Product	KL per unit	0.015
Water Recycled	%	8500%
Manufactured Capital	**UoM**	**2019-20**
Jewellery Division		
Percentage of Outsourced Parts-Value	%	73
Value of Goods Produced	₹ Cr.	19,104
Watches Division		
Outsourced Parts-Value	₹ Cr.	937
Cost of Quality	₹ Cr.	48.38
Value of Goods Produced	₹ Cr.	1,271
Import Substitution	₹ Cr.	4.53
Eyewear Division		
Overall quality of product usage (complaints on sales)	%	63%
Production Numbers	Nos	10,85,371
Production capacity increase in percentage	%	15%
Capital Expenditure	₹ Cr.	12
Intellectual Capital	**UoM**	**2019-20**
R & D expenditure-CTS Group	₹ Cr.	1.1
Jewellery Division		
Number of Patents Granted	Nos.	1
New Innovations	List/Nos.	4
Contribution of New Products	%	Plain Group-29.4%, New Products-3,403 Total Sales-11,560 Studded Group-31% New Products-2,150 Total Sales-6,200
Watches Division		
R & D expenditure	₹ Cr.	5.54
Revenue from New Products/Technologies	₹ Cr.	121.19

Intellectual Capital

Passion for service excellence and delivery value through innovation and technology

The Company's intellectual capital supports its focussed objective of providing high quality and affordable products. Driven by innovation and creativity, the Company thrives on 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. The design centres are instrumental in creating innovative designs that delight the customers. While the Company's brands in watches, jewellery and eyewear are amongst the top brands in their respective categories, the newer business segments such as fragrances, accessories and Indian Dress Wear have been well accepted by customers. The brands continue to symbolise quality, trust, value as well as style and fashion. Design and innovative capabilities and brand equity form the most vital intangible capital as well as the key differentiator. The digital strategy is to create a seamless omni-channel platform that allows customers the flexibility to discover and buy both, offline as well as online, and the freedom to use any channel from multiple devices. The focus is on analytics too that gives insights from various aspects for customising products and services and retailing. The Encircle loyalty program is an integral part of this. Our R&D efforts are focussed on new materials, technology, platform and features.

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

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 and innovation have played a key role in nurturing the Company's knowledge and enhancing the digital quotient through multimedia portals, virtual walk-through and simulation technologies and active connect with academic institutions, large technology providers and start-up ecosystems. The Company continues to drive innovation (Titan Innovation Engine) with established enterprise processes, continuously updated tools and through dedicated Innovation Champions.

Some of the innovations worth highlighting are Reflex WAV (slimmest gesture control band), SF RUSH (a smart band), Titan "Radar" (Smart Wallet), etc. The Watches and Wearables Division's tool design and manufacturing team has developed an alternate to metal elements through polymer-based 3D printing targeting to reduce the lead time and cost by simplifying the manufacturing process. Engagement of technical experts as well as working with established institutions have led to creation of new designs, capabilities and simplification of processes.

Design has emerged as a core competence which has been nurtured through elaborate consumer research, creating differentiated product portfolio suiting to various consumer segments of the businesses.

Some of the innovations worth highlighting are the launch of the Company's in-house developed Hybrid Smart Watches - viz., 'Titan Connected', 'Sonata Stride' and 'Sonata Stride Pro'. All these watches were powered by the in-house micro motors. Sonata Stride and Sonata Stride Pro are the most affordable smart watches available in the market today. Fastrack launched its fourth version of the Reflex range of smart fitness trackers, 'Reflex Beat'. This was the first fitness tracker from the Company that hosted a state-of-the-art heart rate monitor. These launches enabled the Company to retain its position as the second largest wearables company in India in 2019 as reported by IDC.

Zoya, Mia and CaratLane are doing well and are poised for good growth in the future.

Taneira (the Indian Dress Wear brand) represents a celebration of diverse textiles and workmanship in India. With sarees made out of pure and natural fabrics, the brand offers more than 5,000 sarees across 50 regions in India. 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.

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 amongst other aspects.

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 giving a fillip to design and innovation to drive growth for the Company. Consequentially, financial capital, manufactured capital, natural capital, human capital and social and relationship capital are likely to be positively impacted.

Human Capital

Building talent to drive performance excellence

Built on the foundation of the Company's values and a commitment to the Tata Code of Conduct, 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. Guided by its core values and dynamic culture, the Company values diversity and nurtures excellence. As a learning organisation, the Company invests in upgrading and upskilling its people. The Company endeavours to become a preferred employer offering not just a job, but a lasting and rewarding career.

The Company is an equal opportunity provider and is proud of its 145 differently abled employees. The management's relationship with the employee union continues to be cordial resulting in motivation, efficiency and productivity. The Company continues to provide crucial education support for the children of its employees at the Company's schools to ensure a brighter future for the children. The Company started the leadership development programme which consists of a four-tiered approach, namely, young leaders, emerging leaders or mid-management, senior management and top leadership. Several executives and managers have gone through this programme. This is now an established process.

The Company has well-defined policies to promote the well-being of all its employees that not only support employee welfare but also enable enhanced engagement with the Company. All the locations of the Company are certified under Occupational Health and Safety Assessment Series (OHSAS) standards. Policies on compensation, sexual harassment, training and retraining of employees are well entrenched. The Company has formal grievance redressal mechanisms for its employees.

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 benefit 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 which 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 Company has a risk management framework and a prudent capital allocation strategy, it has identified risks and enablers to create value for stakeholders. While risks and positive operating environment have both positive and negative impact on business, the Company seeks to manage these risks by adopting strict management principles and practices.

The Company continuously works on changes required to policies and processes to minimise risks.

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 has 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 as well as on various other occasions have helped in reinforcing the values and philosophy that the brands stand for. Further, schemes like the Gold Exchange Program that enable customers to exchange their old jewellery with new fashionable and carefully curated designs has led to increased sales growth. CaratLane has transformed the customer experience of virtual try-on option of buying jewellery while being at the comfort of their homes.

This feature of bringing the brand closer to the customer, has translated into significant growth in FY 2019-20. 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 team that ensures 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.

On the social front, 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. In addition, the Company has initiated a unique recognition and engagement programme (Design Impact Awards for Social Change) that seeks to recognise design thinking in product design that enables social change.

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.

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 partner 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.

Manufactured Capital

Manufacturing with Excellence

The Company's state-of-the-art manufacturing facilities as well as the collaborative approach with suppliers and associates is 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.

In Jewellery, from transforming unorganised craftsmanship to organised set-up, the karigar centres have played a huge role in preserving art as well as stabilizing issues of quality, timeliness and efficiency. They create surreal intricate designs with efficiency while enabling an ecosystem of fairness and respect. This empowerment of the karigars has enabled them to live a dignified life inside and outside of the Company.

Intense focus on innovation continued with increasing collaboration between internal stakeholders and engagement with technology companies and external consultants as well as the SMEs and institutes. Application of various innovation tools and techniques, design thinking approach has helped implementation of a slew of innovations across the value chain.

Business	Plant/Location	Products	Key Equipment and Processes
	Hosur and Coimbatore	Production of Watches	Design and manufacturing of cases (Brass and Gold at Hosur, Stainless Steel (SS) case plant at Coimbatore) movement tools, surface finishing and allied activities, Pro-E, CAD/CAM for design, laser marking, electroplating, polishing, forging machines. Assembly line with multi point monitoring systems. Retail Stores-Laser Engraving
	Pantnagar, Roorkee and Sikkim	Assembly (casing and strapping) of Watches	
	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 Proto typing
	Chikkaballapur	Production of lenses	Lens labs – lens manufacturing, glass cutting, testing and special coating systems
	Chikkaballapur	Manufacturing of Frames	Frame Manufacturing – Metal line and Acetate testing

Watches Jewellery Eyewear

In the eyewear business, the satellite lens labs located at strategic locations, work closely with the stores to reduce turnaround times and enable them to deliver spectacles on the same day. The initiative has been extremely successful and has become a differentiator at many of the stores. This has also led to increase in sales of its frames and lenses.

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 of the use of natural resources to create 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.

The Company is implementing 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.

The Watches and Wearables Division implemented various energy and fuel conservation projects which has resulted in significant reduction in energy translating directly into improving efficiency and cost savings.

The Division's manufacturing plant at Hosur has been awarded with CII Green Co Rating under "Silver" category in recognition of the initiatives taken like energy efficiency, green energy substitution, reduction in greenhouse gas emissions and environmental impacts through systematic environmental/energy management systems.

The Company is investing in changing the energy mix and moving towards increasing dependence on renewable energy. For instance, the Company's association with wind farms enables the Company to reduce its dependence on captive energy. Further, the in-house investments in solar energy systems help in generating 7.92 lakh units of energy, whereas 70% of energy requirement at watch plant is met through wind energy and 21% of total energy requirement at jewellery plant met through renewables sources.

Being aware that the environment would be negatively impacted due to use of non-renewable resources with corresponding emissions, consumption of water for process and other activities as well as waste generated due to processes, the Company has been continuously working to minimise these through investments and initiatives and involvement of human, social and relationship capitals. The new Corporate Office has been awarded a 'Platinum' rating by LEED and a 5 Star rating from GRIHA.

Sourcing

Further, in manufacturing and supply chain, the Company has been recycling gold and brass that are used for making products. The jewellery exchange scheme acts as a channel for the Company to source customers' gold for processing. These measures reduce the pressure on gold and brass procurement as well as reduce, albeit, indirectly the mining of ore to that extent.

Interlinkage of manufactured capital with other capitals

While some of the manufacturing activities may have some impact on the environment, the Company continuously invests in harnessing renewable energy to reduce the impact on the environment by the emissions caused due to the usage of grid electricity. Similarly, recycling of water has significantly reduced sourcing of fresh water. These positively impact other capitals viz. human, social and relationship, manufactured and financial capital.

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 in 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.

Awards

Best of the Best award for innovative laser cut tube jewellery from Red Dot.

- Sonata wins the 'Best Brand Launch of the Year' at the 'Brand Equity Marketing Awards'.
- Tanishq received the 'Red Dot: Best of the Best' award for innovative laser cut tube jewellery. Red Dot is the most prestigious and coveted award in the world in the field of Product Design and the 'Red Dot: Best of the Best' is the highest award in the competition and is awarded for groundbreaking design innovation.
- Tanishq Rivaah wins Gold in Effie Awards 2019.
- Tanishq received the 'World Branding Award' in London at Kensington Palace. Tanishq was the only brand selected from India.
- Tanishq wins 'Excellence in customer service and sales process initiative' at the 'Retail Jewellers Guild Awards'.
- Titan EyePlus felicitated by NASSCOM in the Special Category – 'Best use of technology by an enterprise for Excellent Customer Service'.
- Titan EyePlus wins Bronze in the prestigious ACEF Asian Leadership Awards.
- Titan EyePlus won at the 'International Customer Experience Awards' in 'Best Customer Experience Strategy' category, hosted by CXInternational in Amsterdam and judged by 84 CEOs and global customer experience specialists. Jury was impressed with the brand's transforming NPS.
- Titan Company accredited 'Best Employer Award' by Tamil Nadu Government under the category of 'Employing most number of differently-abled personnel.'
- Titan manufacturing units won multiple Health & Safety awards from 'National Safety Council'.
- Titan Watches e-commerce bags 3 awards at Digies 2019.
- Titan won the first prize under Innovation Category at the 31st Qimpro Qualtech Award 2019, for the Balance Dynamic Hydraulic Fixture project.
- Titan Won "Design Honour" award for the project Raga Masaba at the Tata Innovista Finals.
- Titan Watches e-commerce bags DMA ASIA ECHO Awards 2019 in the 'Best Customer Acquisition Campaign'category.
- Titan Watches wins the Brand Equity Shark Awards.
- Titan's Encircle program wins in Loyalty Program category in Future of Retail Awards 2019.
- Titan Company wins the R K Swamy High Performance Brand Award by AIMA.
- Tanishq wins at Global Marketing Excellence Awards 2019 in the outdoor category for Outdoor and Location Based Marketing.
- Tanishq wins at the Great Lifestyle Brands Awards; Smarties 2019 India; Maddies Mobile Awards 2019; Sammies 2019.
- World of Titan wins 'Customer Service Excellence' and 'Retail Store of Year – Merchandising' awards in Future of Retail Awards 2019.
- Titan EyePlus wins Bronze in the prestigious ACEF Asian Leadership Awards.

Board of Directors

(as of 8th June 2020)

Mr. N Muruganandam

Chairman

He 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 as Collector, Coimbatore, Karur and Chennai, Managing Director of Poompuhar Shipping Corporation. He has worked in Government of India as Joint Secretary looking after Ports & as 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

He joined the Board of Directors of the Company on 7th August 2003. Mr. Tata graduated from Sussex University (UK) and has completed the International Executive Programme (IEP) from INSEAD. He took over as the Managing Director of Tata International Limited in August 2010 which is a global trading and distribution company with presence in leather products, metals trading, minerals trading and agri trading and employing over 10,000 personnel spanning 39 countries across Africa, Asia, Europe, Latin America and Middle East. He is currently the Chairman of Trent Limited, Voltas Limited, Tata Investment Corporation Limited and Tata Africa Holdings Limited.

Mr. C K Venkataraman

Managing Director

Mr. Venkataraman, a Post Graduate Diploma holder in Management from IIM-Ahmedabad, joined Titan Company Limited 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 last held the position of Chief Executive Officer, Jewellery till 30th September 2019. Subsequently, he assumed office as Managing Director of the Company from 1st October 2019.

Mr. Bhaskar Bhat

Director

Mr. Bhaskar 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. Mr. 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, Mr. Bhaskar dealt with Sales & Marketing, HR, International Business and various general managerial assignments. He then took over as Managing Director of the Company on 1st April 2002, and held the position till his superannuation on 30th September 2019. Subsequently, he was appointed as a Non-Executive Non-Independent Director of the Company with effect from 1st October 2019.

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 Additional 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.

Ms. Kakarla Usha

Director

Ms. Kakarla Usha is a 1994 batch IAS Officer who has held many key positions in various departments in the Government of Tamil Nadu/Government of India. Presently, Kakarla Usha is the Chairperson and Managing Director of Tamilnadu Industrial Development Corporation Limited.

Ms. Hema Ravichandar

Independent Director

She joined the Board of Directors of the Company on 30th March 2009. Ms. Ravichandar is an alumnus of the Indian Institute of Management, Ahmedabad and a Strategic HR Advisor with over 30 years of industry experience advising several Indian and multinational corporations and is on the Board of several companies. Ms. Ravichandar until 2005 was the Senior Vice-President and Global Head of Human Resources for Infosys Technologies Limited.

Ms. Ireena Vittal

Independent Director

She joined the Board of Directors of the Company on 30th January 2013. Ms. Ireena Vittal is an independent strategic advisor, with significant knowledge in agriculture and urban development in India and emerging markets. Ms. Vittal holds a B.Sc. in Electronics from Osmania University and a PGDM from IIM, Calcutta and has co-authored several studies relating to agriculture and urbanisation. Ms. Vittal served as a Partner with McKinsey & Co. and was a founding member of their economic development practice, and the global emerging-markets practice.

Mr. Ashwani Puri

Independent Director

He 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

He joined the Board of Directors of the Company on 10th May 2018. He is a B.Tech in Civil Engineering from IIT, Madras and PGDM from IIM, Ahmedabad. 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).

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. His research interest lies in medical devices and diagnostics, biomedical instrumentation, affordable healthcare technologies, healthcare delivery models for resource-constrained settings. He is currently Associate Professor in the Department of Electrical Engineering and heads the Healthcare Technology Innovation Centre at IIT Madras.

Mr. Pradyumna Vyas

Independent Director

He 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, Mr. 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 and retired as a Director of NID.

Ms. Sindhu Gangadharan

Independent Director

Ms. Sindhu Gangadharan is Senior Vice President and Managing Director of SAP Labs in India, responsible for SAP's development facilities in Bengaluru, Pune, Mumbai and Gurgaon. 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. 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.

Corporate Information

BOARD COMMITTEES
(AS OF 8th JUNE 2020)

Audit Committee
1) Mr. Ashwani Puri (Chairman)
2) Mr. V Arun Roy
3) Mr. B Santhanam
4) Ms. Ireena Vittal
5) Ms. Hema Ravichandar
6) Mr. Bhaskar Bhat

Nomination & Remuneration Committee
1) Ms. Hema Ravichandar (Chairperson)
2) Ms. Ireena Vittal
3) Mr. N.N. Tata
4) Mr. B Santhanam
5) Ms. Kakarla Usha
6) Ms. Sindhu Gangadharan

Corporate Social Responsibility Committee
1) Ms. Ireena Vittal (Chairperson)
2) Mr. V Arun Roy
3) Ms. Hema Ravichandar
4) Mr. Pradyumna Vyas
5) Dr. Mohanasankar Sivaprakasam
6) Mr. C K Venkataraman (Managing Director)

Risk Management Committee
1) Ms. Ireena Vittal (Chairperson)
2) Mr. V Arun Roy
3) Dr. Mohanasankar Sivaprakasam
4) Mr. Ashwani Puri
5) Mr. C K Venkataraman (Managing Director)

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

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
The Bank of Nova Scotia
IDFC Bank
IndusInd Bank
YES Bank
RBL 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
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E Moses Road, Mahalaxmi
Mumbai - 400 011
Website: www.tsrdarashaw.com
Email: csg-unit@tsrdarashaw.com

36th ANNUAL GENERAL MEETING
Tuesday, 11th August 2020 at 2.30 P.M.
through Video Conference/Other
Audio Visual Means

BOOK CLOSURE DATES
5th August 2020 to 11th August 2020

CORPORATE IDENTIFICATION NUMBER
L74999TZ1984PLC001456

Notice

Notice is hereby given that the Thirty Sixth 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 Tuesday, 11th August 2020 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 2020 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 2020 together with the Report of the Auditors thereon.

3. To declare dividend on equity shares for the financial year ended 31st March 2020.

4. To appoint a Director in place of Mr. Noel Naval Tata (DIN: 00024713), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

5. Appointment of Ms. Kakarla Usha as a Director

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

"RESOLVED THAT Ms. Kakarla Usha, IAS (DIN: 07283218) who was appointed as an Additional Director by the Board of Directors with effect from 21st November 2019 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 Act from a Member proposing her 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."

6. Appointment of Mr. Bhaskar Bhat as a Director

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

"RESOLVED THAT Mr. Bhaskar Bhat (DIN: 00148778) who was appointed as an Additional Director by the Board of Directors with effect from 1st October 2019 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 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, liable to retire by rotation."

7. Appointment of Mr. C. K. Venkataraman as a Director

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

"RESOLVED THAT Mr. C. K. Venkataraman (DIN: 05228157), who was appointed as an Additional Director by the Board of Directors with effect from 1st October 2019 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act") 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 not liable to retire by rotation."

8. Appointment of Mr. C. K. Venkataraman as Managing Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the approval of Members of the Company be and is hereby accorded for the appointment and remuneration of Mr. C. K. Venkataraman (DIN: 05228157) as the Managing Director of the Company for the period of five years from 1st October 2019 to 30th September 2024, upon the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Venkataraman.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

9. Appointment of Ms. Sindhu Gangadharan as an Independent Director

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

"RESOLVED THAT Ms. Sindhu Gangadharan, (DIN: 08572868) who was appointed as an Additional Director by the Board of Directors with effect from 8th June 2020 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, but who is eligible for appointment and recommended by the Board Nomination and Remuneration Committee, be and is hereby appointed as 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 Ms. Sindhu Gangadharan, 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 8th June 2020 to 7th June 2025, be and is hereby approved."

10. 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."

11. Commission to Non-Executive Directors

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

"RESOLVED THAT pursuant to Section 197 of the Companies Act, 2013, ("the Act")and Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), consent of the Company be and is hereby accorded to the payment of commission to the Non-Executive Directors and Independent Directors of the Company (other than the Managing Director and/or Whole-time Directors) to be determined by the Board of Directors for each Non-Executive Director and Independent Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) per annum or such other percentage as may be specified by the Act from time to time in this regard, of the net profits of the Company, to be calculated in accordance with the provisions of Section 198 of the Act.

RESOLVED FURTHER THAT the above commission shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

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 and 13th April 2020 (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 ('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 36th AGM of the Company is being held through VC/ OAVM on Tuesday, 11th August 2020 at 2:30 P.M. (IST). The deemed venue for the AGM will be the place from where the Chairman of the Board/Meeting conducts the meeting.

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 11 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 served 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 36th 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 General Circular No. 20/2020 dated 5th May 2020, the matters of Special Business as appearing at Item Nos. 5 to 11 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. Members are requested to note that in terms of Section 125 of the Companies Act, 2013 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 Circular dated 5th May 2020 and SEBI circular dated 12th May 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.

The Notice convening the 36th 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 Wednesday, 5th August 2020 to Tuesday, 11th August 2020,** 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 Tuesday, 18th August 2020 as under:

For Shares held in electronic form: To all the Beneficial Owners as at the end of the day on **Tuesday, 4th August 2020** 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 **Tuesday, 4th August 2020.**

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 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 **Saturday, 1st August 2020**. 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:

Shares held in physical form: Members are requested to send the following documents to our Registrar & Transfer Agents, viz., TSR Darashaw Consultants Private Limited latest by **Saturday, 1st August 2020**:

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 Code.

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

c) self-attested 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 and Transfer Agent, TSR Darashaw Consultants Private Limited ("Registrar" or "TSR") at csg-unit@tsrdarashaw.com 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@tsrdarashaw.com, 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@tsrdarashaw.com 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 address 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@tsrdarashaw.com. 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 and registration of e-mail addresses 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 (8 digit DP ID + 8 digit Client ID 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

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 Tuesday, 4th August 2020** 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. **Tuesday, 4th August 2020**, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

iii) The remote e-Voting period commences on **Friday, 7th August 2020 at 9.00 a.m. (IST)** and ends on **Monday, 10th August 2020 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. Tuesday, 4th August 2020**.

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 Chairperson. 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.titancompany.in 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. Tuesday, 11th August 2020

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 and they may access the same at https://www.evoting.nsdl.com under the Shareholders/Members login by using the remote e-Voting credentials, where the EVEN of the Company i.e **113001** will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the remote e-Voting instructions mentioned below to avoid a last-minute rush. Further, Members may also use the OTP-based login for logging into the e-Voting system of NSDL.

ii. Members may join the Meeting through Laptops, Smartphones, Tablets, and iPads for a better experience. Further, Members will be required to use the Internet with good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge, or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 36th 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 **Saturday, 8th August 2020**. Such questions by the Members shall be suitably replied by the Company.

iv. 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 Friday, 7th August 2020 (9.00 a.m. IST) and Sunday, 9th August 2020 (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.

v. Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at amitv@nsdl.co.in/+91 22 2499 4360.

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

i. **The instructions for Members for remote e-Voting are as under:**

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

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password, and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services 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 113001 then user ID is 113001001***

5. Your password details 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 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.

   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 checkbox.

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

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

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After a successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the company for which you wish to cast your vote.

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

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

1. It is strongly recommended not to share your password with any other person and take the 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, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990. In order to address any grievances relating to e-voting, you may write or contact NSDL as under:
   - Mr. Amit Vishal: +91 22 24994360 or amitv@nsdl.co.in
   - Ms. Pallavi Mhatre: +91 22 24994545 or pallavid@nsdl.co.in
   - Mr. Pratik Bhatt: +91 22 24994738 or pratikb@nsdl.co.in
   - Ms. Sarita Mote: +91 22 24994890 or saritam@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. Tuesday, **4th August 2020**, 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. 1800-222-990.

By Order of the Board of Directors

Dinesh Shetty
General Counsel & Company Secretary

8th June 2020
Mumbai
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 11 of the accompanying Notice:

Item No.5

Tamilnadu Industrial Development Corporation Limited ("TIDCO"), the co-promoter of the Company has nominated Ms. Kakarla Usha, 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 21st November 2019. As such, Ms. Kakarla Usha holds office as Director up to the date of the forthcoming AGM and is eligible for appointment as a Director. A Notice under Section 160(1) of the Act has been received from a Member indicating her intention to propose Ms. Kakarla Usha for the office of Director at the forthcoming AGM.

Further details of Ms. Kakarla Usha have been given in the Annexure to this Notice.

The Board recommends the Resolution at Item No. 5 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their respective relatives other than Ms. Kakarla Usha is concerned or interested in the Resolution at Item No. 5 of the Notice.

Ms. Kakarla Usha is not related to any Director or KMP of the Company.

Item No.6

Tata Sons Private Limited ("Tata Sons"), the co-promoter of the Company has nominated Mr. Bhaskar Bhat, former Managing Director of the Company, as a Nominee Director of Tata Sons on the Board of the Company in place of Mr. Harish Bhat and accordingly was appointed as an Additional Director of the Company by the Board of Directors effective from 1st October 2019. As such, Mr. Bhaskar Bhat holds office as Director up to the date of the forthcoming AGM and is eligible for appointment as a Director. A Notice under Section 160(1) of the Act has been received from a Member indicating his intention to propose Mr. Bhaskar Bhat for the office of Director at the forthcoming AGM.

Further details of Mr. Bhaskar Bhat have been given in the Annexure to this Notice.

The Board recommends the Resolution at Item No. 6 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their respective relatives other than Mr. Bhaskar Bhat is concerned or interested in the Resolution at Item No. 6 of the Notice.

Mr. Bhaskar Bhat is not related to any Director or KMP of the Company.

Item Nos.7 and 8

Mr. C. K. Venkataraman, on the recommendation of Board Nomination & Remuneration Committee (BNRC), was appointed as an Additional Director and Managing Director of the Company effective from 1st October 2019 by the Board of Directors at its meeting held on 6th August 2019 for a period of 5 years from 1st October 2019 to 30th September 2024 subject to the approval of the shareholders. The appointment was made by the Board after considering his background and overall experience in the Company.

Pursuant to Section 161 of the Companies Act, 2013 and amendments thereof, Mr. Venkataraman holds office as Director up to the date of this AGM and is eligible for appointment as a Director. A Notice under Section 160(1) of the Act has been received from a Member indicating his intention to propose Mr. C. K. Venkataraman for the office of Director upto the date of this AGM.

Mr. Venkataraman joined the Company in the year 1990 and prior to taking over as Managing Director of the Company, he was the CEO for Jewellery Division of the Company.

The principal terms and conditions of Mr. Venkataraman's (hereinafter referred to as 'Mr. Venkataraman' or the 'Managing Director') appointment and the main clauses of the agreement to be executed between the Company and the Managing Director are as follows:

1. **Term:** From 1st October 2019 to 30th September 2024.
2. **Duties and Powers:**

   Mr. Venkataraman as Managing Director, shall devote his whole time and attention to the business of the Company and shall carry out such duties as may be entrusted to him by the Board from time to time. However, all the powers granted to Mr. Venkataraman shall be subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company. The day-to-day management of the Company shall vest with Mr. Venkataraman, subject to the supervision and control of the Board.

3. **Remuneration:** Mr. Venkataraman, subject to such approvals as may be required, shall be entitled to the following remuneration for the period from 1st October, 2019 up to the termination of his Agreement/expiry of period of appointment and subject to terms of the agreement to be executed with the Managing Director:

   a) **Salary:** Mr. Venkataraman shall be paid a basic salary in the range of ₹ 10,00,000 (Rupees Ten lakh only) to ₹ 20,00,000 (Rupees Twenty lakh only) per month, subject to the BNRC or the Board being authorised to fix the salary within such range, from time to time. The initial basic salary is ₹ 10,00,000 (Rupees Ten lakh only) per month commencing from 1st October 2019.

      Mr. Venkataraman will further be entitled to annual increments, effective from 1st April of each year, which may be decided at the sole discretion of the BNRC or the Board. The quantum of such increments shall also be determined by the BNRC or the Board, based on merit and taking into account the performance of Mr. Venkataraman, performance of the Company and other relevant factors.

   b) **Perquisites:**

      (i) In addition to the salary, Mr. Venkataraman shall be entitled to additional perquisites, as may be determined in the sole discretion of the Board, subject to an overall ceiling of 140% of the basic salary or such other ceiling as may be determined by the BNRC or the Board, including the following:

         a) Furnished accommodation, with expenditure on gas, electricity, water and maintenance and repairs thereof, or House rent allowance and house maintenance allowance with expenditure on gas, electricity, water and furnishings;

         b) Leave travel allowance for self and family;

         c) Medical expenses and medical insurance for self and family;

         d) Personal accident insurance;

         e) Club fees; and

         f) Such other perquisites and allowances in accordance with the rules, regulations and policies of the Company and as may be agreed between Mr. Venkataraman and the Board.

      (ii) Company maintained car with driver, for official and personal use;

      (iii) Telecommunication facilities at residence;

      (iv) Contribution to provident fund, superannuation fund and annuity fund, and gratuity as per the rules, regulations and policies of the Company;

      (v) Leave and encashment of unavailed leave as per the rules, regulations and policies of the Company; and

      (vi) Other retirement benefits as per the rules, regulations and policies of the Company, as applicable to other employees, which may be provided to Mr. Venkataraman at the sole discretion of the BNRC or the Board.

   c) **Commission:** Mr. Venkataraman shall be entitled to remuneration by way of commission in addition to the salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, and such commission may be determined by the BNRC or the Board at the end of each financial year, subject to the overall ceiling stipulated in Section 196 and Section 197 of the Companies Act, 2013.

      The exact amount payable as commission will be decided by the BNRC or the Board based on certain performance criteria, and shall be payable to Mr. Venkataraman only after the annual accounts of the Company have been approved by the Board and adopted by the Members of the Company at the Annual General Meeting.

   d) **Minimum Remuneration:** Notwithstanding anything to the contrary herein, where, in any financial year, during the tenue, the Company has no profits or has inadequate profits, the Company will pay to Mr. Venkataraman, remuneration comprising salary, perquisite and allowances, commission as specified above.

e) Mr. Venkataraman shall not be entitled for any sitting fee for attending the Meetings of the Board of Directors or Committees thereof, as long as he functions as the Managing Director.

4. **Other Terms of Appointment :**

a) The Company shall be entitled to terminate Mr. Venkataraman's employment without notice or payment in lieu thereof in the following circumstances:

(i) Mr. Venkataraman is found guilty for any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which Mr. Venkataraman is required to render services;

(ii) In the event of any serious or repeated or continuing breach (after prior warning) or non-observance of any of the terms and conditions of Mr. Venkataraman's appointment;

(iii) In the event the Board expresses its loss of confidence in Mr. Venkataraman;

(iv) Mr. Venkataraman is disqualified from appointment as a director as per the Companies Act, 2013, SEBI regulations or any other applicable law.

b) In the event Mr. Venkataraman is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate the employment on such terms as the Board may consider appropriate in the circumstances.

c) Mr. Venkataraman is entitled to resign, or the Company is entitled terminate the services, by giving Mr. Venkataraman 6 (six) months' notice, or by paying 6 (six) months' salary in lieu of the notice.

d) Upon termination of his employment, by means mentioned above, Mr. Venkataraman shall immediately tender his resignation from office as Director of the Company and from such other offices held by him in any subsidiary and associate companies without claim for compensation for loss of office. In the event of failure of Mr. Venkataraman to do so, the Company is hereby irrevocably authorized to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associate companies of which he is at the material time a Director or other officer. Mr. Venkataraman is being appointed by virtue of his employment in the Company and his appointment shall be subject to Section 167 (1) (a) of the Companies Act, 2013.

e) Upon expiry or termination of this Agreement, Mr. Venkataraman shall cease to be the Managing Director and also cease to be the Director of the Company. If at any time Mr. Venkataraman ceases to be the Director of the Company for any reason whatsoever, he shall also cease to be the Managing Director and this Agreement shall terminate forthwith. Further, if at any time, Mr. Venkataraman ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be the Director and Managing Director of the Company.

f) The terms and conditions of appointment of Mr. Venkataraman as Managing Director may be altered and varied from time to time by the Board, as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Companies Act, 2013 or any amendments from time to time and as may be agreed between the Board and the Managing Director subject to such statutory approvals as may be required.

g) Mr. Venkataraman to undertake that he will not during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its subsidiaries or associated companies.

h) Mr. Venkataraman so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company, without the prior approval of the Board or the shareholders of the Company or any governmental authority as the case may be. Mr. Venkataraman shall not be entitled to supplement his earnings under this agreement with any buying or selling commission.

i) The terms and conditions of appointment of the Managing Director also include clauses pertaining to the adherence of the Tata Code of Conduct and he shall during his term of appointment abide by the provisions of the Tata Code of Conduct in spirit and in letter and commit to assure its implementation.

j) All Personnel Policies of the Company and the related rules that are applicable to other employees of the Company shall also be applicable to Mr. Venkataraman, unless specifically provided otherwise.

Further details as required under the SEBI LODR and Secretarial Standard on General Meetings (SS-2) of Mr. C. K. Venkataraman have been given in the Annexure to this Notice. Mr. Venkataraman satisfied all the conditions set out in Part-1 of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for appointment. He is not disqualified from being a Director in terms of Section 164 of the Act.

The Board recommends the Resolutions at Item Nos. 7 and 8 of this Notice for approval of the Members and accordingly in compliance with the provisions of Section 196 and 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration of Mr. Venkataraman as specified above, are now placed before the Members for their approval.

None of the Directors or Key Managerial Personnel or their respective relatives other than Mr. C. K. Venkataraman is concerned or interested in the Resolutions at Item Nos. 7 and 8 of the Notice.

Mr. C. K. Venkataraman is not related to any Director or KMP of the Company.

Item No. 9

The Board had, based on the recommendations of the Board Nomination and Remuneration Committee ("BNRC"), appointed Ms. Sindhu Gangadharan (DIN: 08572868) as an Additional Director of the Company with effect from 8th June 2020. In terms of Section 161(1) of the Act, Ms. Sindhu 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, Ms. Sindhu was also appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years commencing from 8th June 2020 to 7th June 2025, in accordance with the provisions of Section 149 read with Schedule IV of the Act.

Ms. Sindhu has consented to act as Director of the Company and has given her declaration to the Board that she 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, Ms. Sindhu has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also confirmed that she 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, Ms. Sindhu is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Ms. Sindhu has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Ms. Sindhu fulfils the conditions specified under the Act read with Rules thereunder and the SEBI LODR for her 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 her association would be of immense benefit to the Company and it is desirable to avail the services of Ms. Sindhu as an Independent Director. A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of her 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.

A brief profile of Ms. Sindhu, including details of current directorships 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 Ms. Sindhu as an Independent Director for five consecutive years commencing from 8th June 2020 is now placed for the approval of the Members by an Ordinary Resolution.

Ms. Sindhu would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof where she is a Member. In addition, she 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 Ordinary Resolution set out in Item No. 9 of the accompanying Notice for approval of the Members.

Except Ms. Sindhu Gangadharan, 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. 9 of the accompanying Notice.

Ms. Sindhu Gangadharan is not related to any other Director or KMP of the Company.

Item No.10

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. 10 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.10 of the Notice.

Item No. 11

Section 197 of the Companies Act, 2013 permits payment of remuneration to Non-Executive Directors of a Company by way of Commission, if the Company authorizes such payment by a Ordinary Resolution.

At the Annual General Meeting of the Company held on 31st July 2015, the Shareholders had approved the remuneration payable to Non-Executive Directors of the Company by way of Commission not exceeding one per cent of the net profits of the Company, computed in the manner referred to in Section 197 & 198 of the Companies Act, 2013, for a period of five year, commencing from Financial Year 2015-16, by a special resolution. Since the validity of the earlier resolution passed by the Shareholders expires in Financial Year 2019-20, approval is sought from Shareholders for renewal of the resolution from 1st April 2020 in order to continue to pay remuneration to the Non-Executive Directors by way of Commission.

Considering the rich experience and expertise brought to the Board by the Non- Executive Directors, it is proposed that remuneration not exceeding one per cent of the net profits of the Company calculated in accordance with provisions of the Act, and subject to further appropriate ceiling(s), be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of Nomination and Remuneration Committee of the Board and approval by the Board of Directors of the Company. Such payment will be in addition to the sitting fees for attending Board meeting/Committee meetings of the Board.

The Board recommends the Resolution at Item No.11 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives, except all of the Non-Executive Directors of the Company to the extent to whom the resolution relates, are concerned or interested in the Resolution at Item No.11 of the accompanying Notice.

By Order of the Board of Directors

Dinesh Shetty
General Counsel & Company Secretary

8th June 2020
Mumbai
CIN: L74999TZ1984PLC001456

Registered Office:
3, SIPCOT Industrial Complex Hosur 635 126, Tamil Nadu

Annexure to Notice

Details of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 – Secretarial Standards on General Meetings]

Name of Director	Mr. Noel Naval Tata*	Ms. Kakarla Usha*
Director Identification Number (DIN)	00024713	07283218
Date of Birth	12th November 1956	6th March 1969
Age	63	51
Date of Appointment	7th August 2003	21st November 2019
Qualifications	B.A (Economics) from University of Sussex, IEP, INSEAD, France	IAS
Expertise in specific functional areas	Mr. Noel N. Tata is currently the Managing Director of Tata International Limited, Chairman of Trent Limited, Voltas Limited and Vice Chairman of Titan Company Limited. Before joining Tata International, he has worked with Trent Limited, Nestle (UK) and Tata Exports Limited (now Tata International Limited). Mr. Tata was appointed Chairman of Voltas Limited on 1st September 2017. He is also the Chairman of Tata Investment Corporation Limited and Tata Africa Holdings Limited. Besides this, Mr. Tata has also been appointed as the Vice Chairman of Titan Company Limited 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. He is the son of Mr. Naval H. Tata and Mrs. Simone N. Tata.	Ms. Kakarla Usha is a 1994 batch IAS Officer who has held many key positions in various departments in the Government of Tamil Nadu/Government of India. Presently, Kakarla Usha is the Chairperson and Managing Director of Tamilnadu Industrial Development Corporation Limited (TIDCO).
Directorships held in other companies (excluding foreign companies and Titan)	i. Retailers Association of India ii. The Cricket Club of India Limited iii. Inditex Trent Retail India Private Limited iv. Trent Hypermarket Private Limited v. Tata Investment Corporation Limited vi. Kansai Nerolac Paints Limited vii. Trent Limited viii. Landmark Limited (Part IX) ix. Voltas Limited x. Satnam Developers and Finance Private Limited xi. Tata International Limited	i. Tamilnadu Industrial Development Corporation Limited ii. State Industries Promotion Corporation of Tamilnadu Limited iii. TIDEL Park Limited iv. Ascendas IT Park (Chennai) Limited v. Tamilnadu Petroproducts Limited vi. TRIL Infopark Limited vii. TIDEL Park Coimbatore Limited viii. TICEL Bio Park Limited ix. Electronics Corporation of Tamilnadu Limited x. Marine Infrastructure Developer Private Limited xi. Tamilnadu Trade Promotion Organisation
Membership/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	**Audit Committee:** i. Trent Limited ii. Kansai Nerolac Paints Limited **Stakeholder Relationship Committee:** i. Voltas (Chairman)	**Audit Committee:** i. Tamilnadu Petroproducts Limited ii. Ascendas IT Park (Chennai) Limited iii. Electronics Corporation of Tamilnadu Limited iv. Marine Infrastructure Developer Private Limited

Name of Director	Mr. Noel Naval Tata*	Ms. Kakarla Usha*
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Number of shares held in the Company	46,900	50

Name of Director	Mr. Bhaskar Bhat*	Mr. C. K. Venkataraman*
Director Identification Number (DIN)	00148778	05228157
Date of Birth	29th August 1954	30th October 1960
Age	65	59
Date of Appointment	1st October 2019	1st October 2019
Qualifications	B.Tech (Mechanical Engineering) from IIT – Madras, Post Graduate Diploma Holder in Management from IIM – Ahmedabad.	Post Graduate Diploma in Management from IIM-Ahmedabad
Expertise in specific functional areas	Mr. 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, Mr. Bhaskar dealt with Sales & Marketing, HR, International Business and various general managerial assignments. He then took over as Managing Director of the Company on 1st April 2002, and held the position till his superannuation on 30th September 2019. Subsequently, he was appointed as a Non-Executive Non-Independent Director of the Company with effect from 1st October 2019 as a nominee of Tata Sons Private Limited.	Mr. Venkataraman 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 the post of Managing Director.
Directorships held in other companies (excluding foreign companies and Titan)	i. Tata Chemicals Limited ii. Trent Limited iii. Rallis India Limited iv. Bosch Limited v. CaratLane Trading Private Limited vi. Tata SIA Airlines Limited vii. Tata Sons Private Limited	i. Titan Engineering & Automation Limited ii. Tata Unistore Limited iii. Mercy for Animals India Foundation (Section 8 company)
Membership/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	**Audit Committee:** i. Bosch Limited ii. Tata SIA Airlines Limited **Stakeholder Relationship Committee:** i. Bosch Limited	**Audit Committee:** i. Tata Unistore Limited
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Number of shares held in the Company	80,960	14,000

Name of Director	Ms. Sindhu Gangadharan*
Director Identification Number (DIN)	08572868
Date of Birth	4th July 1976
Age	44
Date of Appointment	8th June 2020
Qualifications	Computer Science Engineering from Bangalore University
Expertise in specific functional areas	Ms. Sindhu Gangadharan is Senior Vice President and Managing Director of SAP Labs in India, responsible for SAP's development facilities in Bangalore, Pune, Mumbai and Gurgaon. SAP Labs India is the largest R&D center outside SAP's headquarters in Germany and a leading hub for innovation and a hot spot for talent and diversity. Ms. Sindhu joined SAP two decades ago, when SAP Labs India had just set up its operations in Bangalore. She later moved to SAP's headquarters in Waldorf, Germany, working on various products, technology and innovation platforms, and has held several strategic and leadership positions managing global teams. She has studied Computer Science Engineering from Bangalore University and began her career at SAP in the CRM Middleware space.
Directorships held in other companies (excluding foreign companies and Titan)	SAP Labs India Private Limited
Membership/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
Inter-se relationship with other Directors and Key Managerial Personnel	Nil
Number of shares held in the Company	Nil

* 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 Sixth Annual Report and the Audited Financial Statements for the year ended 31st March 2020:

1. Financial Results

(₹ in crore)

	Standalone		Consolidated	
	2019-20	**2018-19**	**2019-20**	**2018-2019**
Revenue from Operations	20,010	19,070	21,052	19,779
Other Income	146	178	153	183
Total Income	**20,156**	**19,248**	**21,205**	**19,962**
Expenditure	17,592	17,068	18,585	17,788
Profit before exceptional items, finance costs, depreciation and taxes	**2,564**	**2,181**	**2,620**	**2,174**
Finance Costs	149	44	166	53
Depreciation/Amortisation	310	139	348	163
Profit before share of profit/(loss) of an associate and joint venture and exceptional items and taxes	2,105	1,997	2,106	1,959
Share of profit/(loss) of an associate and Jointly controlled entity	-	-	(4)	(2)
Profit before exceptional items and taxes	2,105	1,997	2,102	1,957
Exceptional items	-	70	-	-
Profit before taxes	**2,105**	**1,927**	**2,102**	**1,957**
Income taxes				
- Current	552	602	570	618
- Deferred	36	(49)	39	(49)
Profit for the year	**1,518**	**1,374**	**1,493**	**1,388**
Attributable to				
- Shareholders of the Company	1,518	1,374	1,501	1,404
- Non-controlling interests	-	-	(9)	(16)
Profit brought forward	2,876	1,903	2,759	1,792
Appropriations				
Adjustment of transition to Ind AS 116 on opening retained earnings	(156)	-	(159)	-
Deferred tax on Ind AS 116 transition impact	55	-	55	-
Deletion on account of sale of subsidiary	-	-	-	(4)
Acquisition of non-controlling interest in subsidiary	-	-	(30)	(31)
Dividend on Equity Shares (excluding tax)	(444)	(333)	(444)	(333)
Tax on dividends	(91)	(68)	(91)	(68)
Transfer to general reserve	-	-	-	-
Closing Balance in Retained Earnings	3,758	2,876	3,591	2,759

1a) Standalone Numbers:

During the year under review, the Company's total revenue grew by 5% to ₹ 20,010 crore compared with ₹ 19,070 crore in the previous year.

Profit before tax grew by 9% to ₹ 2,105 crore and the net profit increased by 10% to ₹ 1,518 crore.

The Watches and Wearables Division of the Company recorded revenue of ₹ 2,615 crore, a growth of 7.2%. The revenue from Jewellery Division grew by 4.4% touching ₹ 16,738 crore. The revenue from Eyewear Division grew by 6.4% to ₹ 544 crore. The revenue from other divisions recorded a sale of ₹ 171 crore, a growth of 28.2%.

New Businesses, viz. Indian Dress Wear Division and Fragrances and Accessories Division recorded revenue of ₹ 117.59 crore, a growth of 46% over the previous year. While the Indian Dress Wear Division grew by 102%, the Fragrances and Accessories Division recorded a growth of 27%.

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

During the year, the Company had opted for lower tax rate of 25.17% by foregoing the tax benefits mainly in the tax free zones. 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. Jewellery and Eyewear revenue declined whereas Watches & Wearables Division grew marginally by 2%. Lower sales and mark to market deposit pertaining to gold hedging transactions with Multi Commodity Exchange of India Limited resulted in substantial gross short term borrowing as at the end of the year.

The year witnessed aggressive expansion of the Company's retail network. As on 31st March 2020, the Company had 1,739 stores, with over 2.27 million square feet of retail space delivering a retail turnover of over ₹ 20,000 crore.

1b) Consolidated Numbers

At the consolidated level, the revenue stood at ₹ 21,052 crore as against ₹ 19,779 crore in the previous year. The details of the performance of the Company's subsidiaries are covered below in point 15 of this Report.

2. International Operations

Watches & Wearables Business: The non-smart segment of watches continued to face headwinds in markets across the globe in the year 2019 and since January 2020, the COVID-19 global pandemic caused a significant slump in business during the last quarter of the previous year. Last quarter of the previous year saw a retail decline of >50% in most global corridor cities. Key commercial hubs like Singapore, Ho Chi Minh City, Bangkok and Dubai reported their worst tourist traffic numbers since 9/11. The watch category's premier event, Basel Watch Fair 2020 was cancelled for health-safety reasons. COVID-19's impact on tourism, overall business, and retail in particular is expected to last through the year 2020. 50% of the Company's watches international business is dependent on the Middle East markets. UAE, the Company's largest market outside of India, declined by about 11% but the business managed to outperform competition owing to a better retail network.

Jewellery Business: During the year under report, the Company's jewellery business in the GCC (Gulf Cooperation Council) region was studied in detail owing to its similarity to India and after careful study, Dubai was chosen to pilot the international launch of Tanishq. Two legal entities were incorporated in this regard and necessary tie-ups like banking, logistics etc. have also been put in place to enable start of operations with the first Tanishq store in the first quarter of the current financial year subject to normalcy of the COVID-19 situation.

3. 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).

4. Transfer to General Reserve

The Board of Directors has decided to retain the entire amount of profits for FY 2019-20 in the Retained Earnings.

5. Finance

The year was a challenging year with the surge in gold prices impacting jewellery sales. This also resulted in higher inventory in jewellery leading to a higher working capital thereby leading to lower cash position. During the year, the credit rating was upgraded from AA + to AAA by CRISIL and the Company was rated for the first time as AAA by Brickworks Rating. Details of credit ratings obtained during the year under report is covered under the Corporate Governance Report.

Further, the Company is working out its strategy to manage the current COVID-19 crisis with particular focus to ensure that adequate liquidity is available till normalcy returns.

6. Public Deposits

The Jewellery Division of the Company was successfully operating customer 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: ₹ 2,406.39 crore

(b) remained unpaid or unclaimed as at the end of the year: ₹ 1,484.35 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.

7. 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 COVID-19.

In March 2020, the World Health Organisation declared COVID-19 as a pandemic. The Company's operations were impacted from 17th March 2020 till the first week of May 2020 when the lockdown was gradually lifted. The Company opted to shut all its stores, factories and offices even before the lockdown was officially implemented keeping the safety of its customers and employees in mind. The Company adopted a work from home policy during the entire duration of the lockdown and with the easing of restrictions, the Company has re-opened its offices with limited staff resuming work from office. As on the date of this Report, all factories are open with manning within the prescribed norms and production commencing depending on the demand and a significant number of stores have also re-opened with thorough and well-rehearsed safety protocols in place including observance of strict social distancing norms and sanitization of products before and after every trial to ensure customers' safety. The Company has also taken several initiatives during the lockdown to strengthen the bond with its customers and create meaningful relationships through well-thought digital interventions. Other stores are in the process of re-opening. While the uncertainties created by COVID-19 continue for the future, your Company's focus will be on serving the interests of all its stakeholders as the situation evolves.

Please refer Note 38 of Notes to the standalone financial statements for further details in respect of impact of COVID-19 on the financial statements of the Company.

8. 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.

9. 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 ₹ 31 crore in purchase of additional equity stake in CaratLane Trading Private Limited (CaratLane) taking its holding to 72.3%.

Further, the Company has granted a loan of ₹ 1.95 crore to Titan Holdings International FZCO, Dubai, a wholly owned subsidiary of the Company

10. Integrated Report

The Company has, over the last two 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 last year, the relevant information has been provided in this year's Annual Report as well.

11. 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 2020.

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.

12. Board Meetings

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

13. 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 2** to this report.

14. 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 Risk Register of each Business gets updated on an 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.

15. Related Party Transactions

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons 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 applicable. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive 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 has any pecuniary relationships or transactions vis-à-vis the Company.

The details of the transactions with related parties during FY 2019-20 are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

16. Subsidiaries/Joint Venture/Associate Company

As on 31st March 2020, 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	Subsidiary
3	Titan Engineering & Automation Limited	Subsidiary
4	CaratLane Trading Private Limited	Subsidiary
5	Green Infra Wind Power Theni Limited	Associate
6	Montblanc India Retail Private Limited	Joint Venture
7	Titan Holdings International FZCO, Dubai	Subsidiary
8	Titan Global Retail LLC, Dubai	Subsidiary

During the year 2019-20, Favre Leuba AG had registered a turnover of CHF 0.87 million i.e., ₹ 6.25 crore against the previous year's figures of CHF 1 million, i.e. ₹ 6.82 crore and loss of CHF 7.19 million, i.e. ₹ 51.03 crore (2018-19: 7.39 million, i.e. ₹ 52.18 crore). During the year FY 2019-20, the Company has invested CHF 8.76 million in Favre Leuba AG's share capital.

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

During the year FY 2019-20, Titan Engineering & Automation Limited (TEAL) generated income of ₹ 462.33 crore against the previous year's figures of ₹ 343.21 crore, an increase of 34.70% and the profit before tax was at ₹ 78.12 crore against the previous year's figures of ₹ 58.06 crore.

CaratLane is engaged in the business of manufacturing of jewellery products and has significant online presence. CaratLane's performance was very good with high double digit growths recorded in retail sales in both online and physical channels, with great emphasis on Omni selling. CaratLane added 37 stores in the year to take the store count to 92. During the year 2019-20, CaratLane registered a turnover of ₹ 621.23 crore (previous year: ₹ 416.39 crore) and the loss amounted to ₹ 27.27 crore against the previous year's figures (loss) of ₹ 46.13 crore.

The Company holds a 49% equity stake in Montblanc India Retail Private Limited (Montblanc), a joint venture entered into with Montblanc Services B.V., the Netherlands for operation of retail boutiques in India for Montblanc products. Montblanc registered a turnover of ₹ 57.45 crore and the loss amounted to ₹ 4.87 crore. During the year, the Company invested an additional amount of ₹ 7.74 crore through rights issue in Montblanc.

Titan Holdings International FZCO was formed as a Free Zone Company, for which the Certificate of Formation was issued on 22nd October 2019, 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. The Company did not have any business operations during FY 2019-20. However, it had certain expenses pertaining to the incorporation and setting up its corporate office in DAFZA and incurred a loss of AED 0.31 million (₹ 0.59 crore).

Titan Global Retail LLC was formed on 15th December 2019 as a subsidiary of Titan Holdings International

FZCO to carry out business activities and retail trade in the industry in which the company operates. Titan Global Retail LLC will operate its retail stores and service stores in UAE. During the year under review, the Company has identified and started work on its first Boutique and Service Centre in Dubai but the Company did not have any business operations. However, it had expenses for setting up its retail store and service centre and incurred a loss of AED 0.41 million (₹ 0.79 crore).

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 FY 2019-20 except TEAL which has declared a dividend of ₹ 5 per share on the face value of ₹ 10 per share aggregating to ₹ 23.53 crore (subject to applicable taxes).

The annual accounts of these subsidiary companies/JV company were consolidated with the accounts of the Company for FY 2019-20.

The statement containing salient features of the financial statement of subsidiaries/associate company/joint venture in Form AOC-1 forms part of the Annual Report.

17. 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.

18. 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 FY 2019-20.

A report on CSR pursuant to Section 135 of the Act & Rules made thereunder is attached in **Annexure-II**.

19. Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure-III** in the prescribed Form MGT-9, which forms part of this Report.

20. Dividend Distribution Policy

The Dividend Distribution Policy is annexed as **Annexure-IV** to this Report.

21. 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.

22. 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.

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

The Company has been at the forefront in ensuring a safe and secure work place for all its employees. In particular, as per the mandated Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder, prevention and redressal of complaints of sexual harassment at workplace are actively cascaded. The Company has adopted a zero tolerance for sexual harassment at workplace.

The selection and training of Internal Complaints Committee (ICC) members follows a stringent process to ensure that the most suitable person is part of the committee. The Company has also empaneled its unionized employees at its manufacturing units for a better representation and reach of the employees. All members undergo the Prevention of Sexual Harassment (POSH) training and are equipped to handle communication as well as redressal.

During the year under review, the total number of ICC members was at 96 as against 64 in the previous financial year. The Company had organised annual meets with ICC members where learning is shared and industry perspective and changes in law (if any) are discussed. The Company also invests in building capability of its ICC members through programmes on POSH, investigation techniques, impact of bias and industry exposure.

The core Ethics team comprises of the ICC Chairperson, the Chief Ethics Counsellor (CEC) and experienced senior managers across the Company besides an external expert.

All stakeholders across geographies, viz. employees, contract and agency hires, vendors and associates are part of the communication cascades. All new joinees are also part of an induction on POSH. The cascades are designed in a simple but effective manner by the use of regional theatre to demonstrate violations and the consequences. The regional heads or manufacturing/unit heads along with the leadership team of the respective unit are part of the open house and Q&A at the end of the session at their respective locations. 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 129 such events were held across the country covering over 14,619 stakeholders. Other means of communication using short films, quizzes and games were continued to create awareness along with sensitization programmes for people managers.

During the financial year FY 2019-20, the Company received 3 complaints on sexual harassment, 2 were disposed of with appropriate action taken and 1 complaint was pending as on 31st March 2020.

24. 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).

25. 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 2020.

26. Business Responsibility Report

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

27. Directors and Key Managerial Personnel

Ms. Hema Ravichandar, Ms. Ireena Vittal, Mr. Ashwani Puri, Mr. B Santhanam, Mr. Pradyumna Vyas and Dr. Mohanasankar Sivaprakasam were the Independent Directors during the Financial Year 2019-20 and all 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.

Dr. Mohanasankar Sivaprakasam was appointed as an Additional Director and Independent Director on the Board of the Company with effect from 3rd July 2019 and subsequently approved by the shareholders at the thirty fifth Annual General Meeting held on 6th August 2019 as an Independent Director for a period of five years from 3rd July 2019.

Mr. T K Balaji, Independent Director, retired from the Board on 31st July 2019 upon completion of his tenure as an Independent Director. The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by him during his tenure as a member of the Board.

Mr. Bhaskar Bhat, who retired as the Managing Director of the Company on 30th September 2019 was nominated by Tata Sons Private Limited (Tata Sons) on the Board of the Company as Non-Executive Director with effect from 1st October 2019 and Mr. Harish Bhat, nominee of Tata Sons stepped down from the Board as a Non-Executive Director with effect from 30th September 2019. The Board recorded the stupendous and well-rounded development of the Company under the exemplary leadership of Mr. Bhaskar Bhat and also recorded its appreciation on Mr. Bhat's contributions to the Company during his tenure in the Company.

Mr. C K Venkataraman was appointed as the Managing Director of the Company with effect from 1st October 2019, subject to approval of the shareholders. Members attention is drawn to Item No. 7 & 8 of the Notice convening the Thirty Sixth Annual General Meeting for the appointment of Mr. C K Venkataraman as a Director and Managing Director of the Company.

Mr. Ramesh Chand Meena, nominee of TIDCO, resigned from the Board with effect from 14th October 2019.

Ms. Kakarla Usha was appointed as an Additional Director on the Board of the Company on 21st November 2019.

Ms. Sindhu Gangadharan, 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 8th June 2020 for a period of five years subject to the approval of the shareholders.

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

Members attention is drawn to Item No. 5 of the Notice for the appointment of Ms. Kakarla Usha as a Director of the Company, to Item No.6 of the Notice for the appointment of Mr. Bhaskar Bhat as a Director of the Company and to Item No.11 of the Notice for the appointment of Ms. Sindhu Gangadharan as an Independent Director of the Company for a period of five years from 8th June 2020.

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

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

During the year, Mr. Bhaskar Bhat retired as Managing Director of the Company effective 30th September 2019 and Mr. C K Venkataraman, was appointed as the Managing Director effective 1st October 2019 subject to the approval of the shareholders of the Company. 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 are the Key Managerial Personnel of the Company.

29. 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;

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.

30. 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 received through one on one insighting by the BNRC Chairperson with each Director.

Based on the questionnaire and feedback, the performance of every Director was evaluated by the BNRC.

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 fulfillment 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.

31. 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 Board Chairman.

32. 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 Remuneration Policy is annexed to the Corporate Governance Report.

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

In accordance with the agreement between the promoters, three Directors each may be nominated by Tata Sons and TIDCO.

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

The Board Nomination and Remuneration Committee ("Committee") 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.

Process for selection
The Committee may act on its own in identifying potential candidates. The Committee shall review and discuss details pertaining to candidates and will conduct evaluation of candidates in accordance with the process that it sees fit and appropriate and thereafter pass on its recommendation for nomination to the Board, based on the following guidelines:

Attributes

i) The Committee shall seek candidates who is not a nominee or related to either Promoters of the Company. Such candidates shall possess integrity, leadership skills, managerial qualities, foresight abilities and competency required to direct and oversee the Company's management in the best interest of its stakeholders i.e. shareholders, customers, employees and communities it serves.

ii) The candidate must be willing to regularly attend the meetings of the Board and develop a strong understanding of the Company, its businesses and its needs, to contribute his/her time and knowledge to the Company and to be prepared to exercise his/her duties with skill and care. Besides these, the candidate should have an understanding of governance concepts and legal duties of a Director.

iii) It is desirable that the candidate should have expertise to fill in the gap(s) identified by the Company in the current composition of the Board.

iv) Ideally the candidate should possess experience of 5 years on the Board of a listed company.

v) The candidate's age shall not exceed 70 years at the time of joining the Board.

vi) Forthrightness and ability to possess foresight abilities in the Governance of a Corporate.

Board Composition

Keeping in mind that women constitute a majority of the Company's customers it would be desirable to have one-third of the Board's strength represented by woman members.

Procedure

1. The Committee may retain search firms or advisors as it deems appropriate to identify candidates.
2. Develop a list of potential candidates of Independent Directors which may be refreshed every year. The Committee to create a list of probable candidates from known sources or from the database of Ministry of Corporate Affairs, Government of India or Stock Exchanges.
3. The Committee may also consider profiles of suitable expatriates.
4. The candidate considered by the Committee as potentially qualified will be contacted to determine their interest in being considered to serve on the Board and if interested will be interviewed.

As and when a candidate is shortlisted, the Committee will make a formal recommendation to the Board.

34. 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 is as below:

Sl. No.	Name of the Director	Ratio (times)	% change
A]	**Director's remuneration**		
1	Mr. N Muruganandam	4.57	-28.64
2	Mr. Arun Roy	4.86	NA*
3	Mr. Ramesh Chand Meena[1]	2.50	NA*
4	Ms. Kakarla Usha[2]	1.07	NA*
5	Mr. N. N. Tata[3]	3.86	-15.25
6	Mr. Harish Bhat[3]	4.04	NA*
7	Mr. T. K. Balaji[4]	2.10	NA*
8	Ms. Hema Ravichandar	9.92	5.90
9	Ms. Ireena Vittal	8.81	-4.11
10	Mr. Ashwani Puri	7.57	-15.25
11	Mr. B Santhanam	6.06	19.65
12	Mr. Pradyumna Vyas	3.65	NA*
13	Dr. Mohanasankar Sivaprakasam[5]	3.12	NA*
14	Mr. Bhaskar Bhat[6] - as Managing Director	86.65	NA*
15	Mr. Bhaskar Bhat[7] - as Non-Executive Director	2.68	NA*
16	Mr. C K Venkataraman[8]	51.48	NA*
B]	**Key Managerial Personnel**		
17	Mr. S Subramaniam	-	19
18	Mr. Dinesh Shetty	-	12

[1] Mr. Ramesh Chand Meena, IAS, nominee of TIDCO resigned from the Board with effect from 14th October 2019.

[2] Ms. Kakarla Usha, IAS, nominee of TIDCO was appointed effective 21st November 2019

[3] In line with the internal guidelines, no payment is made towards commission to Mr. Harish Bhat and Mr. N N Tata, Non-Executive Directors of the Company, who are in full-time employment with other Tata companies

[4] Mr. T K Balaji ceased to hold office as an Independent Director of the Company with effect from 1st August 2019 upon completion of his tenure on 31st July 2019 as approved by the shareholders at the 30th Annual General Meeting of the Company.

[5] Dr. Mohanasankar Sivaprakasam was appointed as an Independent Director on the Board effective 3rd July 2019.

[6] Mr. Bhaskar Bhat was Managing Director for the period 1st April 2019 to 30th September 2019 and this payment is only pertaining to the period during which he served as the Managing Director of the Company.

[7] Mr. Bhaskar Bhat was appointed as a Non-Executive Director with effect from 1st October 2019 and this payment is only pertaining to the period October 2019 to March 2020 during which he served as a Non-Executive Director of the Company.

[8] Mr. C K Venkataraman was appointed as Managing Director of the Company with effect from 1st October 2019

* The % change in remuneration is not comparable as the said directors held the position for a part of the year either in 2018-19 or in 2019-20.

ii) The percentage increase in the median remuneration of employees in the financial year: 10.5%

iii) The number of permanent employees on the rolls of the Company: 7,550

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:

The average percentage increase this year has been 10.5% across all levels. Increase in the managerial remuneration is based on market trends and performance criteria as determined by the Board of Directors and on the recommendation of the Board Nomination and Remuneration Committee (BNRC).

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 remuneration is as per the Remuneration Policy of the Company.

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

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

36. Auditors

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, 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-V**.

c) Cost Audit

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

37. 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.

38. 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

TIDCO and Tata Sons 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 N Tata	**C K Venkataraman**
Vice Chairman	*Managing Director*
Mumbai	Bengaluru

8th June 2020

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

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

1. Twin wire EDM machine, technology with an Integrated Online Inspection System inducted for tool manufacturing.
2. Robotic automation in back cover forming presses
3. Laser cutting technology for Flat parts development for functional proto development.
4. Commissioning of an online Micro motor test System developed indigenously with Swiss expertise.
5. Software for watch movement mechanisms design simulation.
6. 3D printing technology is currently widely used for components and tooling development.
7. IIoT (Industrial Internet of Things) initiative: Installation and commissioning of an online Performance Monitoring System to optimize the operating performance of energy-intensive manufacturing and service equipment.

Jewellery

New technological developments in the industry were continuously tracked and they were adopted as relevant to the operations. Jewellery manufacturing division has also partnered with many experts and consultants to monitor, evaluate and upgrade technology and processes used in manufacturing.

Jewellery manufacturing division explored cutting-edge technologies and invested in high end imported CNC Machines. It has also invested in latest high-end rapid prototyping machines with high accuracy and precision. Industry 4.0 journey has begun in Hosur jewellery factory by piloting the technology in a few critical areas.

Key Technology Adoption

- Smart Warehouse Automation commissioned in Hosur for faster delivery. It will also be implemented at other important fulfilment centres across the country.
- Stone Play Detector Automation deployed for detecting loosely mounted diamonds in the Jewellery Product towards improving product quality.
- 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 (IMPACT) continued to attract employee participation. 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 also been initiated during this year.

Eyewear

The Eyewear manufacturing has set up world class integrated manufacturing premises for the Eyewear Division at Chikkaballapur, which along with six lens labs spread across other metro cities has provided a better reach across the value chain.

The Division has successfully continued cross learning, sharing of good practices and also feedback among its manufacturing units and stores through Knowledge Management (KM) which has resulted in upgradation of Anti-Reflective coating process with better scratch resistance property in the prescription eye wear lens manufacturing in the labs at Bengaluru, Chennai and Mumbai which use similar technologies. This has led to a better customer sentiment with respect to Quality of lenses.

New Coating named ClearSight has been launched in this year and has become very popular within short span of time. The ClearSight lens has a residual reflection colour of orangish-magenta which brings in a freshness in terms of available products in market while also balancing the skin tone of most Indian spectacle wearers. Additionally the ClearSight lenses are having blue light filtration property up to 420nm and much higher scratch resistant property than any other ophthalmic lenses. It also provides a no lens feel due to high transparency due to lowest reflection percentage.

A versatile progressive lens providing maximum comfort and perception of no limits which improves the visual clarity is under trials in the FY 2019-20 and will be launched in 2020-21.

Customer service team has deployed IVRS calling system for calls, a new video calling interface- i-window and also a Chat BOT to solve the store concerns at a faster rate, with better efficiency.

At the Central Warehouse located in Chikkaballapur premises, the team has deployed Robotic Process Automation (RPA) at the lens section- to generate automatic pick list and automatic invoicing. This is the first RPA project implemented in Eyewear Division. This implementation is enabled to push the order download time from 8:30 P.M. to 10:00 P.M. which resulted in 8% additional orders connecting on the same day. Lens operations under RPA are more accurate, effortless and scalable.

Conservation of Energy & Fuel

Watches & Wearables

The Division has successfully implemented various energy and fuel conservation projects with internal expertise and association with external agencies in the areas of lighting, vacuum system, air-conditioning and process water cooling/evaporation systems at its manufacturing facility. During FY 2019-20, these conservation initiatives have resulted in significant savings in power and fuel cost.

The key initiatives are:

- In line with the vision of becoming "Carbon Neutral", the Division is continually sourcing part of its energy requirement at watch manufacturing facility through renewable energy resources – Wind Mills. During 2019-20, 9.70 million units of energy was sourced from Green Infra Wind Power Theni Limited, (Associate Company) with wind farms which represents 80.83% of the annual energy consumption and this has resulted in reducing the carbon emission to an extent of 7,178 tons.
- The Division has implemented installation of Scale Bio Removal system (SBR): for the centralized A/c system cooling tower circuit - It's an online water treatment system which reduces the Total Dissolved Solids (TDS) content in the cooling water through the electrolysis process thereby preventing scale formation and improving the cooling tower water quality and energy performance.
- Balancing valves for air conditioning system chilled water circuit and Control integration through IIOT (Industrial Internet of Things), to optimize and control the flow of chilled water based on the temperature condition of controlled environment very precisely through digital monitoring and control devices, leading to lesser energy consumption.
- The above initiatives have resulted in energy reduction of ~ 3 lakh units per annum in the air conditioning system.
- The Watch manufacturing plant at Hosur has been awarded with the **"Green Tech Environmental Management Award-2019"** under **"Winner"** category for their best environmental management practices in the areas of energy conservation, renewable energy substitution, reduction of greenhouse gas emissions and constant reduction of environmental impacts through systematic environmental improvement programmers.
- The Division has also won the **CII National Energy Efficient Unit Award-2019** for its best energy conservation initiatives.

Jewellery

a. **Steps taken for conservation of Energy**

The overall electricity consumption at Hosur was reduced by 5% despite the increase in number of Machineries by initiatives like installing Energy efficient Chillers for HVAC, addressing outcomes of the Thermography Audit etc. Hosur Jewellery Plant has maintained 30% of its energy from renewable sources like wind and solar.

b. **Sustainability**

Jewellery Manufacturing Division has been driving sustainability initiatives successfully under the implementation of "JSM" (Jewellery Sustainability Mission). Rejuvenation of the Lake near Hosur Factory was a major initiative taken during the year. Per capita water consumption in Hosur has reduced by 15% during the year through multiple initiatives. Also, 500+ trees were planted with Miyawaki concept which improved the green cover. Overall Carbon Footprint in Hosur Factory has also been reduced by 10%.

Eyewear

The Division has put many efforts to conserve energy in many different ways. Among them, power saving by eliminating the standalone individual machine chillers in Anti-reflective coating department and connecting the centralized equipment helped the Division save 25,000 units per month summing up to saving of ₹ 1.7 lakh per month and about ₹ 20 lakh for the entire year. Also the Division commissioned variable frequency drives for induction motors in Air handling units and saved 20,000 units/ month summing up to ₹ 1.4 lakh per month.

Expenditure on Research & Development

(₹ in crore)

		Year ended 31.3.2020	Year ended 31.3.2019
(a)	Capital	2.44	3.77
(b)	Recurring	21.53	22.48
(c)	Total	23.97	26.25
(d)	Total R&D expenditure as percentage of turnover	0.12%	0.14%

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned ₹ 156.71 crore in foreign exchange and spent ₹ 748 crore.

On behalf of the Board of Directors,

N N Tata
Vice Chairman
Mumbai

C K Venkataraman
Managing Director
Bengaluru

8th June 2020

Annexure-II

ANNUAL REPORT ON CSR – 2019-20

I. 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 are both short and long term in nature. As part of its strategy, your Company will continue to support programs that have been in place historically while realigning and sharpening focus towards the areas mentioned in the CSR policy.

During the year 2019-20, the CSR programs have reached out to 3.52 lakh individuals.

Key highlights during the year have been:

a) The Girl Child Education initiative through a combination of Employee engagement and support by Business Associates has reached out to 38,000 girl children.

b) The Titan LeAP Centre for skilling through its combination model of skilling for employment, employability and entrepreneurship and skilling for the differently abled is running to its full capacity.

c) The Grantees of Design Impact Program have made significant progress during the penultimate year of the Program.

d) Launch of a Mobile Rural Vision Screening Program - a customised bus that augments the Eye Care Program to reach out to the hinterlands of Karnataka.

All other programs continue as per plans.

The year also saw a good amount of engagement in restoration of water bodies, both in Hosur and Chennai, besides the Veerasandra lake, close to the Company's corporate office at Bengaluru is nearing completion.

Based on the broad guidelines and inputs, your Company presented its long term strategy on CSR that would strive to reach out to over 1.85 million individuals by the year 2025. The reach has been classified into three categories, viz.a) those that would create a direct or a deep impact (example: A girl child educated) b) those which are a resultant of primary reach (example: A Teacher trained) and c) those that reach out to individuals for a shorter period (example screening of the underprivileged for eye care).

Your Company's volunteering program (launched as Titan Footprints) has been successfully operating in all its locations over the years. During the year 2019-20, the Company clocked more than 19,750 person-hours of volunteering involving employees across the Company, either in CSR projects or in local causes.

From the year 2020-21, 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 i.e. educating the underprivileged girl child, skill development and support towards Indian Arts, Crafts and Heritage. It will also spend a significant part of its resources to support the fight against COVID-19 during the early part of the year.

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 as of 31st March 2020 was as under:

1. Ms. Ireena Vittal – Chairperson & Independent Director
2. Ms. Hema Ravichandar – Independent Director
3. Mr. Pradyumna Vyas – Independent Director
4. Mr. Arun Roy – Nominee Director of TIDCO
5. Mr. C K Venkataraman – Managing Director

II. The average net profits of the Company made in three preceding financial years for the purpose of computation of CSR expenditure is ₹ 1,537.67 crore

III. Mandated CSR expenditure (2% of II above) is ₹ 30.75 crore

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

1. Total amount spent in the financial year - ₹ 30.99 crore
2. Amount unspent - Nil
3. Manner of spending – Refer Annexure A

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.

Bengaluru
8th June 2020

C K Venkataraman
Managing Director

Ireena Vittal
Chairperson
Board CSR Committee

Annexure A

Sl No	CSR Project or activity identified: 2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)	Sector in which the project is ccovered (Schedule VII Reference)	Projects or programs 1) Local area or other 2) Specify the state districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads (Total Overheads captured in last row for Titan (₹ Cr.)	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent: Direct (₹ Cr.)	Through implementing agency/ partner (₹ Cr.)	Name of implementing partner(s)
1	Education with special focus on the Girl Child	**Titan Kanya - Education for Girl Child**								
		Academic support in Government (Govt.) Schools	ii	Tamil Nadu (TN) - Krishnagiri & Thiruvannamalai, UP-Varanasi	2.90	2.60	2.60	0.00	2.60	K C Mahindra Education Trust
		Education support for disadvantaged Girls	ii	Uttarakhand: Dehradun, Rudrapur, Tehri Garhwal, Uttarkashi, Prayagraj, Haridwar, Shahjahanpur WB: 24 Paraganas & Murshidabad UP: Mirzapur, Kheri, Kanpur	2.15	2.24	2.24	0.00	2.24	IIMPACT
		Kanya Sampoorna - Holistic Education								
		Early childhood care, School readiness, augmented education, Adolescent program, skilling, capacity building	i,ii	TN - Cuddalore	2.95	2.96	2.96	0.00	2.96	CARE India
		Early childhood care, School readiness, augmented education, Adolescent program, skilling, capacity building	i,ii	Karnataka - Yadgir	1.10	0.91	0.91	0.00	0.91	Kalike
		Other Education support initiatives								
		Augmenting Education - Science education in Govt schools	ii	TN - Krishnagiri	1.00	0.96	0.96	0.00	0.96	Agastya International Foundation
		Titan Scholarship program for higher education	ii	TN - Krishnagiri, Uttarakhand - Dehradun, Pantnagar	0.94	0.63	0.63	0.63	0.00	Direct
		Education for Tribal children as part of affirmative action	ii	Karnataka - Mysore TN - Krishnagiri	0.36	0.54	0.54	0.00	0.54	Swami Vivekananda Youth Movement/ Sri Ramakrishna Seva Ashram
		Support towards creating Civic awareness among children	ii	TN - Krishnagiri	0.25	0.25	0.25	0.00	0.25	Children's Movement for Civic Awareness
		Sub-Total			**11.65**	**11.08**	**11.08**	**0.63**	**10.45**	

Sl No	CSR Project or activity identified: 2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)	Sector in which the project is ccovered (Schedule VII Reference)	Projects or programs 1) Local area or other 2) Specify the state districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads (Total Overheads captured in last row for Titan (₹ Cr.)	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent: Direct (₹ Cr.)	Amount spent: Through implementing agency/ partner (₹ Cr.)	Amount spent: Name of implementing partner(s)
2	Skilling & Placement of underpriveleged youth in wage/self employment	**Employment Led Skill development programs**								
		Skilling Center for general skilling program (Chennai) - Titan LeAP	ii	TN - Chennai, Kanchipuram, Vellore, Tiruvannamalai & Coimbatore Districts	1.93	1.93	1.93	0.00	1.93	Naandi Foundation
		Skill Development in general skilling program	ii	Karnataka - Bengaluru	0.50	0.24	0.24	0.00	0.24	SAFAL
		Teacher Training Program	ii	Karnataka - Mysore	0.50	0.39	0.39	0.00	0.39	Swami Vivekananda Youth Movement
		Skill Development in Technical courses	ii	TN - Coimbatore	0.17	0.17	0.17	0.00	0.17	SNR Sons Charitable Trust
		Vision Technician Training	ii	Telangana - Hyderabad	0.46	0.61	0.61	0.00	0.61	Hyderabad Eye Institute (LVPEI)
		Skill Development in general skilling program	ii	AP - Tirupathi	0.00	0.15	0.15	0.00	0.15	Anudip Foundation
		Employability Skilling programs								
		For Engineering students	ii	Tamil Nadu	0.75	0.81	0.81	0.00	0.81	Naandi Foundation
		For ITI students	ii	TN - Chennai & Trichy	0.50	0.30	0.30	0.00	0.30	Naandi Foundation
		Skill Development for the disabled								
		Rehabilitation/ Skilling/Placement of underprivileged disabled youth	ii	Karnataka - Bengaluru & Belgaum	0.89	1.27	1.27	0.00	1.27	Association of People with Disability
		Teacher Training Program & training for young mothers	ii	Karnataka - Bengaluru	0.12	0.12	0.12	0.00	0.12	Spastics Society of Karnataka
		Other Skill Development & Placement Programs								
		Skilling and infrastructure support for ITIs	ii	TN - Salem, Kolli Hills & Karumanthurai	0.45	0.35	0.35	0.00	0.35	Govt. ITI
		Livelihood and entrepreneurship development for women	x	TN - Thiruvannamalai	0.00	0.20	0.20	0.00	0.20	Reviving Green Revolution
		Model Career Center for counselling, skilling and employment (Chennai, Tamil Nadu)*	ii		0.25	0.00	0.00	0.00	0.00	Confederation of Indian Industry
		Sub Total			**6.52**	**6.54**	**6.54**	**0.00**	**6.54**	

Sl No	CSR Project or activity identified		Sector in which the project is ccovered (Schedule VII Reference)	Projects or programs 1) Local area or other 2) Specify the state districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads (Total Overheads captured in last row for Titan (₹ Cr.)	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent		
	2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)						Direct (₹ Cr.)	Through implementing agency/ partner (₹ Cr.)	Name of implementing partner(s)
3	Support for Indian Arts Crafts and heritage	Project Tana Bana - reaching out to create women weavers	v	UP - Varanasi	0.53	0.31	0.31	0.00	0.31	Human Welfare Association
		Identification, selection, skilling and design interventions for craft entrepreneurs	v	Kashmir	0.60	0.29	0.29	0.00	0.29	Commitment to Kashmir
		Support to Arts-Supporting Art Research engagement over long term through providing grants	v	PAN India	0.05	0.06	0.06	0.00	0.06	India Foundation of Arts
		Marketing Platform/ New Craft projects	v	Karnataka - Shimoga	0.36	0.33	0.33	0.00	0.33	Kavi Kavya Trust
		ACH PLATFORM PLUS NEW CLUSTERS*	v	Karnataka	0.50	0.00	0.00	0.00	0.00	–
	Sub Total				**2.04**	**0.98**	**0.98**	**0.00**	**0.98**	
4	Program recognizing design thinking in product design that enable social change.	Grant Disbursement and project management	i, ii & iv	Pan India	4.40	2.50	2.50	0.00	2.50	Foundation for Innovation and Social Entrepreneurship (FISE)
	Sub Total				**4.40**	**2.50**	**2.50**	**0.00**	**2.50**	

Sl No	CSR Project or activity identified 2a Programs	2b Key projects and initiatives (Figures in brackets indicate direct beneficiaries)	Sector in which the project is ccovered (Schedule VII Reference)	Projects or programs 1) Local area or other 2) Specify the state districts where the projects or programs was undertaken (Broad areas given for Titan)	Amount outlay (Total Budget in ₹ Cr.)	Amount spent on the projects of programs 1) Direct Expenditure on projects or programs 2) Over heads (Total Overheads captured in last row for Titan (₹ Cr.)	Cumulative Expenditure upto the reporting period (₹ Cr.)	Amount spent: Direct (₹ Cr.)	Amount spent: Through implementing agency/ partner (₹ Cr.)	Amount spent: Name of implementing partner(s)
5	Responsible citizenship	**Restoration of water bodies, sanitation and livelihood programs**								
		Integrated Village Development Program	i,ii,iv	Uttarakhand - Tehri Garhwal	0.81	0.80	0.80	0.00	0.80	Himmotthan Society
		Watershed Program	i,ii,iv		0.60	0.70	0.70	0.00	0.70	
		Watershed programs for livelihood	i,ii,iv	TN - Cuddalore	0.60	0.76	0.76	0.00	0.76	NABARD/National Agro Foundation/ CII
		Health care support								
		Happy Eyes Program - Comprehensive Eye care including support to Cataract and glasses for under privileged	i	Karnataka - Raichur, Yadgir, Gulbarga, Mandya, Chamrajnagar, Bangalore rural/urban Tamilnadu - Coimbatore Bihar - Mastichak	0.60	0.94	0.94	0.00	0.94	- Kanchi Kamakoti Medical Trust - Sankara Eye Foundation - Yugrishi Shriram Sharma Acharya Charitable Trust - Akhand Jyoti Eye Hospitals
		Others								
		Prevention of Substance abuse among youth in schools	ii	Sikkim - Sikkim	0.50	0.50	0.50	0.00	0.50	Sikkim Against Addiction Towards Healthy India (SAATHI)
		Technology Incubation: Incubating companies in the space of chosen areas through institutes of repute	ix	Tamil Nadu	0.00	0.50	0.50	0.00	0.50	IIT Madras
		Odisha flood Rehabilitation	xii	Odisha	0.00	2.00	2.00	0.00	2.00	Tata Community Initiatives Trust
		One time support, Volunteering, Disaster Relief & Regional Spend	i,ii,iii,iv, xii	Locations where Titan facilities are present	2.68	3.19	3.19	3.19		Various NGOs and Direct
	Sub Total				**5.79**	**9.39**	**9.39**	**3.19**	**6.20**	
6	Overheads				1.60	0.49	0.49	0.49	0.00	
	Grand Total				**32.00**	**30.99**	**30.99**	**4.31**	**26.68**	

Note:

* Amounts for Model Career Cener and ACH Platform were budgeted, but could not be spent because of the commitment that the Company made towards the Odisha Cyclone Relief and Rehabilitation

Annexure-III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	L74999TZ1984PLC001456
ii)	Registration Date	26.07.1984
iii)	Name of the Company	TITAN COMPANY LIMITED
iv)	Category/Sub Category of the Company	Public Company/Limited by shares
v)	Address of the Registered office and contact details	3, SIPCOT Industrial Complex, Hosur - 635 126, Tamil Nadu, India. Tel- 4344-664199 Fax-4344-276037 e-mail: investor@titan.co.in
vi)	Whether listed company (Yes/No)	Yes. Listed on BSE Limited and National Stock Exchange of India Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Consultants Private Limited, 6-10, Haji Moosa Patrawala Industrial Estate,20, Dr. E Moses Road, Mahalaxmi, Mumbai- 400 011, Maharashtra, India. Tel- 22 6656 8484 Fax-22 6656 8494 Email id: csg-unit@tsrdarashaw.com

II. Principal Business Activities of the Company

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
i)	Watches	2652	12.98
ii)	Jewellery	3211	83.04
iii)	Others		3.98
	TOTAL		**100.00**

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
i)	Favre Leuba AG, Zug, Switzerland	Foreign Company	Subsidiary	100%	2(87)
ii)	Titan Watch Company Limited, Hong Kong	Foreign Company	Subsidiary	100%	2(87)
iii)	Titan Engineering & Automation Limited Unit-II, No.141, S. Muduganapalli Village, Denkanikottai Road, Hosur Krishnagiri- 635110, Tamil Nadu, India	U33111TZ2015PLC021232	Subsidiary	100%	2(87)
iv)	Green Infra Wind Power Theni Limited No. 29, Haddows Road, Chennai – Tamil Nadu,India.	U40105DL2011PLC274929	Associate Company	26.79%	2(6)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
v)	Montblanc India Retail Private Limited "INTEGRITY", No. 193, Veerasandra, Electronics City P.O., Off Hosur Main Road Bengaluru - 560 100	U52390KA2014PTC074786	Joint Venture	49%	2(6)
vi)	CaratLane Trading Private Limited 2nd, 3rd & 4th Floor, #32, Rutland Gate, 2nd Street, Khader Nawaz Khan Road, Nungambakkam, Chennai- 600 006.	U52393TN2007PTC064830	Subsidiary	72.3%	2(87)
vii)	Titan Holdings International FZCO, Dubai	Foreign Company	Subsidiary	100	2(87)
viii)	Titan Global Retail LLC, Dubai	Foreign Company	Step-down Subsidiary	99.6%	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1st April 2019				No. of Shares held at the end of the year 31st March 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt/State Govt(s)	24,74,76,720	-	24,74,76,720	27.88	24,74,76,720	-	24,74,76,720	27.88	-
c) Bodies Corp.	22,22,25,200	-	22,22,25,200	25.03	22,22,25,200	-	22,22,25,200	25.03	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**46,97,01,920**	**-**	**46,97,01,920**	**52.91**	**46,97,01,920**	**-**	**46,97,01,920**	**52.91**	**-**
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other….	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	**-**	**-**	**-**	**-**	-	-	-	-	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**46,97,01,920**	**-**	**46,97,01,920**	**52.91**	**46,97,01,920**	**-**	**46,97,01,920**	**52.91**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year 1st April 2019				No. of Shares held at the end of the year 31st March 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	4,60,53,962	25,200	4,60,79,162	5.19	5,02,35,917	25,200	5,02,61,117	5.66	0.47
b) Banks/FI	4,72,058	16,150	4,88,208	0.05	6,42,561	1,52,280	7,94,841	0.09	0.03
c) Central Govt/State Govt(s)	15,16,035	-	15,16,035	0.17	20,01,682	-	20,01,682	0.23	0.05
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	1,59,86,528	-	1,59,86,528	1.80	4,20,51,259	-	4,20,51,259	4.74	2.94
f) FIIs	1,39,317	16,000	1,55,317	0.02	69,998	12,000	81,998	0.01	-0.01
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify) Foreign Portfolio Investors (Corporate)	17,06,10,555	-	17,06,10,555	19.22	15,73,68,983	-	15,73,68,983	17.73	-1.49
i) Others (specify) Alternate Investment Fund (Corporate)	15,36,291	-	15,36,291	0.17	35,83,567	-	35,83,567	0.40	0.23
Sub-total (B)(1)	**23,63,14,746**	**57,350**	**23,63,72,096**	**26.62**	**25,59,53,967**	**1,89,480**	**25,61,43,447**	**28.85**	**2.23**
2. Non-Institutions									
a) Bodies Corp.	2,40,04,573	64,060	2,40,68,633	2.71	1,22,68,630	59,440	1,23,28,070	1.39	-1.32
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,34,80,748	1,16,44,833	8,51,25,581	9.59	7,92,38,777	93,35,369	8,85,74,146	9.98	0.39
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,12,24,115	6,99,400	7,19,23,515	8.10	5,87,07,673	5,92,600	5,93,00,273	6.68	-1.42
c) Others (specify)									
1) Trusts	5,85,415	-	5,85,415	0.07	17,29,304	-	17,29,304	0.19	0.13
2) OCB	9,000	-	9,000	0.00	9,000	-	9,000	0.00	-
Sub-Total(B)(2)	**16,93,03,851**	**1,24,08,293**	**18,17,12,144**	**20.47**	**15,19,53,384**	**99,87,409**	**16,19,40,793**	**18.24**	**-2.23**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**40,56,18,597**	**1,24,65,643**	**41,80,84,240**	**47.09**	**40,79,07,351**	**1,01,76,889**	**41,80,84,240**	**47.09**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**87,53,20,517**	**1,24,65,643**	**88,77,86,160**	**100.00**	**87,76,09,271**	**1,01,76,889**	**88,77,86,160**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1st April 2019			Shareholding at the end of the year 31st March 2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	TAMILNADU INDUSTRIAL DEVELOPMENT CORPORATION LTD	24,74,76,720	27.88	0.00	24,74,76,720	27.88	0.00	0.00
2	TATA SONS PRIVATE LIMITED	18,50,58,900	20.84	0.00	18,50,58,900	20.84	0.00	0.00
3	TATA INVESTMENT CORPORATION LTD	1,78,75,640	2.01	0.00	1,78,75,640	2.01	0.00	0.00
4	TATA CHEMICALS LIMITED	1,38,26,180	1.56	0.00	1,38,26,180	1.56	0.00	0.00
5	EWART INVESTMENTS LIMITED	49,64,480	0.56	0.00	49,64,480	0.56	0.00	0.00
6	PIEM HOTELS LIMITED	5,00,000	0.06	0.00	5,00,000	0.06	0.00	0.00
		46,97,01,920	**52.91**	**0.00**	**46,97,01,920**	**52.91**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Name	Date	Reason	Shareholding at the beginning of the year	Cumulative Shareholding during the year
No Change					

(iv) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No	Top 10 shareholder*	No of shares as on 31.03.2020	No of shares as on 31.03.2019	Net Changes	% to Capital
1	Jhunjhunwala Rakesh Radheshyam	4,05,10,395	5,07,75,645	-1,02,65,250	4.56
2	Life Insurance Corporation of India Profit Plus Growth Fund	2,01,98,921	59,92,946	1,42,05,975	2.28
3	Jhunjhunwala Rekha Rakesh	97,40,575	1,16,75,575	-19,35,000	1.10
4	SBI - Various Mutual Funds	97,07,260	64,19,347	32,87,913	1.09
5	Matthews Pacific Tiger Fund	90,15,327	90,15,327	0	1.02
6	United Nations for and on behalf of the United Nations Joint Staff Pension Fund	69,22,398	50,56,092	18,66,306	0.78
7	Government of Singapore-E	68,76,302	63,11,894	5,64,408	0.77
8	ICICI Prudential Life Insurance Company Ltd	61,11,502	65,73,011	-4,61,509	0.69
9	UTI Nifty Index Fund	58,15,441	44,29,112	13,86,329	0.66
10	ICICI Prudential - Various Mutual Funds	57,28,076	81,02,953	-23,74,877	0.65

* The shares of the Company are traded on daily basis and hence the date-wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. N N Tata				
	At the beginning of the year	46,900	0.0052	46,900	0.0052
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc):	0	0	0	0
	At the End of the year	46,900	0.0052	46,900	0.0052
2	Mr. Harish Bhat**				
	At the beginning of the year	80,000	0.0090	NA	NA
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc):	0	0	NA	NA
	At the End of the year	80,000	0.0090	NA	NA
3	Mr. T K Balaji**				
	At the beginning of the year	5,61,000	0.0631	NA	NA
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc):	0	0	NA	NA
	At the End of the year	5,61,000	0.0631	NA	NA
4	Mr. Bhaskar Bhat***			NA	NA
	At the beginning of the year	80,960	0.0091	80,960	0.0091
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc):	0	0	0	0
	At the End of the year	80,960	0.0091	80,960	0.0091
5	Mr. C K Venkataraman*				
	At the beginning of the year	14,000	0.0015	14,000	0.0015
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc):				
	At the End of the year	14,000	0.0015	14,000	0.0015
6	Ms. Kakarla Usha*				
	At the beginning of the year	50	0.0000	50	0.0000
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc):				
	At the End of the year	50	0.0000	50	0.0000
5	Mr. Dinesh Shetty				
	At the beginning of the year	10	0.0000	10	0.0000
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc):	0	0	0	0
	At the End of the year	10	0.0000	10	0.0000

* Appointed during the year

** Resigned during the year

*** MD upto 30th September 2019 and NED from 1st October 2019.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment - Nil

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in crore)

Sl. No.	Particulars of Remuneration	Mr. Bhaskar Bhat*	Mr. C K Venkataraman**
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.13	1.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.10	0.08
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…………	3.00*	1.95**
5	Others, please specify	-	
	Total (A)	**6.23**	**3.60**
	Ceiling as per the Act		105.89

* Superannuated from the services of the Company on 30th September 2019. Proposed commission amount payable during the year 2020-21 pertaining to the year 2019-20.

** Appointed as Managing Director of the Company with effect from 1st October 2019. Proposed commission amount payable during the year 2020-21 pertaining to the year 2019-20.

B. Remuneration to other Directors:

(₹)

S. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Total Amount
1	**Independent Directors**			
	Mr. T K Balaji	1,90,000	14,66,667	16,56,667
	Ms. Hema Ravichandar	5,30,000	69,45,833	74,75,833
	Ms. Ireena Vittal	6,00,000	61,66,667	67,66,667
	Mr. Ashwani Puri	5,80,000	53,00,000	58,80,000
	Mr. B Santhanam	5,80,000	42,41,666	48,21,666
	Mr. Pradyumna Rameshchandra Vyas	3,30,000	25,58,333	28,88,333
	Dr. Mohanasankar Sivaprakasam	2,80,000	21,83,334	24,63,334
	Total (1)	**30,90,000**	**2,88,62,500**	**3,19,52,500**
2	**Other Non-Executive Directors**			
	Mr. N Muruganandam (nominated by TIDCO)	50,000	32,00,000	32,50,000
	Mr. Ramesh Chand Meena (nominated by TIDCO)	1,80,000	17,50,000	19,30,000
	Mr. Arun Roy (nominated by TIDCO)	90,000	34,00,000	34,90,000
	Ms. Kakarla Usha (nominated by TIDCO)	50,000	750,000	8,00,000
	Mr. N N Tata (nominated by Tata Sons Private Limited)	4,20,000	-	31,20,000
	Mr. Harish Bhat (nominated by Tata Sons Private Limited)	3,30,000	-	31,55,000
	Mr. Bhaskar Bhat* (nominated by Tata Sons Private Limited)	2,00,000	18,75,000	20,75,000
	Total (2)	**13,20,000**	**1,65,00,000**	**1,78,20,000**
	Total Managerial Remuneration	**44,10,000**	**3,98,37,500**	**4,42,47,500**
	Ceiling as per the Act (₹ crore)			21.18

* for the period 1st October 2019 to 31st March 2020

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director

(₹ in crore)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.14	3.48	4.62
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.03	0.13	0.16
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…			
5	Others, Allowances	-	-	-
	Total	**1.17**	**3.61**	**4.78**

VII. Penalties/Punishment/Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2020.

Annexure-IV

DIVIDEND DISTRIBUTION POLICY

Scope and Purpose
The Securities and Exchange Board of India (SEBI) on 8th July 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 utilise 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.

Parameters adopted with regard to various classes of shares:
Presently, the Authorised Share Capital of the Company is divided into equity share of Re. 1 each and Preference shares of ₹ 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 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.

Annexure-V

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 31st March 2020

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 31st March 2020 (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 and 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.

The following events/actions were having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period:

a. During the year under review Board has appointed Mr. C. K. Venkataraman as Managing Director at its meeting held on 6th August 2019 and the appointment is effective from 1st October 2019.

b. During the year under review the Board has given approval for inviting and accepting deposits up to the limits of ₹ 61,694.78 lakh from the members and up to the limit of ₹ 1,54,236.94 lakh from the public including amounts already held as such in the respective categories under Jewellery Purchase Scheme.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN: F007260B000326117

Place: Bengaluru
Date: 8th June 2020

Management Discussion and Analysis

ENVIRONMENT

Macroeconomic Overview

The year 2019-20 was a challenging one. Slowdown in the growth of the Indian economy, significant rise in the gold prices and the onset of the COVID-19 pandemic and consequent lockdown in the month of March 2020, impacted the overall growth of the Company. Consumer sentiment was generally lower on account of these. The Jewellery Division was particularly hit towards the end of the first quarter and substantially in the second quarter of the year due to a sharp rise in gold prices, with consumers adopting a wait and watch approach to timing their purchases of gold jewellery. Growth picked up well in the third quarter and the first two months of the fourth quarter. However, with the advent of COVID-19, activity started slowing down sharply in March and the Company had to shut its stores for most of the second half of March. The economic slowdown did not impact the Watches Division as much, and new categories and channels like wearables and e-commerce continued to do well. The Eyewear Division did well in the first half of the year but declined sharply in the second half, affected by the performance in the distribution channels. Fragrances grew well at 24% and the year witnessed the launch of perfumes under the Fastrack brand at affordable price points. Network roll out in the Indian dress wear business grew substantially with 12 stores now operational in 5 major cities.

WATCHES & WEARABLES DIVISION

Overview

The year was heading towards the achievement of topline and bottom-line targets for the Division despite consumer demand slowdown until the COVID-19 related stoppage of sales occurred in the last fortnight of the financial year and we finally grew by 7%. The initiatives that had been taken over the past couple of years to improve the health of the business resulted in enhancing the Profit Before Tax (PBT) margin to 14.2% despite the COVID-19 setback in the month of March 2020.

The Watches and Wearables Division had undertaken the journey of transforming itself in the last three years as it faced rapid tectonic shifts enabled by technology. While mature and traditional products, channels and business models continue to be sources of growth and profits, the Division has also started adopting and leveraging new product categories like wearables and adopting new channels like e-commerce. The Division took on the task of rapid growth despite already having a high market share (around 50%). Having a robust portfolio of brands like Titan, Sonata, Fastrack and international brands like Tommy Hilfiger has served the Division well in the last few years. A diverse channel portfolio allows the Company to serve existing customers through World of Titan (WOT) stores and Multi Brand Outlets (MBO), as well as acquire new customers through channels like marketplace e-commerce, Helios and Large Format Stores (LFS). The manufacturing ecosystem is equally diverse with a system of both own factories and third party vendors in India and abroad, which optimizes capacity, capability and cost.

With the change in business situation due to COVID-19, this same portfolio of brands, channels and manufacturing will allow the Division to create new strategies for recovery and success in the year 2020-21.

The Year 2019-20

The Watches and Wearables Division grew well in a year of slow consumer demand through a strategy of pushing specific brands and channels. The flagship brand Titan had a great year on the back of desirable and differentiated products. Premium offerings like Nebula, Edge and Raga saw big growths. Fastrack and Sonata both had a reasonable year with e-commerce leading the growth. Licensed brands were a mixed bag with Tommy Hilfiger and Anne Klein showing good growth.

Among the channels, WOT, LFS and Helios channels showed good growth on the back of customer acquisition and retention strategies and higher price realizations. Fastrack stores had a tough year with sales being flat over last year. Multibrand trade which is the single largest channel was most affected by the slowdown. E-commerce fuelled growth for all brands.

The largest ever corporate order of 4.15 lakh watches from Tata Consultancy Services (TCS) boosted the Division's turnover. The acqui-hire of HUG Innovations has been an important landmark which has given the Division the people and platform to develop its own smart products.

Category

The watches category was already seeing a tough year before the lockdown put a stop to all sales. The wearables category continued to see explosive growth through the year. Globally too, the watches category was witnessing low single digit growths.

Brand Strengthening

The Division continued investing in and strengthening its brands, bringing out a slew of new products and significantly enhancing its market presence. The smart play of the Company strengthened with several new impactful launches led to Titan retaining the second position in the wearables market in India.

The Division also expanded its access to consumers by launching both omni-channel and the Titan App during the year. The Omni-Channel mode achieved a real-time connectivity of inventory and orders and will benefit consumers immensely.

Technology and Smart Products

Fastrack launched Reflex Beat, a fitness tracker with heart rate monitor- an addition to the Reflex range of fitness trackers, which has been well accepted in the market, and this range is the No. 2 Smart Band brand in the country.

The Division also launched Sonata Stride, a smart watch with a fitness tracker and notifications at a price point accessible to a wider audience.

Brands

Brand Titan grew by double digits on the back of outstanding new products, especially innovative collections like "Titan Maritime", a uniquely crafted collection with the use of wood, a bronze and green pallet-all inspired by the nautical world. Raga "Facets" and "Cocktail" collections were very successful collections inspired by different facets of women and their glamourous world. These were supported by campaigns like Raga "Facets" that brought out a new conversation with today's women.

Fastrack launched successful collections like "Game of Thrones" and "Sunburn". The "Game of Thrones" collection was a collaboration with one of the greatest shows of our times. Fastrack watches did a campaign around its "Reflex Beat". Fastrack is the most followed youth brand on Instagram, and deepened its engagement with consumers through unique activities like "Rage with Fastrack".

Sonata brought out contemporary designs with "Sleek" – slim workwear watches, "Blush" - fashionable rose gold watches, "Volt+" and "Splash" - trendy, bold watches for youth. The brand also continued its regional connect in its priority markets by making Special Edition watches exclusively for the Chennai Super Kings IPL team, and through a unique regional communication like a musical format digital-only film for Durga Pujo for West Bengal.

The World of Titan retail chain with a focus on premium watches from the Division's brands and Licensed Brands has achieved double-digit growth in watches over ₹ 10,000. The growth in the channel has been fuelled by new product introductions, Edge Ceramic, Licensed Brands, Nebula, better efficiencies and renovation of stores.

Licensed Brands

The licensed brands portfolio was in a consolidation phase during the year with the rejuvenation of Tommy Hilfiger and continuing strong roles played by each of the licensed brands - Police, Anne Klein and Kenneth Cole. A new entrant in the portfolio, Olivia Burton, targeted at millennials, also saw a good response. The continued investment in creating a portfolio of licensed brands which complement own brands will continue to attract evolving and new customer segments.

Sales Channels

Retail Channels

The World of Titan retail chain with a focus on premium watches from the Division's brands and Licensed Brands has achieved double-digit growth in watches over ₹ 10,000. The growth in the channel has been fuelled by new product introductions, Edge Ceramic, Licensed Brands, Nebula, better efficiencies and renovation of stores. The Fastrack store chain has continued to remain exciting by renovating and resizing. The Helios store chain which is the premium multi-brand watch destination has continued its strong growth with significant contribution from Swiss brands. This chain will play a significant role as the Company continues its journey into premiumisation and acquisition of new customers. A comprehensive omni-channel play to leverage the large network of retail stores will be a strong driver of consumers to the Company's brands and stores.

Trade

In the largest channel of Multi-Brand Outlets (MBOs), all the brands of the Company have continued to gain or defend their share in the year with sustained brand and product investments. This channel is clearly showing signs of stress due to the shift in urban consumer behaviour towards malls or online purchases. 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.

Large Format Stores (LFS)

LFS continued its good run for the watch category though the growths have tapered down. The Company's brands have continued to gain market share. In a highly competitive space, Titan was ranked No.1 across the 3 Large Format Stores, Shoppers Stop, Lifestyle and Central in the country. Towards the latter half of the year, footfalls for this channel have been dropping and with the current challenge, this channel may see a significant slowdown till customers get their confidence to shop in a crowded environment.

E-Commerce

The E-commerce play has been transformed significantly and the Company has emerged as the largest group for the key players viz. Flipkart, Amazon and Myntra. E-commerce has been the highest growing channel and will have the advantage of significant tailwinds given the current situation.

Looking Ahead

With the nationwide lockdown due to the COVID-19 situation and continuing economic turbulence, there are both challenges and opportunities. The leadership position of the Company in the market coupled with strategies led by consumer understanding and insight will be of huge advantage. Consumers are likely to show changes in their behaviour including preference for online and omni-channel, possible down-trading and also probable "revenge shopping". Strategies for each brand and channel are being crafted keeping in mind the changes in consumer behaviour. Significant cost initiatives are also being undertaken as part of the overall Company program.

JEWELLERY DIVISION

The Year 2019-20

The domestic jewellery industry had a much muted performance in financial year 2019-20 on account of the following factors:

The Company's brands have continued to gain market share. In a highly competitive space, Titan was ranked No.1 across the 3 Large Format Stores, Shoppers Stop, Lifestyle and Central in the country.

- On the demand-side, the macro-economic conditions coupled with high volatility and large increases in gold prices, led to a pressure on Jewellery retail sales.
- On the supply-side, tight bank credit norms continued the pressure on industry operations, particularly on medium and small players.
- The overall Jewellery market declined, with unorganized players (declining -5 to -15%) losing share to national chains. Gold imports declined 14% Y-o-Y 2019-20.
- The Jewellery Division was growing in early double digits till mid- March. Thereafter the phased closure of stores resulted in this growth coming down to 4% for the year.

Most of the six engines of growth continued to fire well:

1. The wedding segment continued to grow, aided by deeper reaches into select ethnic communities, exciting new collections, aggressive promotions and a sustained national brand-building effort;
2. In the high-value diamond jewellery segment, while substantial gains were made in the > ₹ 10 lakh price category, aided by a new product collection, this engine has seen a significant slow down in growth in 2019-20 and is likely to remain muted in 2020-21;
3. The "Middle India" store expansion program was sustained with 41 new Tanishq stores added in one year and many of these across tier 3 and tier 4 towns;
4. The Gold Exchange Program got significantly more traction this year as more customers realized Tanishq's policy offering exceptional value and complete transparency in the process. It was further fuelled by high gold prices and higher wedding segment sales;
5. The Golden Harvest Jewellery Purchase Plan continued to enable share of wallet gains and helped the overall business to grow;
6. The "low-market share cities" continue to pay dividends as the Division broadened and deepened its local connect through multiple initiatives in select markets.

Underpinning the above engines of growth were the 3 big pillars of the Division:

1. The exceptional collections and new products that continued to be industry-leading, pushing the adornment story of the brand
2. The brand-building efforts that are cutting-edge not just in the jewellery industry, but in the entire advertising industry

3. The superlative customer experience in the stores

Zoya and Mia progressed well as sharply positioned brands, cementing their proposition strongly in the customer segments they serve.

Each of the Division's brands have built strong foundations from where leaps will happen in future years.

Investments in Digital (Websites, E-commerce, Analytics, IT interventions and Customer Relationship Management) during the year were substantial and the Division expects to reap the benefits in FY 2020-21 and beyond, particularly in the prevailing situation where digital customer behaviour would become all pervasive.

Manufacturing & Supply Chain

On the Integrated Supply Chain side, many initiatives were taken up with substantial long-term benefits:

1. Considerable investments in capability building, automation, plant and machinery and to significantly improve in-house share of total output
2. Focused quality program intended to lift product quality to "best in the world" levels moved ahead visibly within manufacturing and all vendors
3. 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
4. Very good progress achieved on the integrated 3-year program for diamond sourcing, to extract maximum value, 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
5. All fresh gold procured from banks is London Bullion Market Association (LBMA) certified ensuring highest purity, quality and mined from ethical sources.

Opportunities, Threats and Risks

Despite the immediate uncertain future which the entire economy is facing, based on consumer survey, it is predicted there will be high consumer interest in gold jewellery due to:

1. Stored asset value in gold and a safe haven when things are uncertain
2. Wedding demand would be deferred not lost, with only short-term hiccups
3. Precious jewellery purchase is linked to many traditions and auspicious rituals
4. High levels of trust in Tanishq, Titan, Tata
5. Aspirations of middle India which continue to be very high will revert once the immediate pandemic led crisis is overcome
6. Strong possibility of revival of the Indian economy after a 1 year pause and result in favour of discretionary spending categories and a strong brand like Tanishq will benefit greatly
7. Multiple environmental factors are pushing the industry into consolidation even more so post the pandemic crisis, benefiting the organized sector and players with strong balance sheet. The Division will again continue to benefit from this
8. The six engines of growth still have considerable space to fire, given the low market share in each of those areas and in addition two more growth engines have been identified namely:
   a) Digital Thrust: A strong technology led digital, omni play will be driven by the Division to take advantage of shifts in consumer behaviour post lock down relaxation.
   b) Focus on the core segment, at attractive lower price points, due to high gold prices and as some customer segments having curtailed budgets due to current economic challenges.

Risks

Given the traditional nature of the category, the risks to the business are essentially regulatory (as opposed to product substitution through technology or a sudden onslaught by international brand/s) and gold price volatility

1. **Import Controls on Account Current Account Deficit**
   While this is possible anytime, the Division has proved that it could manage this risk quite well when it actually materialized last time. The Gold on Lease scheme is also

Very good progress achieved on the integrated 3-year program for diamond sourcing, to extract maximum value, 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.

typically taken away in such a situation, leading to a dropping Return on Capital Employed, but the Return on Assets picture remains more or less the same.

2. **The Prevention of Money-Laundering Act, 2002 (PMLA)**
The guideline under the PMLA was introduced in August 2017 and withdrawn in October 2017 after industry representation. The understanding from the then Finance Minister was that they were open to keeping the threshold at international levels (10,000 Euros in Europe, for instance). If that actually happens, the Company would have no impact at all (customers are already used to a ₹ 2 lakh threshold for PAN card).

3. **Gold Price Volatility Risk:**
Due to macro-economic forces, during times of great uncertainty, gold prices tend to rise internationally as well as in the domestic market. Coupled with a slide in rupee versus the dollar, this could make the base gold rate very high and would impact customer demand temporarily, till people get used to the new normal. However, if volatility continues in either direction, customers tend to defer their purchases. A sharp rise in gold price in the second quarter of the year led to a sudden drop in demand, but the customers came back and purchased well in the third quarter when gold prices stabilized.

The secondary impact of a sharp rise in gold prices lead to a ballooning of inventory and capital employed, impacting Return on Capital Employed adversely. To mitigate this risk, the Division has put in place a fortnightly review mechanism to enable early and quick action, to cut back inventory in tune with lower demand. Sudden drops in demand on this count will be managed through more optimized promotions and cost controls to protect operating margins.

EYEWEAR DIVISION

Operating Environment

The eyewear industry is estimated at ₹ 11,000 crore (spectacles 73%, sunglasses 21% and contact lenses 6%) and is growing at 5%, of which organised retail (chains) is about 22%. The growth has largely come from new entrants who have come in at the national and regional level and have rapidly set up new stores in the last few years.

The Year 2019-20

The year was a mixed bag for the Division. Due to the disruption in March 2020, business was affected adversely. Overall, there were many developments and learnings during the year, which will make the Division stronger especially in this challenging time ahead. A summary of FY 2019-20 is below:

Customer & Brand

1. Consumer NPS (Net Promoter Score, which measures advocacy) was at an all-time high of 72
2. Google review – more than 300,000 customer rated the Division's stores with an average score of 4.9/5
3. 360 degree marketing campaign with Ayushmann Khurrana was liked by viewers, recognized by ET Brand Equity, highest ever score in most brand metrics

Product & Innovation

- Three noteworthy developments on the Product and Innovation front:

    a. The Division developed in-house Titan lens "Clear Sight" – which has best in class scratch resistance, near 100% transmittance. Owing to a very successful pilot in January, it was then rolled out nationally in February. This has been very well received across markets and the Average Selling Price is nearly double of standard Titan lens and margins are higher by 7%

    b. Debut in Smart Sunglasses – Fastrack Audio glasses were a big hit in the pilot during Valentine week, Video glass also generated lot of interest

    c. Titan "Signature" Frames at less than ₹ 5,000, was the Division's first attempt at this price band and all of which was designed in-house. These were accepted by the customers very well.

    These are likely to be big growth drivers as well as source of differentiation going forward.

Sales & Network

- Overall sales growth for the Division for the year is 6%, which was affected due to lockdown in March
- Titan EyePlus Retail growth of 14%, Same store growth 7%
- 64 new stores added and the network strength currently stands at 584 stores
- Sunglass as a category did not do very well, market itself was stagnant
- Frame distribution grew handsomely at 61% and about 1,500 new dealers were added

Others

- Franchisee Net Promoter Score improved significantly, indicating greater confidence in the business
- Introduced 13 international brands for the Company's super-premium stores
- Produced 1,58,000 frames in-house

Opportunities, Threats and Risks

With the new reality of social distancing, heightened sense of health and safety, many things have to be re-imagined. Given the unprecedented economic disruption that's unfolding it is quite likely that there will be consolidation of market and players, channels like E-commerce and Omni-Channel will start playing greater roles, supply chain will get revamped with "Make in India" driving China alternate. Likewise, there could also be a resurgence of positive consumer sentiment for home grown brands and products. The Company's brands are uniquely placed to gain from this likely new wave.

Therefore, time and energy is being spent in the following areas to deal with this new reality/opportunity

- Leverage 10 million Encircle customer base as well as Tata employee strength
- A comprehensive omni-channel play seamlessly integrating physical stores with digital platform
- Optimisation of channels
- Accelerate Fastrack brand play for youth in the prescription eyewear segment
- Revive sunglasses: SMART glasses as well as extension to protective eye gear
- Scale up in-house production and indigenization
- Offer greater Value for Money through new range of products
- Lastly, continue to deliver best in class customer experience – bring alive our mantra of "Expertise with Empathy" in every transaction – be it physical, digital or Omni-Channel.

FRAGRANCES AND ACCESSORIES DIVISION

Fragrances

The fine fragrance portfolio continued to grow stronger with the addition of Fastrack Perfumes, attracting new customers and enabling expansion to newer geographies. The Customer Value Proposition of "Perfumes crafted in France by world renowned Perfumers offering exceptional value to the customer" remains strong and relevant helping in gaining market share. The Company believes that the products of the brand are better compared to all local options and offer better value than any international brand.

Fragrances grew well at 24% and the year witnessed the launch of perfumes under the Fastrack brand at affordable price points. Network roll out in the Indian dress wear business grew substantially with 12 stores now operational in 5 major cities.

Fragrance Industry Trends

The fine fragrances industry had a muted performance in financial year 2019-20. On the demand side, the macro-economic conditions led to softness in discretionary spends impacting the fragrance category as well with 9% category growth for fine fragrances in the department stores. The situation worsened from mid- February onwards, adversely impacting the 30 days retail period of March. The Fragrance industry size is estimated to be ~ ₹ 4,300 crore with Deodorants around ₹ 3,000-3,100 crore i.e., 70% of industry and fine fragrances to be around ₹ 1,200 crore.

This is an exciting category and has attracted new players, especially well known apparel brands, both in fine fragrance in sub ₹ 1,500 price band and also in Deodorants category at sweet price point of ₹ 199. These apparel brands have a strong reach in exclusive and multiple brand outlets ensuring strong visibility and presence in deep interiors.

Year 2019-20

The Fragrance business performed well in the prevailing circumstances, clocking a growth of 24% and serving 1.3 million customers through various channels.

SKINN: Build aspirational, credible Brand

The brand task for the Division is to continue to grow the awareness of the brand to drive the topline and at the same time increase the desirability of the brand by improving scores across imagery parameters. Efforts continued to build the brand awareness through television as a medium in Q1 of FY2019-20. Digital marketing was focussed upon in Q3 and Q4 to improve efficiency on marketing spends keeping a tight control on the bottom line. Consistent efforts were focussed on building credibility and advocacy for the brand through consistent and meaningful associations with influencers/celebrities and master perfumers. The brand leveraged all the key occasions of gifting through innovative digital campaigns. The gifting segment with the revamped gift packs saw a robust growth with two key campaigns during festive season and Valentine period. SKINN Premium Deodorants were launched successfully in August 2019 at ₹ 399 to leverage layering concept. Customer Net Promoter Score for SKINN Brand has improved and is 60%+.

Fastrack Perfumes: A new segment of consumers was tapped with the launch of Fastrack Perfumes at ₹ 845. This strengthens the Company's play in the mass segment (₹ 500-3,000). Ananya Panday as the Brand Ambassador is expected to give it a strong desire in the youth segment. The launch event garnered lot of PR for the brand and gave it the right fashion quotient. Subsequent to the launch, Asia's biggest youth music festival Sunburn was leveraged as a medium for product experience and awareness with the right kind of trendsetting audience.

Sampling: SKINN brand being the leading perfume brand in India, sampling is the best way of acquiring a customer through a trial. Innovative ways were deployed to encourage sampling through 1,000 plus trained promoters narrating the brand story at the purchase point. Further, sampling in the airlines has also given exceptional results.

Sales & Distribution

LFS: The Company has participated in fragrance festivals and in-store visibility campaigns across key Large Format Stores like Shoppers Stop, Central and Health & Glow. These have helped in gaining market share and maintaining the brand's No. 1 rank in department stores and has improved market share position by +0.6%.

Trade Channel has further expanded reach and overall number of doors have increased by 25%. New distributors were added in new geographies like Andhra Pradesh, Haryana and Jammu & Kashmir.

Retail: There is an excellent opportunity to leverage the Company's vast World of Titan network. Focus has been increased to double perfumes category revenue mix to the overall store revenue. The Company has deployed sales management, leadership messaging and incentives as tools to drive the mix.

The Company has participated in fragrance festivals and in-store visibility campaigns across key Large Format Stores like Shoppers Stop, Central and Health & Glow. These have helped in gaining market share and maintaining the brand's No. 1 rank in department stores and has improved market share position by +0.6%.

Kiosk: Use of kiosks has been leveraged to generate trials and exhibit brand story through the trained staff in key mall locations. Efforts are on to optimize cost of operations by converting certain locations to Company operated kiosk.

E-commerce: An exclusive website of SKINN (www.skinn.in) went live by April 2019 and has started delivering good sales numbers and has also stabilized its presence in key marketplaces. This channel is the fastest growing channel and focus has been increased on gaining share in future.

Strengthen Supply Chain: Hiring has been initiated in some critical capabilities like in packaging, quality control, and production/demand planning. Systematic auditing of the bottlers for enhancing process capability and infrastructure is key to scale up and new product development in future. The Division has successfully transitioned to 100% bottling in India, with 3 bottlers leading to substantial reduction in the material cost.

Opportunities & Challenge

As the category penetration is only ~ 9% and is expected to explode in the near future on account of growing aspirations of the youth, the outlook for the category remains bullish. There are many Olfactive spaces and price point segments where there is scope to enter and grow the portfolio.

Deodorants being 70% of the category continues to be an opportunity to upgrade customers from Deodorant to perfumes.

Competition is from 3 strong well entrenched national operators for last 20 years who have licensed around 100 international brands. Stronger and much larger FMCG brands are competing at the bottom of the pyramid with a strong distribution muscle. Entry into modern trade, pharmacy and expansion in cosmetics channel continues to remain challenging from unit economics point of view.

Break-even in Fragrance business remains the single most important goal for this year.

Accessories

With the addition of Accessories business to the Division, there are many exciting opportunities in bags, backpacks and small leather goods categories which will be explored in the future. Integrated sales force from both businesses shall help to improve sales coverage and scale. Efforts are on to continue on the journey of market development, focusing on brand awareness, brand reach and sampling.

The Division strives to achieve its growth plan by serving 4 million customers by FY24 with further expansion in product portfolio while addressing all the gaps.

INDIAN DRESS WEAR DIVISION

Operating Environment

Sarees comprised 40% of the women's ethnic wear market, growing at a CAGR of 5%-6% of which an estimated 15%-20% is organized play. The other products in the women's ethnic wear category are salwar kameez dupatta (SKD), lehengas, blouses, ethnic gowns, accessories etc. The industry is highly fragmented and unorganized with an informal supply chain. Authenticity of material and transparency in prices are very weak, despite being a highly penetrated category. The market comprises of family run businesses with a few corporate players. Online play and social media are very active for this category. Weddings account for ~40% of the business and sarees and lehengas continue to be a key part of the trousseau along with more contemporary apparel.

The Year 2019-20

The year gone by saw strong explorations across multiple fronts for brand Taneira, viz. retail expansion, enhancing brand awareness, delivering a strong customer experience, seeding e-Commerce, design and product focus, collection launches and strengthening the supply chain.

Retail Expansion

During the last year, the Division scaled up its operations with 8 new stores, taking the total footprint to 12 stores with about 40,000 sq. feet of retail space across 5 cities viz: Bengaluru, Delhi, Mumbai, Hyderabad and Pune. Multiple formats were explored, viz. Flagship, High Street and Malls. A strong retail identity for brand Taneira is being established.

Self-browse retail format continues to be the core of the retail formats enhancing customer experience.

Over 37 Trunk "3 day Pop-Ups" were held across India and e-commerce play was seeded.

Consumer Value Proposition

The key value propositions of Handwoven Authenticity i.e. Purity of Fabric & Zari, Provenance of Craft, offering the best of craftsmanship of India under one roof with 65 cluster representations with a strong design differentiation of contemporary elegance and refined curation across bridal and wedding wear, festive wear and formal wear etc. in natural materials, silk, cotton and linen backed by a strong retail experience and trust associated with the the Company and the Tata Group.

Real-time Net Promoter Scores were used effectively to track customer experience and training for all store staff by the experienced product teams ensured a consistent high level of expertise and delivery.

The Brand attracted over 1,55,000 walk-ins into the stores with strong sales and marketing initiatives, clocking an additional 2,50,000 fans online through social media presence.

Significant marketing properties viz Pinkathon, Taneira Saree Run, Textile Expert talks, Curated product events, Bridal Influencer Connect and several other initiatives enhanced the customer connect along with "Encircle" loyalty program.

Product

The Division's efforts continued to strengthen the Saree product portfolio which contributed to over 90% of topline led by clusters of Kanchivaram, Benaras and Tussar and supported by Bengal, Maheshwari and Chanderi clusters. The bridal and wedding contribution of 30% to topline were aided by dedicated Bridal Zones and Stylists in key flagship and high street formats.

To appeal to a newer younger audience, the brand piloted new categories in unstitched and semi stitched Salwar Kameez, Lehengas, etc.

Strong focus on design differentiated products maintained freshness as well as exclusivity with an average sell-through of 60% in volume in 6 weeks from 6 Saree Product Collections. Some of the Collections were "Ajnaa" inspired by the circular Bindi, "Chokola", "Navya" Bridal collections, "Summer Memories" of value priced cottons, Tussars, "Workwear EDIT" for the working woman and more.

Celebrating 150 years of the TATA Group, a unique "Parichay" collection of 150 exclusive Khadi sarees was launched; a blend of craftsmanship and weaves from across India ranging from Khadi Kanchivarams to Khadi Patolas. The Parichay Collection also won IMAGES Most Admired Fashion Design Concept of the Year: Ethnic Innovation for its originality and craftsmanship.

Strengthening the Supply Chain

Establishing the supply chain and capabilities was a key imperative during the year. To establish a closer connect with the weaving community, 2 new sourcing centres at Benaras and Indore were established, apart from strengthening the sourcing hubs at Kanchipuram and Kolkata. 10 new Saree clusters were added during the course of the year with a pilot of 300 captive looms across India working on the Division's products.

Overall, it was a year of establishing the Brand and building awareness, expanding the retail footprint, strengthening the customer acquisition and customer value proposition and sharpening the supply chain capabilities.

Opportunities, Threats and Risks

The Division, with its brand "Taneira", has begun its journey in an unorganized sector with a strong headroom for growth, as customers increasingly desire to turn to organised players who celebrate natural and pure handwoven products, the rich textile diversity of India accompanied by convenience shopping, accessible retail, a strong customer experience and an endeavour to work with grassroots artisans and weavers.

The Division will continue to focus in the year ahead on consolidating and establishing the business model and building same store growth, sharpening its customer value proposition, expanding reach through its e-commerce channel, offering newer product clusters for customers, building design centricity and continuing the support to the artisans and weavers in times of uncertainty.

The risks to the category would emerge from the falling discretionary spends in times of the uncertainty, balancing retail store growths, industry moving to cheaper low cost mill made fabrics, blended or imported fabrics, sarees as a traditional apparel not being preferred by the youth and the traditional weaving communities moving to other professions.

DESIGN EXCELLENCE CENTRE

DEC (Design Excellence Centre) is the design arm of the Company, which caters to the design needs of the entire organisation across categories – Watches, Jewellery, Eyewear, Fragrance & Accessories.

At DEC, the focus is on continuously building Design as a unique and compelling differentiator in the sustainable growth of the various businesses. User-centred design is one of the key strength of DEC which is supported by deriving insights through continuous design research and understanding fashion trends across categories.

The team is focused on creating differentiated products paying close attention to details and has set a benchmark in the world of jewellery and watches and has been widely influential in defining fashion and introducing new concepts with milestone collections and signature styles. By the amalgamation of creative ideas with in-depth emotional detailing of the product, the Company has been able to produce a unique experience for the consumers.

DEC has forayed into building world class processes in the field of UI/UX design during this year to cater to the increasing demand of smart watches and bands for the Watches and Wearables Division. A Design lab has also been set up at the corporate office of the Company to nurture breakthrough ideas into tangible products.

Winning the Global Red Dot Best of the Best award for Tanishq Jewellery has been one of the key highlights of the year. This prestigious award is reserved for the best product in the category.

Some of the very successful collections launched this year which pushed the boundary of design were Raga Facets, Maritime, The Tamil Nadu collection, Nebula Deccan in Watches.

'Ahalya' and 'Virasaat' redefined the Tanishq jewellery space once again with differentiated look and techniques. Rhapsodie and Rouge continued to build desire for the Zoya consumer and Facets and Electrify Me brought in a lot of innovation and fun quotient in Mia.

'Signature' in Titan eyewear defined the look for urban male with the combination of Titanium and wood.

DEC is a testimonial to the creative and innovative spirit of the Company and is a cross-disciplinary amalgam of some of the most respected and skilled designers from across the country and abroad.

INFORMATION TECHNOLOGY & DIGITAL

The Company has launched transformation initiatives in multiple domains that combine digital and physical assets seamlessly for enhancing customer experience and achieving operational efficiencies, while ensuring the resilience and security of the Company's technology infrastructure and customer data privacy.

Omni-Channel

The Company has launched omni-channel services on its e-commerce platforms that enable its customers to combine online and in-store shopping as per their preference including product and store discovery, buying/reserving, payment and scheduling pickup and return. The customers have adopted to this capability and steps have been taken to enhance and expand the Company's capability in this direction.

Customer Engagement

The Company has launched its Customer Relationship Management (CRM) solution for the Retail Sales teams, integrated with the Data Warehouse and Analytics, Loyalty and Point of Sale systems. This is helping in personalizing the Company's engagement with its customers and thus progressively strengthening customer understanding to further improve the engagement in a virtuous cycle. The Company's 'Voice of Customer' Net Promoter Scores and Social Media initiatives are enabling to act on customer responses in real time. Multi-channel service and engagement capabilities including mobile apps, chatbots, WhatsApp and live chat have been established besides e-mail and tele-calling to enhance the customers' experience across discovery, purchase, service and loyalty.

Data & Analytics

The Company is working towards rapidly enhancing its Data Warehousing and Analytics and Insights capabilities to deliver significant measurable business value which helps in continuously generating customer insights from data across all touchpoints, and deploying cutting edge AI/ML algorithms to identify Next Best Actions and Recommendations that are communicated to the customers through outbound campaigns, CRM cues to the retail sales teams and E-commerce platforms. The businesses are also being supported with machine learning models for forecasting, price and offer optimization and new store location evaluation, with high and improving accuracy which has helped in delivering revenue funnel through analytics-assisted campaigns and other initiatives.

An AI-based Persuasive Technology has been successfully implemented that has helped enhance sales officers' performance on targets and dealer engagement through timely, behaviour-based nudges.

Neural Networks, Mixed Reality

Programs have been launched to pilot watch and jewellery design generators that will help augment the Company's creative teams' capabilities, leveraging neural network technologies. Augmented Reality solutions are being constructed that will enable customers to virtually try-on products on the web and in store, seamlessly linked with the inventory, CRM and Point of Sale Systems.

Process Automation & Efficiencies

Several Robotic Process Automation initiatives have been deployed that have delivered significant productivity improvements and efforts are on to continually identify and exploit high leverage opportunities in this area. Portals and mobile apps have been launched for value chain partners to help enhance their experience and efficiency.

Digital Quotient

Digital Transformation is a key theme in the Company's Leadership Development agenda. The Company has launched self-paced programs and content portals for its employees to learn about digital technologies through curated courses and content. 'Exploring Titan', short programs on E-commerce and Analytics have proven to be popular and are well attended.

The Company had 7,550 employees on rolls of which 1,986 were women as on 31st March 2020. Of the total head-count, 3,096 employees were engaged in manufacturing, 3,543 in retail and 821 in corporate and support functions.

HUMAN RESOURCES

The Company had 7,550 employees on rolls of which 1,986 were women as on 31st March 2020. Of the total head-count, 3,096 employees were engaged in manufacturing, 3,543 in retail and 821 in corporate and support functions. The net addition to employee base was of 389 employees. Of the total base, 145 employees are differently-abled.

Employee Development: Work on the 4 tiered leadership program continued as per plan. Young Leaders Program 3.0 was launched with a new program design. New elements like social immersions and shadowing were introduced for Emerging Leaders Program. Senior and Top Management Development programs continued with special focus on immersions. The 2nd Edition of Leadership Conclave was conducted in Q4 of the year.

For employees outside of leadership programs, learning inputs and programs were designed, curated and rolled out based on not only the Individual Development Plans but also the Titan Competency Framework.

Functional journeys specific to sales and manufacturing have been launched this year.

Employee Connect & Employee Wellness

A big area of impact for HR in the year has been the positive shift created in employee experience.

- Employee Lifecycle & HR processes: Automated solutions for workforce planning and employee processes have been automated.
- Holistic approach to Wellness: Will It, Well It, a wellness program, has been introduced this year as an organisation-wide initiative aimed at improving employee wellness – physical, mental/emotional and financial. The initiative provides a plethora of options to employees to choose from and pick offers aimed at health and well-being.

Business Partnering

HR has partnered with business divisions closely to build both capacity and capability across both existing and new businesses. Some key highlights of the year were the set-up of Gulf Co-operation Council operations, acqui-hire of HUG Innovations, organisational structuring and capability building for the Indian Dress Wear Division, amongst others.

Employee Relations

The employee relations climate has been a peaceful and positive one. Long term agreements for Hosur and Roorkee factories were signed off in a win-win manner.

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 2020.

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 2020 (Audited)	Year Ended 31st March 2019 (Audited)
Net Sales/Income from Operations		
Watches	2,615.49	2,440.93
Jewellery	16,738.22	16,029.58
Eyewear	544.01	511.41
Others	171.11	133.43
Corporate (Unallocated)	87.22	133.12
Total	**20,156.05**	**19,248.47**

₹ in crore

Segment Results	Year Ended 31st March 2020 (Audited)	Year Ended 31st March 2019 (Audited)
Profit/(Loss) from segments before finance costs and taxes and after share of profit/(losses) of associate		
Watches	365.31	316.38
Jewellery	2,061.32	1,948.00
Eyewear	(14.33)	(2.38)
Others	(58.41)	(58.11)
Total	**2,353.89**	**2,203.89**
Less: Finance costs	149.48	44.45
Corporate (unallocated)	(99.44)	(232.07)
Profit before taxes	**2,104.97**	**1,927.37**

₹ in crore

Capital Employed	Year Ended 31st March 2020 (Audited)	Year Ended 31st March 2019 (Audited)
Watches	1,368.45	1,048.56
Jewellery	3,774.82	2,171.77
Eyewear	261.46	267.42
Others	126.65	81.42
Corporate (unallocated)	1,293.48	2,612.55
Total	**6,824.86**	**6,181.72**

HOW THE COMPANY FARED

Some of the key financial indicators are as below:

	FY 2019-20	FY 2018-19	FY 2017-18
Sales to Net fixed assets (No. of times)	18.10	18.48	16.28
Sales to Debtors (No. of times)	93.31	53.23	81.12
Sales to Inventory (No. of times)	2.59	2.84	2.72
Retained Earnings - Rupees in crore	3,758	2,876	885.07
Return on Capital Employed (EBIT)	34.67%	35.90%	35.98%
Return on Net worth	23.34%	24.16%	24.47%
Interest Coverage Ratio	143.04	1,198.12	406.87
Current Ratio	1.82	1.76	1.78
Debt equity ratio	0.09	NA	NA
Operating Profit Margin %	10.54%	9.77%	10.37%
Net Profit Margin	7.58%	7.21%	7.43%

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 2019-20	FY 2018-19	% change
Debtors Turnover Ratio	93.31	53.23	75.3
Interest Coverage Ratio	143.04	1,198.12	-88.1

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 2019-20	FY 2018-19	% change
Return on Net worth	23.34%	24.16%	-3.39

The return on net worth is in line with the previous year as the percentage change is less than 5%.

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 2020-21

The lockdown necessitated by the COVID-19 pandemic is expected to hit the Company's businesses very substantially in the financial year 2020-21. The Company expects the economy to shrink, and tight regulations on operations of stores to continue for some time. Customers can also be expected to be wary of stepping out of their homes for some time. With job losses expected to increase substantially and salaries expected to fall or stay flat at best, spends on discretionary products could get affected more. However, the Company also expects customers to spend relatively more on jewellery compared to other discretionary spends as gold jewellery continues to be a valuable store of value. The focus therefore for financial year 2020-21 will be on cash flows and optimize spends. The Company has therefore already begun a War on Waste program to identify all costs that can be cut under the circumstances and ensuring adequate liquidity is available to run the businesses efficiently and also leveraging the Company's strong balance sheet to seize opportunities that may present itself during the year will be key focus areas.

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 and incidental factors.

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 (**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 behaviour. 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 shareholder value without compromising on integrity, societal obligations, environment and regulatory compliances. The Company's corporate governance philosophy has been further strengthened through the Tata Code of Conduct and Codes of Fair Disclosure and Conduct. 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 a journey to constantly improve sustainable value creation. 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 was promoted by the Tamilnadu Industrial Development Corporation Limited (TIDCO) and the Tata Group. As on 31st March 2020, 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 and category of Directors as at 31st March 2020 is as follows:

Category	Name of Director	No. of Directors
Nominee Directors of TIDCO (Non-Executive, Non-Independent)	Mr. N Muruganandam Mr. V Arun Roy Ms. Kakarla Usha[1]	3
Nominee Directors of Tata Group (Non-Executive, Non-Independent).	Mr. N N Tata Mr. Bhaskar Bhat[2]	2
(Executive, Non-Independent)	Mr. C. K. Venkataraman[3]	1
Other Directors (Non-Executive, Independent)	Ms. Hema Ravichandar Ms. Ireena Vittal Mr. Ashwani Puri Mr. B Santhanam Mr. Pradyumna Vyas Dr. Mohanasankar Sivaprakasam[4]	6
Total		**12**

[1] Ms. Usha Kakarla, IAS, nominee of TIDCO was appointed on the Board effective 21st November 2019.

[2] Mr. Bhaskar Bhat, nominee of Tata Group was appointed on the Board effective 1st October 2019 after his retirement as the Managing Director of the Company effective on 30th September 2019.

[3] Mr. C. K. Venkataraman was appointed as Managing Director of the Company effective 1st October 2019 subject to approval of the shareholders.

[4] Dr. Mohanasankar Sivaprakasam was appointed on the Board effective on 3rd July 2019 and his appointment was approved by the Shareholders at the 35th Annual General Meeting of the Company held on 6th August 2019.

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 was independent.

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 paid to Mr. Bhaskar Bhat, as approved by the Board, consequent upon his retirement as Managing Director on 30th September 2019.

The Board of Directors met six times during the Financial Year 2019-20. The Board meetings were held on 8th May, 19th July, 6th August, 27th September and 5th November in 2019 and on 4th February in 2020.

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 and Executives 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 2020 are as indicated below:

Name of Director	No. of Board Meetings attended during the year 2019-20	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	1	No	7	2	Nil	Nil
Mr. Ramesh Chand Meena[1]	3	Yes	Not Applicable			
Mr. V Arun Roy	1	No	1	7	1	2
Ms. Kakarla Usha[2]	1	NA	4	5	1	2
Mr. N.N. Tata	6	Yes	3	3	1	2
Mr. Harish Bhat[3]	4	Yes	Not Applicable			
Mr. Bhaskar Bhat[4]	6	Yes	Nil	6	Nil	5
Mr. T.K. Balaji[5]	2	NA	Not Applicable			
Ms. Hema Ravichandar	6	Yes	Nil	4	1	4
Ms. Ireena Vittal	5	Yes	Nil	4	Nil	4
Mr. Ashwani Puri	6	Yes	Nil	3	3	Nil
Mr. B Santhanam	6	Yes	Nil	3	1	2
Mr. Pradyumna Vyas[7]	6	Yes	Nil	5	1	Nil
Dr. Mohanasankar Sivaprakasam[6]	5	Yes	Nil	1	Nil	Nil
Mr. C. K. Venkataraman[7]	2	NA	Nil	3	Nil	2

excludes Committees other than Audit and Stakeholders Relationship Committee.

1 Mr. Ramesh Chand Meena ceased to be a Director effective 14th October 2019.

2 Ms. Kakarla Usha was appointed on the Board effective 21st November 2019.

3 Mr. Harish Bhat ceased to be a Director effective 1st October 2019.

4 Mr. Bhaskar Bhat retired as Managing Director on 30th September 2019 and was subsequently appointed as a Non-Executive Non-Independent Director of the Company with effect from 1st October 2019.

5 Mr. T. K. Balaji ceased to be a Director on 31st July 2019.

6 Dr. Mohanasankar Sivaprakasam was appointed on the Board effective 3rd July 2019.

7 Mr. C. K. Venkataraman was appointed as Managing Director effective 1st October 2019.

During the year Mr. Ramesh Chand Meena ceased to be a Director effective 14th October 2019 upon withdrawal of nomination by TIDCO. Mr. Harish Bhat ceased to be a Director effective 1st October 2019 upon withdrawal of nomination by Tata Sons Private Limited and Mr. Bhaskar Bhat who retired as Managing Director of the Company on 30th September 2019, was nominated by Tata Sons Private Limited as a Non-Executive Non-Independent Director on the Board effective 1st October 2019. Mr. T. K. Balaji ceased to hold office as an Independent Director upon completion of his tenure on 31st July 2019. Ms. Hema Ravichandar was re-appointed for a second term as Independent Director by the shareholders upto 31st July 2020. Ms. Ireena Vittal was re-appointed for a second term as Independent Director by the shareholders upto 29th January 2023.

The names of other listed entities where the person is a director and category of directorship as on 31st March 2020 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, Chairman
		Voltas Limited	Non-Executive, Non independent Director, Chairman
		Tata Investments Corporation Limited	Non-Executive, Non independent Director, Chairman
5	Mr. Bhaskar Bhat	Tata Chemicals Limited	Non-Executive, Non Independent Director
		Trent Limited	Non-Executive, Non Independent Director
		Rallis India Limited	Non-Executive, Non Independent Director, Chairman
		Bosch Limited	Non-Executive, Independent Director
6	Ms. Hema Ravichandar	Marico Limited	Non-Executive, Independent Director
		Bosch Limited	Non-Executive, Independent Director
		The Indian Hotels Company Limited	Non-Executive, Independent Director
7	Ms. Ireena Vittal	Godrej Consumer Products Limited	Non-Executive, Independent Director
		Wipro Limited	Non-Executive, Independent Director
		Housing Development Finance Corporation Limited	Non-Executive, Independent Director
8	Mr. Ashwani Puri	NIIT Technologies Limited	Non-Executive, Independent Director
9	Mr. B Santhanam	Saint-Gobain Sekurit India Limited	Non-Executive, Non Independent Director
		Grindwell Norton Limited	Executive, Managing Director
10	Mr. Pradyumna Vyas	Dynamatic Technologies Limited	Non-Executive, Independent Director
		Kirloskar Brothers Limited	Non-Executive, Independent Director
11	Dr. Mohanasankar Sivaprakasam	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 Companies Act, 2013 ("the Act").

The Board confirms that the Independent Directors fulfil 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 2020.

A Declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated 22nd October, 2019, issued by the Ministry of Corporate Affairs ("MCA"), regarding the requirement relating to enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(6) of the Act.

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 2020 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
Ms. Hema Ravichandar	Nil

Name of Director	Number of Shares
Ms. Ireena Vittal	Nil
Mr. Ashwani Puri	Nil
Mr. B. Santhanam	Nil
Mr. Pradyumna Vyas	Nil
Dr. Mohanasankar Sivaprakasam	Nil

Web link where familiarisation programmes imparted to Independent Directors is as below:

The details of familiarisation programmes for Independent Directors is posted on the website of the Company and 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.

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.
Ms. Hema Ravichandar	People Management and Leadership; Governance and Risk Management
Ms. Ireena Vittal	Financial Expertise, Governance and Risk Management, Mergers and Acquisitions, Business Strategy
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
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 2020. 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 23rd March 2020, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI LODR. 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 of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors of the Company attended the Meetings of Independent Directors held on 23rd March 2020. 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.

INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company had adopted the Code of Conduct for Prohibition of Insider Trading on 14th May 2015. Consequent upon the amendments made to the PIT Regulations vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, revised Codes of Fair Disclosure and Conduct ("the Code") which in turn contains Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure Practices was adopted by the Company on 25th March 2019 and was made effective from 1st April 2019. Thereafter, SEBI vide its notification dated 25th July 2019 (second amendment) and 17th September 2019 (third amendment) has amended certain provisions of PIT Regulations. Accordingly, the Company approved the Code at its Meeting held on 5th November 2019. This Code is applicable to all Directors, Promoters and such identified Designated 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 & 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 SEBI 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 Prevention of Insider Trading with PIT Regulations, 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 will also oversee 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 6th August 2019.

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 2019-20. Audit Committee meetings were held on 7th May, 5th August and 4th November in 2019 and on 3rd February and 9th March in 2020.

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. T. K. Balaji[1] (Non-Executive) (Independent)	1
Ms. Ireena Vittal (Non-Executive) (Independent)	5
Mr. Harish Bhat[2] (Non-Executive) (Non-Independent)	2
Ms. Hema Ravichandar[3] (Non-Executive) (Independent)	3
Mr. B. Santhanam (Non-Executive) (Independent)	5
Mr. Bhaskar Bhat[4] (Non-Executive) (Non-Independent)	2

1 Consequent upon his ceasing to be a director on 31st July 2019, Mr. T. K. Balaji ceased to be a member of the Committee.

2 Consequent upon his resignation effective 1st October 2019, Mr. Harish Bhat ceased to be a member of the Committee.

3 Ms. Hema Ravichandar was appointed on the Board Audit Committee effective from 6th August 2019.

4 Mr. Bhaskar Bhat was appointed on the Board Audit Committee effective from 5th November 2019.

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 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. Board 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 shall also be 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 shall also support the Board and IDs in evaluation of the performance of the Board, its committees and individual directors which shall include *"Formulation of criteria for evaluation of Independent Directors and the Board"*. It shall also decide 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 shall include 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 shall oversee 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 shall provide guidelines for remuneration of directors on material subsidiaries, recommend to its Board how the Company will vote on resolutions for appointment and remuneration of directors on the Boards of its material subsidiary companies, endeavors 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 perform 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 2019-20 is based on attendance at the meetings of the Board and the Committees thereof and Chairmanships held by the directors on various Committees. The Remuneration Policy is annexed as **Annexure-A**.

The Committee met four times during the Financial Year 2019-20. Meetings were held on 7th May, 5th August and 5th November in 2019 and on 4th February in 2020.

The following Directors were members of the BNRC during the year 2019-20 and their attendance in the meetings held during the year were as follows:

Name of Director & Category	No. of Meetings attended out of four meetings
Ms. Hema Ravichandar, Chairperson (Non-Executive) (Independent)	4
Mr. Ramesh Chand Meena[1] (Non-Executive) (Non-Independent)	1
Mr. N. N. Tata (Non-Executive) (Non-Independent)	4
Ms. Ireena Vittal (Non-Executive) (Independent)	4
Mr. T. K. Balaji[2] (Non-Executive) (Independent)	1
Mr. B Santhanam[3] (Non-Executive) (Independent)	2
Ms. Kakarla Usha[4] (Non-Executive) (Non-Independent)	NA

[1] Consequent upon his resignation effective 14th October 2019, Mr. Ramesh Chand Meena ceased to be a member of the Committee.

[2] Consequent upon his cessation effective 31st July 2019, Mr. T. K. Balaji ceased to be a member of the Committee.

[3] Mr. B Santhanam was appointed on the Board Nomination and Remuneration Committee effective from 5th August 2019.

[4] Ms. Kakarla Usha was appointed on the Board Nomination and Remuneration Committee effective from 4th February 2020.

5. Remuneration of Directors

MANAGING DIRECTOR(S)

During the year, Mr. Bhaskar Bhat was the Managing Director till his retirement on 30th September 2019. Subsequently, Mr. C K Venkataraman was appointed as the Managing Director of the Company by the Board for a period of 5 years effective from 1st October 2019 subject to the approval of the shareholders.

The Company has during the year paid remuneration to Mr. Bhaskar Bhat by way of salary, perquisites and commission within the limits approved by the shareholders. Further, the Company has during the year paid remuneration to Mr. C K Venkataraman by way of salary and perquisites as approved by the Board and the same is subject to approval of the shareholders. The Commission amount proposed to be paid to Mr. C K Venkataraman for the six month period ending 31st March 2020 will be subject to approval of 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 paid/payable to the Managing Director(s) for the financial year 2019-20 (in ₹)

Name	Salary	Perquisites & Allowance	Commission**
Mr. C. K. Venkataraman[1]	60,00,000	1,05,43,110	1,95,00,000
Mr. Bhaskar Bhat[2]	75,00,000	2,31,61,222*	3,00,00,000

1 Mr. C. K. Venkataraman was appointed as Managing Director effective 1st October 2019 and the same is subject to approval of the shareholders.

2 Mr. Bhaskar Bhat retired as Managing Director on 30th September 2019 and was subsequently appointed as a Non-Executive Non-Independent Director of the Company with effect from 1st October 2019. The amount disclosed here pertains to payment to Mr. Bhaskar Bhat as the Managing Director of the Company upto 30th September 2019.

* Includes leave encashment on retirement

** For financial year 2019 -20, based on the recommendations of the Board Nomination and Remuneration Committee and approved by the Board which is payable in financial year 2020-21 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.

The broad terms of agreement of appointment of Mr. C. K. Venkataraman, Managing Director, subject to approval of the shareholders, are as under:

Period of Agreement: 5 years from 1st October 2019 to 30th September 2024.

Salary: Basic salary in the range of ₹ 10,00,000 (Rupees Ten lakh only) to ₹ 20,00,000 (Rupees Twenty lakh only) per month, subject to the Board Nomination and Remuneration Committee or the Board being authorised to fix the salary within such range, from time to time. His initial basic salary is ₹ 10,00,000 (Rupees Ten lakh only) per month commencing from 1st October 2019.

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 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.

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.

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS

The remuneration paid/payable to Non-Executive Directors for the year 2019-20 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 31st July 2015 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 2019-20, 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 ** (₹)	Commission* (₹)
1	Mr. N Muruganandam - Chairman (nominated by TIDCO)	50,000	32,00,000
2	Mr. Ramesh Chand Meena (nominated by TIDCO)	1,80,000	17,50,000
3	Mr. V Arun Roy (nominated by TIDCO)	90,000	34,00,000
4	Ms. Kakarla Usha (nominated by TIDCO)	50,000	750,000
5	Mr. Harish Bhat^	3,30,000	Refer Note below
6	Mr. N N Tata^	4,20,000	Refer Note below
7	Mr. T K Balaji	1,90,000	14,66,667
8	Ms. Hema Ravichandar	5,30,000	69,45,833
9	Ms. Ireena Vittal	6,00,000	61,66,667
10	Mr. Ashwani Puri	5,80,000	53,00,000
11	Mr. B. Santhanam	5,80,000	42,41,666

Sl No	Name of the Director	Sitting fee ** (₹)	Commission* (₹)
12	Mr. Pradyumna Vyas	3,30,000	25,58,333
13	Dr. Mohanasankar Sivaprakasam	2,80,000	21,83,334
14	Mr. Bhaskar Bhat@	2,00,000	18,75,000

* Gross amount, subject to tax and payable in Financial Year 2020-21.

** Gross amount, excluding applicable taxes, paid during Financial Year 2019-20.

^ In line with the internal guidelines, no payment is made towards Commission to Mr. N N Tata and Mr. Harish Bhat, Non-Executive Directors of the Company, who are in full-time employment with other Tata Group companies.

@ The Commission amount is pertaining to the period 1st October 2019 to 31st March 2020 during which period Mr. Bhaskar Bhat was the Non-Executive Director.

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 had paid post-retirement benefits (monthly pension, allowances and one-time ex-gratia) amounting to ₹ 99,37,500 for the period October 2019 to March 2020 consequent upon his retirement.

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 2019-20. The meetings were held on 8th May 2019 and 5th November 2019.

The members of the Stakeholders Relationship Committee and their attendance in the meetings held during the FY 2019-20 are as follows:

Name of Director & Category	No. of Meetings attended out of two meetings
Mr. T. K. Balaji[1] (Non-Executive) (Independent)	1
Mr. Harish Bhat[2] (Non-Executive) (Non-Independent)	1
Mr. V Arun Roy (Non-Executive) (Non-Independent)	Nil
Mr. Bhaskar Bhat[3] (Non-Executive) (Non-Independent)	2
Mr. B Santhanam[4] (Non-Executive) (Independent)	1
Mr. C. K. Venkataraman[5] (Executive, Non-Independent)	1

1 Consequent upon his cessation on 31st July 2019, Mr. T. K. Balaji ceased to be a member of the Committee.

2 Consequent upon his resignation effective 1st October 2019, Mr. Harish Bhat ceased to be a member of the Committee.

3 Mr. Bhaskar Bhat was Managing Director when he attended the SRC meeting dated 8th May 2019 and was Non Executive Non Independent Director when he attended the SRC meeting dated 5th November 2019.

4 Mr. B Santhanam was appointed on the Stakeholder Relationship Committee effective from 6th August 2019.

5 Mr. C. K. Venkataraman was appointed on the Stakeholder Relationship Committee effective from 5th November 2019.

Mr. Dinesh Shetty, Company Secretary, is the Compliance Officer under SEBI LODR.

Number of complaints from shareholders during the year ended 31st March 2020

The complaints which were received through SCORES i.e. the SEBI online shareholder grievance redressal portal is as below:

Complaints outstanding as on 1st April 2019	0
Complaints received during the year ended 31st March 2020	28
Complaints resolved during the year ended 31st March 2020	28
Complaints not solved to the satisfaction of shareholders during the year ended 31st March 2020	0
Complaints pending as on 31st March 2020	0

The position of queries/other correspondence received and attended to during 2019-20 in respect of equity shares apart from those received through SCORES are given below:

	Received	Resolved	Pending as of 31st March 2020
For non-receipt of interests/dividend warrants	1,881	1,873	8
Loss of shares	789	776	13
Signature Cases	393	388	5
ECS/ Mandate Requests	413	413	0
Change of address requests	307	307	0
Transmission of securities	174	174	0
Document Registration	230	230	0
Exchange/ Sub-division of old shares/ Conversion	131	131	0
Split/ Consolidation/ Renewal/ Duplicate issue of shares	104	104	0
Name/ status correction	92	91	1
General Inquiries	133	133	0
Transfer of securities	30	30	0
Nomination requests	18	18	0
Depository System	2	2	0
Dematerialisation of securities	33	33	0
Correspondence related to legal matters	37	37	0
Securities/ Warrants enclosure letters	29	29	0
Change of address queries	11	11	0
Annual Report	9	9	0
Letters received from SEBI and other statutory bodies	28	28	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
2016-17	At the Registered Office of the Company located at 3, SIPCOT Industrial Complex, Hosur 635 126	3rd August 2017	3:00 p.m.	Nil
2017-18		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 for a second term upto 31st July 2020. ii) Re-appointment of Ms. Ireena Vittal as an Independent Director for a second term upto 29th January 2023.

b) No Extraordinary General Meeting of the shareholders was held during the financial year 2019-20.

c) No Postal Ballot was conducted during the financial year 2019-20.

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 Section 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. However, in terms of the relaxation granted vide Circular dated 26th March, 2020 issued by Securities and Exchange Board of India, bearing Ref. No. SEBI/HO/CFD/CMD1/ CIR/P/2020/48 on the provisions of Regulation 47 of the SEBI LODR, the Audited Financial Results for the quarter and year ended 31st March 2020 were not published in the newspapers.
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, 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 36th Annual General Meeting scheduled to be held on 11th August 2020 will be conducted through video conference or other audio visual means and the requirements as stated in the above said circular will be fulfilled. Details of the procedure of conduct of the 36th AGM is provided in the Notice of the Meeting. 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	Tuesday, 11th August 2020, 2:30 p.m. In accordance with the General Circular issued by the MCA on May 5, 2020, the AGM will be held through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') only
Financial Year	1st April 2019 to 31st March 2020
Book Closure Date	5th August 2020 to 11th August 2020 (both days inclusive)
Dividend payment date	On or after 18th August 2020 (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 2020.
Share Registrar and Transfer Agents	TSR Darashaw Consultants Private Limited, 6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio, 20, Dr E Moses Road, Mahalaxmi, Mumbai - 400 011 E-mail: csg-unit@tsrdarashaw.com, Website: www.tsrdarashaw.com 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 503, Barton Centre, 5th Floor 84, M.G. Road, Bengaluru – 560 001 Tel: 080-25320321 Fax: 080 – 25580019 Email: tsrdlbang@tsrdarashaw.com Contact Person: Mr. Jaymohan K	**TSR Darashaw Consultants Private Limited** Plot No.2/42, Sant Vihar Ansari Road, Daryaganj, New Delhi – 110 002 Tel: 011 – 23271805 Fax: 011 – 23271802 Email: tsrdldel@tsrdarashaw.com Contact Person: Mr. Shyamalendu Shome
Shah Consultancy Services Limited **c/o. TSR Darashaw Consultants Private Limited** 3-Sumatinath Complex, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad - 380 006 Telefax: 079 - 2657 6038, Email: shahconsultancy8154@gmail.com Contact Person: Mr. Suresh Shah	**TSR Darashaw Consultants Private Limited** Tata Centre, 1st Floor 43, Jawaharlal Nehru Road, Kolkata – 700 071 Tel: 033 - 22883087 Fax: 033 - 22883062 Email: tsrdlcal@tsrdarashaw.com 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@tsrdarashaw.com 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 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 2020 is as shown below:

Number of Shares : 41,80,84,240

Percentage to total holding : 47.09%

STOCK PERFORMANCE

Month	BSE		NSE		Index Close Price	
	High	Low	High	Low	Sensex	Nifty
Apr-19	1,164.00	1,065.60	1,165.00	1,083.50	39,031.55	11,748.15
May-19	1,262.10	1,069.25	1,262.80	1,067.85	39,714.20	11,922.80
Jun-19	1,336.80	1,227.50	1,337.05	1,227.50	39,394.64	11,788.85
Jul-19	1,340.75	1,041.05	1,340.90	1,041.00	37,481.12	11,118.00
Aug-19	1,131.40	998.70	1,131.50	998.00	37,332.79	11,023.25
Sep-19	1,345.55	1,025.70	1,345.00	1,025.50	38,667.33	11,474.80
Oct-19	1,389.85	1,177.75	1,389.95	1,177.05	40,129.05	11,855.10
Nov-19	1,340.00	1,123.85	1,333.35	1,123.20	40,793.81	12,056.05
Dec-19	1,229.70	1,143.60	1,229.00	1,142.50	41,253.74	12,168.45
Jan-20	1,240.00	1,132.00	1,240.35	1,132.00	40,723.49	11,962.10
Feb-20	1,340.60	1,163.10	1,341.05	1,162.55	38,297.29	11,201.75
Mar-20	1,295.00	720.00	1,294.00	720.90	29,468.49	8,597.75

DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2020

No. of Equity Shares Held	No. of Shareholders*	Percentage	No. of Shares	Percentage
1-5,000	3,34,220	98.83	6,02,59,014	6.79
5,001-20,000	2,906	0.86	2,61,77,832	2.95
20,001-30,000	219	0.06	53,77,264	0.61
30,001-40,000	134	0.04	46,81,543	0.53
40,001-50,000	92	0.03	41,60,905	0.47
50,001-1,00,000	183	0.05	1,30,40,220	1.47
1,00,001-10,00,000	351	0.10	10,92,41,435	12.30
10,00,001 and above	69	0.02	66,48,47,947	74.89
TOTAL	**3,38,174**	**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 2020

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	22,22,25,200	25.03
FIIs/OCBs	739	15,74,59,981	17.74
Bodies Corporate	3,039	1,96,42,623	2.21
Institutional Investors	126	4,20,56,384	4.74
Mutual Funds	255	5,02,55,992	5.66
Banks	20	6,58,711	0.07
Others	3,33,983	14,80,10,549	16.67
Total	**3,38,174**	**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 2020, 98.85% 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, Pantnagarr and Sikkim
Prescription Eyewear	: Bengaluru, Chennai, Chikkaballapur, Kolkata, Mumbai, Noida and Patna

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 2019-20 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 5th September 2019

Instrument	Previous Rated Amount (₹ crore)	Current Rated Amount (₹ crore)	Rating Action
Commercial paper	NA	900	[ICRA]A1+ assigned
Fund based/Non-fund based limits	1,700	1,700	[ICRA]AA+ (Positive)/[ICRA] A1+ outstanding
Fixed deposit programme	1,500	1,500	MAAA (Stable) outstanding
Total	**3,200**	**4,100**	

(b) Ratings and its revision given by CRISIL dated 31st December 2019

Instrument	Rating Action
Total Bank Loan Facilities Rated	₹ 2,850 crore (Enhanced from ₹ 1350 crore)
Long Term Rating	CRISIL AAA/Stable (Upgraded from 'CRISIL AA+/Positive')
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹ 500 crore Commercial Paper	CRISIL A1+(Reaffirmed)

(c) Ratings and revisions given by Brickwork Ratings India Pvt. Ltd dated 3rd June 2019

Fund Based Facility	Amount (₹ crore)	Tenure	Rating
Proposed Cash Credit	1,000	Long Term	BWR AAA Outlook: Stable
Gold Metal Loan/Gold Loan (Clean)	4,000	Short Term	BWR A1+
Total	**5,000**		

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 2020 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 ventures. 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 2020, 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) **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.

(h) **Compliance of discretionary requirements:** The information pertaining to compliance of discretionary requirements made, may be referred to Item No.12 below.

(i) **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.

(j) **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

(k) **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 purchase.

b) Purchase of gold from customers (on exchange) or spot gold where the risk is managed by way of taking a sell position either in the commodity futures in the commodity exchanges/banks. On a later date when this is sold in the stores, the positions are squared off. Thus, there is no exposure to gold prices for this portion of commodity purchase also. The Mark-to-Market of outstanding Sell Future Contracts, is done on a daily basis, based on 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 2020): ₹ 3,573.94 crore

b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure towards the particular commodity (in ₹ crore)	Exposure in quantity towards the particular commodity (in Kgs)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Gold – 1 Kg June Contract	2,904.02	7,025		100%			100%
Gold – 1 Kg August Contract	669.09	1,582		100%			100%
Sub Total (A)	3,573.11	8,607		100%			100%
Silver – 30 kgs July Contract	0.82	180		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.

(l) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A):** The Company has not raised any funds through preferential allotment or qualified institutional placement.

(m) **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.

(n) **Disclosure of non-acceptance of any recommendation of any committee by the Board in the financial year 2019-20 and its reason:** There was no such instance during the FY 2019-20 when the Board had not accepted any recommendation of any Committee of the Board.

(o) **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	162.00
Taxation matters	17.00
Audit of consolidated accounts	11.00
Other services	86.00
Reimbursement of levies and expenses	21.00
Total	**297.00**

(p) **Disclosure of cases during the year 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	3
Number of complaints disposed-of during the financial year	2
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 2019 to 31st March 2020 is as provided below:

Particulars	No. of Shareholders	No. of equity shares (D 1 each)
Aggregate number of shareholders and the Outstanding unclaimed shares in the suspense account lying at the beginning of the year	330	6,27,480
Shareholders who approached listed entity for transfer of shares from suspense account during the year	22	44,640
Shareholders to whom shares were transferred from suspense account during the year	22	44,640
Shareholders whose shares were transferred from suspense account to IEPF	44	89,380
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	263	4,93,460
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	263	4,93,460

11. Non-Compliance 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 THE 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 2020:

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
8th June 2020

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 2020.

for **TITAN COMPANY LIMITED**

Place: Bengaluru
Date: 8th June 2020

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, 2020 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI LODR').

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 SEBI LODR.

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: F001788B000324253

Place: Bengaluru
Date: 8th June 2020

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 & 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, 2020 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 Company
1	NOEL NAVAL TATA	0000024713	07/08/2003
2	HEMA RAVICHANDAR	0000032929	30/03/2009
3	BHASKAR BHAT	0000148778	01/10/2019
4	ASHWANI KUMAR PURI	0000160662	06/05/2016
5	SANTHANAM	0000494806	10/05/2018
6	MURUGANANDAM NARAYANASWAMY	0000540135	14/03/2019
7	ARUN ROY VIJAYAKRISHNAN	0001726117	26/11/2018
8	PRADYUMNA RAMESHCHANDRA VYAS	0002359563	25/03/2019
9	IREENA VITTAL	0005195656	30/01/2013
10	VENKATARAMAN KRISHNAMURTHY COIMBATORE	00005228157	01/10/2019
11	KAKARLA USHA	00007283218	21/11/2019
12	MOHANA SANKAR	00008497296	03/07/2019

Ensuring the eligibility of 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: F001788B000324209

Place: Bengaluru
Date: 8th June 2020

Remuneration Policy

Annexure A

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 2018-19, the Company had transferred unclaimed dividends of ₹ 1,02,89,401 to IEPF.

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 2020		Due for transfer to IEPF
			(₹ lakh)	%	
2012-13	**1st August 2013**	**18,644**	**186**	**1.00**	**06th Sept 2020**
2013-14	1st August 2014	18,644	161	0.86	07th Sept 2021
2014-15	31st July 2015	20,419	147	0.72	06th Sept 2022
2015-16	29th March 2016	19,531	160	0.82	28th Apr 2023
2016-17	3rd August 2017	23,082	119	0.52	09th Sept 2024
2017-18	3rd August 2018	33,292	224	0.67	09th Sept 2025
2018-19	6th August 2019	44,389	196	0.44	12th Sept 2026

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 2019-20, the Company had transferred 3,77,928 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 M/s. 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 coordination with IEPF Authority is Mr. Dinesh Shetty - General Counsel & Company Secretary, and 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, Bangalore-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, Bangalore -560100, Karnataka

36th Annual General Meeting

The details of the 36th Annual General Meeting (AGM) of the Company is as given below:

Date	11th August 2020
Venue	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
E-voting dates	7th August 2020 to 10th August 2020
Book closure date	5th August 2020 to 11th August 2020 (both days inclusive)
Dividend payment date	On or after 18th August 2020
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 and 13th April 2020 (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 ("SEBI circular") 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 36th AGM of the Company is being held through VC/OAVM.

In line with the MCA Circular dated 5th May 2020 and SEBI circular dated 12th May 2020, the Notice of the AGM along with the Annual Report 2019-20 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 AGM Notice.

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 2020, 98.85% 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2020 are as follows:

Sl. No	Name of Shareholder	Total holdings	Percentage to capital
1	Jhunjhunwala Rakesh Radheshyam	3,93,10,395	4.43
2	Life Insurance Corporation Of India	2,01,98,921	2.28
3	Jhunjhunwala Rekha Rakesh	97,40,575	1.10
4	Sbi-Etf Nifty 50	97,07,260	1.09
5	Matthews Pacific Tiger Fund	90,15,327	1.02

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 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.

Business Responsibility Report 2019-20

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, 635126

4. **Website:** www.titancompany.in

5. **E-mail id:** sridharne@titan.co.in

6. **Financial Year reported:** 01st April 2019 to 31st March 2020

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: 1,739 exclusive retail outlets and 15 manufacturing and assembly facilities.

10. **Markets served by the Company:** The Company sells its products across India as well as several countries in the world

Section B: Financial Details of the Company

1. **Paid up capital (INR):** ₹ 88.78 crore

2. **Total Turnover:** ₹ 20,010 crore

3. **Total Profit After Taxes (INR):** ₹ 1,518 crore

4. **Total CSR spending as percentage of Profit after Tax (INR):** ₹ 30.99 crore which is more than 2% of 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 67046888
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)*	Y 1,2	Y 1,4	Y 1	Y 1,3,5	Y 1	Y 1,4	Y 1	Y 1,5	Y 1
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 which covers ethics, transparency and accountability. The Company also has an Occupational Health and Safety Policy, 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. The Company where appropriate, also engages in advocacy and outreach and engages 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. The Company has also adopted some specific policies based on the Tata Code of Conduct. Further, the Company is certified ISO 9000 for Quality Management Systems, ISO 14001 for Environment Management Systems, OSHAS 18001 for Safety and Occupational Health. The Company's Watches Division is certified under ISO 50001 Energy Management System. The Company's corporate office has been certified with a "LEED Platinum Rating".

Note 3:

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.

(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 assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

Six 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 points on sustainability, CSR, 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 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 2019-20, the Company had received 23 ethics complaints out of which 20 have been disposed-of with appropriate action taken and the remaining 3 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 upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and opportunities.**

   The three product categories, i.e., Watches, Jewellery and Eyewear incorporate principles of Environmental Management Systems (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	7.01
LPG	Kgs	101391
Electricity	Lakh Units	419.30
Wind energy	Lakh Units	125.03
Steam	Kg	197227
Hydrogen	m3	8828
Hydro Fluorocarbons (Freon gas)	Kg	103
Solar	Lakh Units	7.92

Energy consumed and sources 2019-20

The Company and its divisions continue to harness energy from renewable sources such as solar and wind, thereby positively impacting the environment and hence reduction in carbon emissions. During the financial year 2019-20, the renewable energy was ~25% of total energy consumption. Apart from this, the pursuit of several initiatives has led to energy savings despite an increased level of operations across all areas.

Water:

Consolidation - Water Consumed in 2019-2020

Division	Water Consumed	Water Recycled	% of Water Recycled
Watches & Accessories	89393	66940	74.88%
Jewellery	47521	39910	83.98%
Eyewear	14442	12275	85.00%
Corporate & Offices	48171	13356	27.73%
Company Retail Stores	25980	2580	9.93%
Total	**225507**	**135061**	**59.89%**

Increased focus and significant efforts in conservation, recycling, and reuse of water resources have not only resulted in reduced water consumption but the level of recycling has increased close to to 60%. This has been made possible by treating the output water for gardening, usage in toilets, and for other purposes. Rainwater harvesting has been one of the biggest initiatives taken 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 are 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. The Jewellery Division is in the proocess of implementing responsible sourcing practices across its supply chain. Further, 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.

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, besides ensuring sustainable livelihood in the neighborhood of its operations and 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 has also initiated programs to help them on safety-related practices towards a larger goal of ensuring sustainable supply chain practices.

The Karigar Park, Karigar Centre initiative in the Jewellery Division is a benchmark practice in the industry in terms of creating a world-class focus on Jewellery manufacturing improving quality, delivery and most importantly, transforming the manner in which Jewellery is made and sold in India.

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 off. Gold is recycled at the Jewellery plant and silver is recovered from old batteries, brass is sent to the supplier for recycling. 90% of 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's exchange schemes are recycled. Today we work with 44% recycled Gold. The E-waste is segregated at source and disposed off safely.

In a small but impactful manner, the Company has come up with a scientific disposal facility for used watch batteries collected at service centres 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 vermicompost 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**

7,550 employees as on 31st March 2020

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 was 4,500 as on 31st March 2020

3. **Please indicate the number of permanent women employees**

1986 women employees as on 31st March 2020

4. **Please indicate the number of permanent employees with disabilities**

145 employees as on 31st March 2020

5. **Do you have an employee association that is recognized by the management?**

Yes.

6. **What percentage of your permanent employees are members of this recognized employee association?**

   20.88% 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 2019-2020, the Company had received 3 complaints on sexual harassment, 2 of which were 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) **Permanent women employees**

   c) **Casual/temporary/contractual employees**

   d) **Employees with disabilities**

   80% of the permanent employees including permanent woman employees and employees with disabilities 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 three years.

   A formal training program for different employee categories is also in place for both competency and skill enhancement. These cover leadership development, behavioural, managerial, and functional development programs.

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 and has been a recipient of President's award for the employment of Persons with Disability four times.

   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 Indian 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:

   - **Karigar Park/Karigar Centre:** A social entrepreneurship project with six parks, benefiting over 400 artisans, this has become a full-fledged sustainable business entity.

   - **Meadow Project:** This is an initiative for women empowerment. It outsources around 20 activities including Jewellery manufacturing and polishing. Currently, the project employs over 350 women in Hosur.

   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 to give employment opportunities for 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 detailed in the Tata Code of Conduct extends to JVs, Suppliers, 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 EMS 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. 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 2020.

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, representations for 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

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 2019-20, the Company spent ₹ 30.99 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 partners who have a grass root understanding of the community that makes the projects successful, both in the short term and long term. Most of the Company's CSR programs are long term in nature and the Company also work with the Government in creating a sustainable engagement. 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?**

   2% of the warranty complaints pertaining to the Jewellery Division were pending as on 31st March 2020. There were no complaints pertaining to the Watches and Eyewear Division pending as on 31st March 2020.

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 2020.

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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Financial Statements

Standalone Financial Statements

Consolidated Financial Statements

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 31 March 2020, 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 31 March 2020, 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.

Revenue Recognition

Refer 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

Refer 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 locations selected using statistical sampling, we attended physical verification of stocks conducted by the Company and performed roll-back 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.

Leases

Refer note 2(viii), note 4, note 14.1, note 16.3 and 29 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Ind AS 116 – "Leases" introduces a new lease accounting model, whereby lessees are required to recognise a right-of-use assets (ROU) and a lease liability arising from a lease on its balance sheet. Significant judgement is required in determining whether a contract is appropriately identified as being within or outside the scope of Ind AS 116, assessment of lease term and determination of appropriate incremental borrowing rate thereby affecting the measurement of lease liability and corresponding ROU asset. In view of the above we have identified measurement of lease liability and corresponding ROU asset determination as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among other procedures, to obtain sufficient appropriate audit evidence: 1. We assessed the appropriateness of the accounting policy for leases. 2. We examined relevant contracts on a sample basis to identify those which may contain a lease and tested whether the same has been so accounted for. 3. We examined sample contracts to evaluate whether Company's determination of the lease term is appropriate. 4. On a sample basis, we have assessed the appropriateness of incremental borrowing rate considered for calculating the lease obligation. We have also involved specialists to evaluate key assumptions/ judgements relating to the discount rate considered by the Company. 5. For samples selected using statistical sampling, we verified that the amounts considered for calculations of ROU assets and lease liabilities are in accordance with the terms of the contract. 6. Assessed the adequacy of the disclosures included in the standalone financial statements.

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 other information is expected to be made available to us after the date of the 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 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 applicable 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 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 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 31 March 2020 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.

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 standalone financial statements) to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(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: 20205385AAAAAU5103

Place: Bengaluru
Date: 8 June 2020

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Titan Company Limited ("the Company") for the year ended 31 March 2020

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 31 March 2020, 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 ₹ lakhs)	Period to which the amount relates	Forum where the dispute in pending
Excise duty (including service tax)	8,664 (700)	2005-2009	Supreme Court
	1 (1)	2001-2002	High Court
	1,081 (68)	1987-2012	Custom, Excise and Service Tax Appellate Tribunal
	1,897 (1,637)	1996-2018	Appellate Authority upto Commissioner's level
Sales tax/ Value added tax	87 (15)	2000-01	High Court
	64 (35)	2009-2012	Commercial Tax Tribunal
	2,949 (1,198)	2000-2018	Appellate Authority upto Commissioner's level
Customs duty	462 (236)	2012-2017	Appellate Authority upto Commissioner's level
Income-tax	827 (827)	1998-2003	High Court (s)
	10,104 (4,312)	2005-2014	Income tax Appellate Tribunal
	14,071 (1,201)	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: 20205385AAAAAU5103

Place: Bengaluru
Date: 8 June 2020

Annexure B to the Independent Auditor's Report

on the Standalone Financial Statements of Titan Company Limited ("the Company") for the year ended 31 March 2020

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 1(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 31 March 2020 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 31 March 2020, 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 ("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: 20205385AAAAAU5103

Place: Bengaluru
Date: 8 June 2020

Standalone Balance Sheet

as at 31 March 2020

₹ in lakhs

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	109,454	100,704
(b) Capital work-in-progress	3	1,072	2,511
(c) Right-of-use assets	4	87,038	-
(d) Investment property	5	2,402	2,402
(e) Intangible assets	6	6,453	3,829
(f) Intangible assets under development		306	52
(g) Financial assets			
(i) Investments	7.1	90,910	80,670
(ii) Loans receivables	7.2	14,059	11,897
(iii) Other financial assets	7.3	15,850	704
(h) Deferred tax assets (net)	8	17,209	8,476
(i) Income tax assets (net)	8	14,069	12,068
(j) Other non-current assets	9	6,490	15,143
		365,312	**238,456**
(2) Current assets			
(a) Inventories	10	774,062	671,918
(b) Financial assets			
(i) Investments	11.1	7,401	6,922
(ii) Trade receivables	11.2	21,444	35,823
(iii) Cash and cash equivalents	11.3	5,046	36,405
(iv) Bank balances other than (iii) above	11.3	30,554	63,695
(v) Loans receivables	11.4	5,435	24,404
(vi) Other financial assets	11.5	45,831	9,896
(c) Other current assets	12	63,710	59,463
		953,483	**908,526**
TOTAL ASSETS		**1,318,795**	**1,146,982**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	8,878	8,878
(b) Other equity	13.2	673,608	609,294
TOTAL EQUITY		**682,486**	**618,172**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14.1	96,675	-
(b) Provisions	15	15,246	11,885
		111,921	**11,885**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	62,622	-
(ii) Gold on loan	16.2	150,695	228,763
(iii) Lease liabilities	16.3	16,945	-
(iv) Trade payables			
- Total outstanding dues of micro and small enterprises	16.4	6,328	1,483
- Total outstanding dues of creditors other than micro and small enterprises		44,666	75,751
(v) Other financial liabilities	16.5	19,091	21,401
(b) Other current liabilities	17	212,328	182,842
(c) Provisions	18	10,862	5,834
(d) Current tax liabilities (net)	8	851	851
		524,388	**516,925**
TOTAL EQUITY AND LIABILITIES		**1,318,795**	**1,146,982**
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

₹ in lakhs

Particulars	Note	For the year ended 31 March 2020	For the year ended 3March 2019
I. Revenue from operations	19	2,000,964	1,906,997
II. Other income	20	14,641	17,850
III. TOTAL INCOME (I +II)		**2,015,605**	**1,924,847**
IV. Expenses:			
Cost of materials and components consumed		1,248,905	1,182,204
Purchase of stock-in-trade		285,857	282,892
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(83,581)	(66,378)
Employee benefits expense	22	104,012	87,879
Finance costs	23	14,948	4,445
Depreciation and amortisation expense	24	30,969	13,889
Other expenses	25	203,998	220,179
TOTAL EXPENSES		**1,805,108**	**1,725,110**
V. Profit before exceptional item and tax (III - IV)		210,497	199,737
VI. Exceptional items	26	-	7,000
VII. Profit before tax (V - VI)		**210,497**	**192,737**
VIII. Tax expense:			
Current tax	8	55,184	60,201
Deferred tax		3,550	(4,900)
TOTAL TAX		**58,734**	**55,301**
IX. Profit for the year (VII-VIII)		**151,763**	**137,436**
X. Other comprehensive income			
(i) Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of employee defined benefit plans		(6,898)	(2,587)
- Income-tax on (i) above		1,759	792
(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	(25,523)	4,498
- Income-tax on (ii) above		6,806	(1,230)
TOTAL OTHER COMPREHENSIVE INCOME		**(23,856)**	**1,473**
XI. Total comprehensive income (IX+X)		**127,907**	**138,909**
XII. Earnings per equity share of ₹ 1:			
{based on profit for the year (IX)}			
Basic	28	17.09	15.48
Diluted		17.09	15.48
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Standalone Statement of changes in equity

as at 31 March 2020

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2020
(a) Equity share capital		
Opening balance	8,878	8,878
Changes in equity share capital during the year	-	-
Closing balance	**8,878**	**8,878**

(b) Other equity

₹ in lakhs

Particulars	Reserves and surplus					Items of other comprehensive income (refer note 13.2)		Total other equity
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Cash flow hedge reserve	Remeasurement of employee defined benefit plans	
Balance as at 1 April 2018	**3**	**64**	**13,888**	**306,573**	**190,309**	**(527)**	**211**	**510,521**
Profit for the year (net of taxes)	-	-	-	-	137,436	-	-	137,436
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	3,268	(1,795)	1,473
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**137,436**	**3,268**	**(1,795)**	**138,909**
Payment of dividends	-	-	-	-	(33,292)	-	-	(33,292)
Tax on dividends	-	-	-	-	(6,845)	-	-	(6,845)
Balance as at 31 March 2019	**3**	**64**	**13,888**	**306,573**	**287,609**	**2,741**	**(1,584)**	**609,294**
Balance as at 1 April 2019	**3**	**64**	**13,888**	**306,573**	**287,609**	**2,741**	**(1,584)**	**609,294**
Profit for the year (net of taxes)	-	-	-	-	151,763	-	-	151,763
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	(18,717)	(5,139)	(23,856)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**151,763**	**(18,717)**	**(5,139)**	**127,907**
Payment of dividends (refer note 13.3)	-	-	-	-	(44,389)	-	-	(44,389)
Tax on dividends (refer note 13.3)	-	-	-	-	(9,124)	-	-	(9,124)
Transition impact of Ind AS 116	-	-	-	-	(15,558)	-	-	(15,558)
Deferred tax on transition impact of Ind AS 116 {refer note 8(a)}	-	-	-	-	5,477	-	-	5,477
Balance as at 31 March 2020	**3**	**64**	**13,888**	**306,573**	**375,779**	**(15,976)**	**(6,723)**	**673,608**
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Standalone Statement of Cash Flow

as at 31 March 2020

₹ in lakhs

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities			
Net profit before tax		210,497	192,737
Adjustments for :			
- Depreciation and amortisation expense		30,969	13,889
- Net unrealised exchange gain		(292)	(173)
- (Gain)/ loss on sale/ disposal/ scrapping of property, plant and equipment (net)		(315)	422
- Provision for doubtful trade receivables (net) and bad trade receivables written off		215	(140)
- Interest income		(9,456)	(10,278)
- Gain on investments carried at fair value through profit and loss		(3,128)	(4,459)
- Impairment of investment in subsidiary/Inter-corporate deposits (ICDs)		-	21,500
- Gain on pre-closure of lease contracts		(864)	-
- Finance costs		14,948	4,445
Operating profit before working capital changes		**242,574**	**217,943**
Adjustments for :			
- (increase)/ decrease in trade receivables		14,369	(16,384)
- (increase)/ decrease in inventories		(102,113)	(96,998)
- (increase)/ decrease in financial assets-loans receivables		(1,613)	(2,147)
- (increase)/ decrease in other financial assets		(34,112)	515
- (increase)/ decrease in other assets		5,312	(27,347)
- (increase)/ decrease in other bank balances		42	(390)
- increase/ (decrease) in gold on loan		(78,068)	68,377
- increase/ (decrease) in trade payables		(26,297)	(1,398)
- increase/ (decrease) in other financial liabilities		(28,157)	861
- increase/ (decrease) in other current liabilities		29,486	41,432
- increase/ (decrease) in provisions		3,481	2,613
Cash generated from operating activities before taxes		**24,904**	**187,077**
- Direct taxes paid		(53,717)	(62,178)
Net cash (used in)/ generated from operating activities	**A**	**(28,813)**	**124,899**
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property		(31,046)	(22,647)
Proceeds from sale of property, plant and equipment		803	103
Purchase of investments in subsidiaries, joint venture and other equity instruments		(10,093)	(14,959)
Loan given to subsidiary		(195)	-
Proceeds from sale of investment in subdsidiaries		-	1,850
Inter-corporate deposits placed		(10,000)	(91,000)
Proceeds from inter-corporate deposits		30,000	79,500
Bank deposits matured/ placed, net		33,099	(48,721)
Purchase/ sale of mutual funds, net		2,649	(3,649)
Lease payments received from sub-lease		2,117	-
Interest received		6,891	8,395
Net cash from/ (used in) investing activities	**B**	**24,225**	**(91,128)**

Standalone Statement of Cash Flow

as at 31 March 2020

₹ in lakhs

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flow from financing activities			
Proceeds /(repayment) from borrowings, net		62,622	-
Dividends paid (including dividend distribution tax)		(53,555)	(39,738)
Payment of lease liabilities excluding interest paid		(20,895)	-
Finance costs paid		(14,948)	(4,445)
Net cash used in financing activities	C	**(26,776)**	**(44,183)**
Net decrease in cash and cash equivalents during the year (A+B+C)		**(31,364)**	**(10,412)**
Cash and cash equivalents (opening balance) (refer note 11.3)		36,405	46,644
Add/ (Less): Unrealised exchange (gain)/ loss		5	173
Cash and cash equivalents (closing balance) (refer note 11.3)		5,046	36,405
Debt reconciliation statement in accordance with Ind AS 7			
Current borrowings			
Opening balance		-	-
Proceeds /(repayment) from borrowings, net		62,622	-
Closing balance		**62,622**	**-**
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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 lakhs as per the requirement of Schedule III, unless otherwise stated.

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 31 March 2020 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;
- 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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 lakhs, 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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

Till 31 March 2019, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary costs, such increases are recognised in the year in which such benefits accrue. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

From 1 April 2019, the Company has applied Ind AS 116, "Leases" using the modified retrospective approach, under which the cumulative effect of initial application is recognised in the retained earnings as at 1 April 2019. Accordingly, the comparative information presented for 31 March 2019 is not restated i.e. it is presented, as previously reported.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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.

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,

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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, 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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

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

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

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

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

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for the year ended 31 March 2020

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 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.

Notes to Standalone Financial Statements

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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 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.

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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 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.

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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 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.

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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 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

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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 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, 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

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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 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.

xxvii. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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3. Property, plant and equipment

₹ in lakhs

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and servers	Furniture and fixtures	Office equipment	Vehicles	Total
Owned assets								
As at 1 April 2018	7,860	27,726	44,690	6,542	18,751	2,674	1,482	109,726
Additions	-	4,332	7,208	1,936	5,792	1,640	833	21,741
Disposals	-	2	1,081	147	1,099	110	348	2,787
As at 31 March 2019	**7,860**	**32,056**	**50,817**	**8,331**	**23,444**	**4,204**	**1,967**	**128,680**
As at 1 April 2019	7,860	32,056	50,817	8,331	23,444	4,204	1,967	128,680
Additions	-	2,785	7,198	2,697	7,156	2,013	1,108	22,957
Disposals	-	2	566	406	1,342	161	557	3,034
As at 31 March 2020	**7,860**	**34,839**	**57,449**	**10,622**	**29,258**	**6,056**	**2,518**	**148,603**
Accumulated depreciation								
As at 1 April 2018	-	1,559	7,145	1,373	5,936	1,236	370	17,619
Depreciation expense	-	801	5,222	1,879	3,560	618	539	12,619
Disposals	-	1	785	136	940	85	315	2,262
As at 31 March 2019	**-**	**2,359**	**11,582**	**3,116**	**8,556**	**1,769**	**594**	**27,976**
As at 1 April 2019	-	2,359	11,582	3,116	8,556	1,769	594	27,976
Depreciation expense	-	911	4,808	2,157	4,237	923	684	13,720
Disposals	-	1	424	383	1,125	136	478	2,547
As at 31 March 2020	**-**	**3,269**	**15,966**	**4,890**	**11,668**	**2,556**	**800**	**39,149**
Net carrying value								
As at 31 March 2019	**7,860**	**29,697**	**39,235**	**5,215**	**14,888**	**2,435**	**1,373**	**100,704**
As at 31 March 2020	**7,860**	**31,570**	**41,483**	**5,732**	**17,590**	**3,500**	**1,718**	**109,454**

₹ in lakhs

Particulars	Capital work-in-progress
As at 1 April 2018	4,081
Additions	20,171
Capitalisations	21,741
As at 31 March 2019	**2,511**
As at 1 April 2019	2,511
Additions	21,518
Capitalisations	22,957
As at 31 March 2020	**1,072**

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4. Right-of-use assets*

₹ in lakhs

Particulars	Leasehold land	Buildings	Total
As at 1 April 2019- Transition impact of Ind AS 116	2,074	69,356	71,430
Additions	-	32,745	32,745
Modifications/ terminations	-	2,794	2,794
As at 31 March 2020	**2,074**	**99,307**	**101,381**
Accumulated amortisation			
As at 1 April 2019- Transition impact of Ind AS 116	-	-	-
Amortisation expense	24	15,180	15,204
Modifications/ terminations	-	861	861
As at 31 March 2020	**24**	**14,319**	**14,343**
Net carrying value			
As at 31 March 2020	**2,050**	**84,988**	**87,038**

*Also, refer note 29.

5. Investment property

₹ in lakhs

Particulars	Land
As at 1 April 2018	2,268
Additions	134
Disposals	-
As at 31 March 2019	**2,402**
As at 1 April 2019	2,402
Additions	-
Disposals	-
As at 31 March 2020	**2,402**
Net carrying value	
As at 31 March 2019	**2,402**
As at 31 March 2020	**2,402**

a) The Company's investment properties consist of freehold land and therefore no depreciation is chargeable.

b) Fair market value of land at ₹ 10,160 lakhs (Previous year: ₹ 10,143 lakhs) have been arrived at on the basis of valuations carried out by Chartered Engineer during year ended 31 March 2020 and 31 March 2019.

c) No rental income has been accrued against these properties.

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6. Intangible assets

₹ in lakhs

Particulars	Trademarks	Intellectual properties	Patents	Computer softwares	Total
Owned assets					
As at 1 April 2018	337	-	-	4,115	4,452
Additions	-	-	-	2,089	2,089
Disposals	-	-	-	-	-
As at 31 March 2019	**337**	**-**	**-**	**6,204**	**6,541**
As at 1 April 2019	337	-	-	6,204	6,541
Additions*	-	604	847	3,218	4,669
Disposals	-	-	-	-	-
As at 31 March 2020	**337**	**604**	**847**	**9,422**	**11,210**
Accumulated amortisation					
As at 1 April 2018	337	-	-	1,105	1,442
Amortisation expense	-	-	-	1,270	1,270
Disposals	-	-	-	-	-
As at 31 March 2019	**337**	**-**	**-**	**2,375**	**2,712**
As at 1 April 2019	337	-	-	2,375	2,712
Amortisation expense	-	29	41	1,975	2,045
Disposals	-	-	-	-	-
As at 31 March 2020	**337**	**29**	**41**	**4,350**	**4,757**
Net carrying value					
As at 31 March 2019	**-**	**-**	**-**	**3,829**	**3,829**
As at 31 March 2020	**-**	**575**	**806**	**5,072**	**6,453**

* During the year, the Company acquired intellectual properties and patents from HUG Innovations LLP and HUG Innovations Corp (collectively referred as "Hug Innovations") on 6 and 9 January 2020 respectively for a cash considerations of ₹ 1,451 lakhs.

7. Financial assets

7.1 Investments

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
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	23,505	23,505
24,036,325 (Previous year: 23,091,325) fully paid equity shares of ₹ 2 each in Caratlane Trading Private Limited {formerly known as Carat Lane Trading Private Limited}	50,503	47,403
1 (Previous year: Nil) fully paid equity shares of AED 1,000 each in Titan Holdings International FZCO (refer note 40)	-	-
18,71,897 (Previous year: 1,598,460) fully paid equity shares of CHF 10 each in Favre Leuba AG, Switzerland	25,739	19,520
Less: Provision for impairment in value of investment (refer note 26)	(14,500)	(14,500)
	11,239	5,020
	85,247	**75,928**

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₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
(ii) In joint venture company (at cost unless stated otherwise)		
38,856,265 (Previous year: 31,115,000) fully paid equity shares of ₹ 10 each in Montblanc India Retail Private Limited	3,885	3,112
(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 a) below}	150	150
	89,282	**79,190**
2) Other investments		
a) 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	2	3
2,349 (Previous year: 2,349) fully paid equity shares of ₹ 10 each in Tata Steel Limited	6	12
6,638 (Previous year: 6,000) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	20	12
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	1	3
3,000 (Previous year: 3,000) fully paid equity shares of ₹ 1 each in Trent Limited	15	11
	44	**41**
b) 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)	1,573	1,428
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	9	9
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	2	2
	1,584	**1,439**
Aggregate value of investments	**90,910**	**80,670**
Aggregate book value of quoted investments	**44**	**41**
Aggregate market value of quoted investments	**44**	**41**
Aggregate book value of unquoted investments	**90,866**	**80,629**
Aggregate amount of impairment in value of investments	**14,500**	**14,500**

Notes:

a) 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.

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7.2 Loans receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	9,954	8,811
Employee loans	4,105	3,086
	14,059	**11,897**

7.3 Other financial assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Lease receivables	15,132	-
Other assets	718	704
	15,850	**704**

8. Income tax

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	19,449	12,790
Deferred tax liabilities	(2,240)	(4,314)
	17,209	**8,476**

Particulars	As at 1 April 2019	On adoption of Ind AS 116	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets					
Provision for doubtful trade receivables	151	-	10	-	161
Employee benefits	4,632	-	(580)	-	4,052
Compensation towards Voluntary Retirement of employees	1,696	-	(1,043)	-	653
Fair value of investments	6,150	-	(1,391)	-	4,759
Cash flow hedges	(1,045)	-	-	6,806	5,761
Lease liabilities (net of Right-of-use assets)	-	5,477	(1,414)	-	4,063
Others	161	-	(161)	-	-
Deferred tax liability					
Property, plant and equipment	(3,269)	-	1,029	-	(2,240)
	8,476	**5,477**	**(3,550)**	**6,806**	**17,209**

Notes to Standalone Financial Statements
for the year ended 31 March 2020

₹ in lakhs

Particulars	As at 1 April 2018	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
Provision for doubtful trade receivables	288	(137)	-	151
Employee benefits	3,958	674	-	4,632
Compensation towards Voluntary Retirement of employees	2,486	(790)	-	1,696
Fair value of investments	1,195	4,955	-	6,150
Lease liabilities (net of Right-of-use assets)	-	-	-	-
Others	155	6	-	161
Deferred tax liability				
Property, plant and equipment	(3,462)	193	-	(3,269)
Cash flow hedges	185	-	(1,230)	(1,045)
	4,805	**4,900**	**(1,230)**	**8,476**

b) Amounts recognised in statement of profit and loss

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income tax expenses		
Current tax	55,184	60,201
Deferred tax	3,550	(4,900)
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	(1,759)	(792)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(6,806)	1,230
Tax expense for the year	**50,169**	**55,739**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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 lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	210,497	192,737
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	52,978	67,350
Effect of:		
Expenses that are not deductible in determining taxable profit	2,018	3,097
Income taxes relating to earlier periods	(226)	(962)
Effect of concessions	-	(12,376)
Tax charge/(credit) on gratuity disclosed in OCI	1,759	792
Effect of change in income tax rate*	2,829	-
Others	(624)	(2,600)
Income tax expense recognised in the statement of profit and loss	**58,734**	**55,301**

*From the Assessment Year 2020-21 relevant to the financial 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 year ended 31 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 31 March 2020 and 31 March 2019:

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets (net)	14,069	12,068
Current tax liabilities (net)	851	851
Net current income tax assets at the end of the year	**13,218**	**11,217**

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net current income tax assets at the beginning of the year	11,217	7,897
Income tax paid	53,717	62,178
Current income tax expense	(55,184)	(60,201)
Interest income on income-tax refund	1,709	551
Income tax on other comprehensive income	1,759	792
Net current income tax assets at the end of the year	**13,218**	**11,217**

Notes to Standalone Financial Statements
for the year ended 31 March 2020

9. Other non-current assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Capital advances	2,154	1,248
Balance with revenue authorities	3,966	3,974
Prepaid expenses	-	2,049
Other assets (includes deferred lease cost and deferred employee cost) {refer note (a) and (b) below}	370	7,872
	6,490	**15,143**

(a) Includes Nil (Previous year: ₹ 4,100 lakhs) given to other shareholder of Caratlane Trading Private Limited ("CTPL") as per the memorandum of understanding dated 28 November 2018 for puchase of additional equity shares of CTPL by the Company.

(b) Includes Nil (Previous year: ₹ 3,485 lakhs) pertaining to deferred lease cost. During the year ended 31 March 2020, the deferred lease costs has been classified under Right-of-use assets on account of implementation of Ind AS 116 w.e.f. 1 April 2019.

10. Inventories

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	136,142	117,558
Work-in-progress {refer (a) below}	30,815	21,670
Finished goods	451,406	393,137
Stock-in-trade	153,531	137,364
Stores and spares	1,629	1,606
Loose tools	539	583
	774,062	**671,918**
Included above, goods-in-transit		
Raw materials	778	671
Stock-in-trade	224	116
	1,002	**787**
a) Details of inventory of work-in-progress		
Watches	16,260	14,750
Jewellery	14,370	6,806
Others	185	114
	30,815	**21,670**

(i) The cost of inventories recognised as an expense during the year is ₹ 1,451,181 lakhs (Previous year: ₹ 1,398,718 lakhs).

(ii) The cost of inventories recognised as an expense includes ₹ 76 lakhs (Previous year: ₹ 112 lakhs) in respect of write down of inventory to net-realisable value.

(iii) The inventory includes Gold purchased on loan from banks amounting to ₹ 150,695 lakhs (Previous year: ₹ 228,763 lakhs).

(iv) Refer point (xvii) under significant accounting policies for mode of valuation.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

11. Financial assets
11.1 Investments

₹ in lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
Investments in mutual funds (Unquoted)- {at fair value through profit or loss}	**No of units**	**Amount**	**No of units**	**Amount**
Name of the fund				
Axis Liquid Fund - Direct Plan - Growth	-	-	333,834	6,922
Axis Overnight Fund - Direct Plan - Growth Option	378,966	4,000	-	-
Tata Overnight Fund-Direct Plan-Growth	189,817	2,000	-	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	438,283	1,401	-	-
		7,401		**6,922**
Aggregate value of unquoted investments		7,401		6,922

11.2 Trade receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good- unsecured*	21,792	35,971
Less: Allowance for doubtful trade receivables	(348)	(148)
	21,444	**35,823**
Credit impaired	290	282
Less: Allowance for doubtful trade receivables	(290)	(282)
	-	-
	21,444	**35,823**

* 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%	8%	2%	7%
Less than 1 year	0%	86%	2%	0%
1 to 2 years	10%	50%	15%	3%
2 to 3 years	15%	36%	31%	2%
Over 3 years	100%	100%	100%	100%

Notes to Standalone Financial Statements
for the year ended 31 March 2020

₹ in lakhs

Age of receivables	As at 31 March 2020	As at 31 March 2019
Within credit period	9,502	29,795
Less than 1 year	12,235	5,903
1 to 2 years	5	232
2 to 3 years	85	43
Over 3 years	255	280
	22,082	**36,253**

Movement in the expected credit loss allowance

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	430	824
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	208	(394)
Balance at the end of the year	**638**	**430**

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

11.3 Cash and bank balances

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Cash on hand	592	1,638
Cheques, drafts on hand	408	926
Balances with banks		
(i) Current account {refer note (a) below}	4,046	9,241
(ii) Demand deposit	-	24,600
Total cash and cash equivalents	**5,046**	**36,405**
Other bank balances		
(iii) Earmarked accounts		
- Unclaimed dividend	1,132	1,174
(iv) Demand deposit	2,800	41,500
(v) Fixed deposits held as margin money against bank guarantee	1,105	4
(vi) Fixed deposits held as deposit reserve fund {refer note (b) below}	25,517	21,017
Total other bank balances	**30,554**	**63,695**
	35,600	**100,100**

Notes:

a) The balance under current account includes funds in transit primarily for credit card receipts yet to be credited to the Company- ₹ 337 lakhs (Previous year: ₹ 4,952 lakhs).

Notes to Standalone Financial Statements
for the year ended 31 March 2020

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 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2020.

11.4 Loans receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Inter-corporate deposits	14,500	34,500
Less: Provision for impairment (refer note 39)	(14,500)	(14,500)
Inter-corporate deposits, net	-	20,000
Security deposits	3,016	2,260
Loan to subsidiary (refer note 34)	195	-
Employee loans	2,224	2,144
	5,435	**24,404**

11.5 Other financial assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Refunds due from government authorities	12,092	6,663
Margin money for gold future contracts	24,509	-
Derivative instruments other than in designated hedge accounting relationships	327	164
Advance to subsidiary (refer note 34)	459	-
Lease receivables	2,404	-
Other assets (mark to market gain on gold future contracts, interest accrued on fixed deposits and ICDs)	6,040	3,069
	45,831	**9,896**

12. Other current assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured and considered good		
Advances to suppliers	7,609	10,922
Prepaid expenses	2,977	2,774
Balance with government authorities {refer note (a) below}	42,192	33,108
Contract asset {refer note (b) below}	10,138	9,568
Other assets (includes deferred lease cost and deferred employee cost) {refer note (c) below}	794	3,091
	63,710	**59,463**

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(a) Balance with government authorities includes GST credits of ₹ 41,308 lakhs (Previous year: ₹ 31,783) 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.

(c) Includes Nil (Previous year: ₹ 902 lakhs) pertaining to deferred lease cost. During the year ended 31 March 2020, the deferred lease costs has been classified under Right-of-use assets on account of implementation of Ind AS 116 w.e.f. 1 April 2019.

13.1 Share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares (in lakhs)	Amount	No. of shares (in lakhs)	Amount
a) Authorised				
Equity share of ₹ 1 each with voting rights	12,000	12,000	12,000	12,000
Redeemable cumulative preference shares of ₹ 100 each	40	4,000	40	4,000
b) Issued, subscribed and fully paid up				
Equity share of ₹ 1 each with voting rights	8,878	8,878	8,878	8,878

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 31 March 2020		As at 31 March 2019	
	No. of shares held (in lakhs)	₹ in lakhs	No. of shares held (in lakhs)	₹ in lakhs
Equity shares with voting rights				
At the beginning of the year	8,878	8,878	8,878	8,878
At the end of the year	**8,878**	**8,878**	**8,878**	**8,878**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

e) Shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares held (in lakhs)	% of total holding	No. of shares held (in lakhs)	% of total holding
Tamilnadu Industrial Development Corporation Limited	2,475	27.88	2,475	27.88
Tata group				
Tata Sons Limited	1,851	20.85	1,851	20.85
Tata Investment Corporation Limited	179	2.01	179	2.01
Tata Chemicals Limited	138	1.56	138	1.56
Ewart Investments Limited	50	0.56	50	0.56
Piem Hotels Limited	5	0.06	5	0.06
Total - Tata Group	**2,223**	**25.04**	**2,223**	**25.04**
Jhunjhunwala Rakesh Radheshyam	**393**	**4.43**	**508**	**5.72**

13.2 Other equity

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve		
(Surplus on re-issue of forfeited shares and debentures)	3	3
Capital redemption reserve		
(Reserve created on redemption of capital)	64	64
Securities premium		
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)	13,888	13,888
General reserve		
(Represents appropriation of profit by the Company)	306,573	306,573
Retained earnings*		
(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)	375,779	287,609
Other comprehensive income		
- Cash flow hedge reserve	(15,976)	2,741
- Remeasurement of net defined benefit liability/asset	(6,723)	(1,584)
(Items of other comprehensive income consist of cash flow hedge reserve and remeasurement of net defined benefit liability/asset)	**(22,699)**	**1,157**
	673,608	**609,294**

* Of the above, ₹ 10 lakhs (Previous year: ₹ 10 lakhs) relates to the state subsidy received which is not available for dividend as per the terms of subsidy.

13.3 Distributions made and proposed

The Board of Directors at its meeting held on 8 May 2019 had proposed a final dividend of ₹ 5 per equity share of par value of ₹ 1 each for the financial year ended 31 March 2019. The proposal was approved by shareholders at the Annual General Meeting held on 6 August 2019 and the same was paid during the year ended 31 March 2020. This has resulted in a total outflow of ₹ 53,513 lakhs including corporate dividend tax of ₹ 9,124 lakhs.

The Board of Directors, in its meeting on 8 June 2020, have proposed a final dividend of ₹ 4 per equity share for the financial year ended 31 March 2020. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 11 August 2020 and if approved would result in a cash outflow of approximately ₹ 35,511 lakhs.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

14. Financial liabilities
14.1 Lease liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liabilities (refer note 29)	96,675	-
	96,675	**-**

15. Provisions

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for compensated absences {refer note: 32 (c)}	12,194	11,465
Provision for pension*	3,052	420
	15,246	**11,885**

*During the year ended 31 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 ₹ 2,568 lakhs 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 lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Loan from bank	62,622	-
	62,622	**-**

Note: The loan has a tenure ranging from 24 days to 31 days. The interest rate varies from 7.45% to 8.85% per annum (Previous year: nil).

16.2 Gold on loan

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Secured#		
Payable to banks*	57,943	108,132
Unsecured		
Payable to banks*	92,752	120,631
	150,695	**228,763**

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 2.25% per annum (Previous year: 1.55% to 2.25% per annum) 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 Standalone Financial Statements
for the year ended 31 March 2020

16.3 Lease liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liabilities (refer note 29)	16,945	-
	16,945	**-**

16.4 Trade payables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro and small enterprises {Refer note (a) below}	6,328	1,483
Total outstanding dues of other than micro and small enterprises	44,666	75,751
	50,994	**77,234**

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	6,328	1,483
- 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*	1,700	259
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.	-	2
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	2	2

* 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 Standalone Financial Statements
for the year ended 31 March 2020

16.5 Other financial liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unclaimed dividends {refer note (a) below}	1,132	1,174
Payables on purchase of property, plant and equipment	730	2,354
Derivative instruments in designated hedge accounting relationship	-	113
Other financial liabilities		
- Employee related	13,782	15,880
- Others (includes dealers deposits, earnest money deposit received) {refer note (b) below}	3,447	1,880
	19,091	**21,401**

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 ₹ 7 lakhs (Previous year: ₹ 4 lakhs) and therefore amounts relating to the same have not been transferred.

(b) Includes ₹ 1,990 lakhs, being the change in measurement of defined benefit plans, during the year ended 31 March 2020 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 lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	22,956	17,810
Golden harvest scheme (deposit)	148,435	127,332
Liability towards award credits for customers	8,026	5,855
Statutory dues (TDS, PF etc.)	1,683	1,459
Contract liability {refer note (a) below}	14,157	13,265
Other liabilities (gift card liability, book overdraft)	17,071	17,121
	212,328	**182,842**

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 lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for compensated absences {refer note 32 (c)}	3,413	1,791
Gratuity {refer note 32 (b) }	6,732	3,391
Provision for warranty {refer note (a) below}	717	652
	10,862	**5,834**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

Note (a): Provision for warranty

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	652	619
Provisions made during the year	597	572
Utilisations/ reversed during the year	(532)	(539)
Provision at the end of the year	**717**	**652**

19. Revenue from operations

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Manufactured goods		
Watches	203,004	191,793
Jewellery	1,315,628	1,264,652
Eyewear	8,558	8,400
	1,527,190	**1,464,845**
Traded goods		
Watches	49,605	46,358
Jewellery	332,379	319,916
Eyewear	45,158	42,606
Others	17,849	13,730
	444,991	**422,610**
Total - Sale of products (a)	**1,972,181**	**1,887,455**
Income from services provided (b)	1,045	1,079
Other operating revenue		
Indirect tax incentive {refer note (a) below}	6,395	4,862
Sale of precious / semi-precious stones	12,580	8,459
Sale of gold / platinum	8,201	4,703
Scrap sales	562	439
Total - Other operating revenue (c)	**27,738**	**18,463**
Revenue from operations (a+b+c)	**2,000,964**	**1,906,997**

a) Represents benefits accrued on account of budgetary support for the existing eligible units under different industrial promotion schemes.

b) 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 Standalone Financial Statements
for the year ended 31 March 2020

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	2,442,616	2,299,358
Reductions towards variable consideration components	441,652	392,361
Revenue recognised	**2,000,964**	**1,906,997**

The reduction towards variable consideration comprises of scheme discounts, incentives, taxes etc.

20. Other income

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financial assets carried at amortised cost	6,293	9,726
Interest income on income tax refund	1,709	552
Gain on investments carried at fair value through profit and loss	3,128	4,459
Interest income on sub-lease	1,454	-
Miscellaneous income {refer note (a) below}	2,057	3,113
	14,641	**17,850**

a) The Company has disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 1,850 lakhs. Consequently, the Company had recognised profit on sale of investment amounting to ₹ 487 lakhs for the year ended 31 March 2019.

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Closing stock		
Finished goods	451,406	393,137
Work-in progress	30,815	21,670
Stock-in-trade	153,531	137,364
	635,752	**552,171**
Opening stock		
Finished goods	393,137	360,015
Work-in progress	21,670	19,460
Stock-in-trade	137,364	106,318
	552,171	485,793
(Increase) / decrease in inventory	**(83,581)**	**(66,378)**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

22. Employee benefits expense

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	90,289	76,203
Contribution to provident and other funds		
- Gratuity {refer note 32(b)}	1,824	1,261
- Provident and other funds {refer note 32(a) (i) and 32 (b)}	4,402	3,821
Staff welfare expenses	7,497	6,594
	104,012	**87,879**

23. Finance costs

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on :		
Borrowings	1,482	161
Interest on lease liability	9,798	-
Gold on loan*	3,657	4,254
Others	11	30
	14,948	**4,445**

*Refer note 16.2

24. Depreciation and amortisation expense

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	13,720	12,619
Amortisation of intangible assets (refer note 4, 6)	17,249	1,270
	30,969	**13,889**

25. Other expenses

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loose tools, stores and spare parts consumed	5,160	5,299
Agency labour	12,367	10,322
Power and fuel	4,519	4,211
Repairs and maintenance		
- buildings	695	770
- plant and machinery	2,061	1,987
Advertising	47,665	52,260
Selling and distribution expenses	63,527	52,791
Insurance	864	518
Rent (refer note 29)	2,247	21,315

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rates and taxes	673	681
Travel	4,166	4,413
Bad trade receivables and advances written off	7	254
Less : Provision released	-	-
	7	254
Provision for doubtful trade receivables	208	(394)
Loss on sale / disposal / scrapping of Property, plant and equipment (net)	-	422
Expenditure on corporate social responsibility {refer note (c) below}	3,099	3,161
Provision for impairment of investment in ICD {refer note (b) below}	-	14,500
Miscellaneous expenses {refer note (a) below}	56,296	47,205
Directors' fees	46	55
Commission to non-whole-time Directors	398	409
	203,998	**220,179**

Notes:

a) Auditors remuneration comprises fees for audit of statutory accounts ₹ 162 lakhs (Previous year: ₹ 130 lakhs), taxation matters ₹ 17 lakhs (Previous year: ₹ 15 lakhs), audit of consolidated accounts ₹ 11 lakhs (Previous year: ₹ 10 lakhs), other services ₹ 86 lakhs (Previous year: ₹ 83 lakhs) and reimbursement of levies and expenses ₹ 21 lakhs (Previous year: ₹ 14 lakhs).

b) During the previous year, the Company, as part of its Treasury operations, invested in intercorporate deposits aggregating ₹ 14,500 lakhs with Infrastructure Leasing & Financial Services Limited and its subsidiary (IL&FS Group), which were due for maturity in November 2018 and December 2018. The aforesaid amounts and the interest thereon have however not been received as on date. As a result of increased credit risk in relation to outstanding balances from IL&FS Group and the uncertainity prevailing on IL&FS Group due to the proceedings pending with the NCLT, Management has provided for full amount of ₹ 14,500 lakhs for impairment in value of deposit for the year ended 31 March 2019. The provision currently reflects the exposure that may arise given the uncertainity. The Company, however, continues to monitor developments in this matter and is committed to take steps including legal actions that may be necessary to ensure full recoverability.

c) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: ₹ 3,075 lakhs (Previous year: ₹ 2,408 lakhs).

(ii) Amount spent during the year on:

₹ in lakhs

	In cash	Yet to be paid in cash	Total
- Construction/acquisition of any asset	-	-	-
- On purposes other than above	3,036	63	3,099
	3,036	**63**	**3,099**

26. Exceptional item

Exceptional item includes the following:

a) Provision for impairment of investment in a subsidiary (Favre Leuba AG, Switzerland) amounting to Nil (Previous year: ₹ 7,000 lakhs).

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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 lakhs

Particulars	Revenue		Profit / (loss)	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Watches	261,549	244,093	36,531	31,638
Jewellery	1,673,822	1,602,958	206,132	194,800
Eyewear	54,401	51,141	(1,433)	(238)
Others	17,111	13,343	(5,841)	(5,811)
Corporate (unallocated)	8,722	13,312	(9,944)	(23,207)
	2,015,605	**1,924,847**	**225,445**	**197,182**
Finance costs			14,948	4,445
Profit before taxes			**210,497**	**192,737**

There is no inter segment revenue.

c) Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below:

₹ in lakhs

Segment	For the year ended 31 March 2020	For the year ended 31 March 2019
Watches	36,531	31,638
Jewellery	206,132	194,800
Eyewear	(1,433)	(238)
Others	(5,841)	(5,811)
Corporate (unallocated)	(9,944)	(16,207)
Total	**225,445**	**204,182**

d) Segment assets and liabilities

₹ in lakhs

Segment	As at 31 March 2020	As at 31 March 2019
Segment assets		
Watches	214,345	150,204
Jewellery	822,448	674,225
Eyewear	49,517	39,447
Others	21,737	10,656
Corporate (unallocated)	210,748	272,450
	1,318,795	**1,146,982**

Notes to Standalone Financial Statements
for the year ended 31 March 2020

₹ in lakhs

Segment	As at 31 March 2020	As at 31 March 2019
Segment liabilities		
Watches	77,500	45,348
Jewellery	444,966	457,048
Eyewear	23,371	12,705
Others	9,072	2,514
Corporate (unallocated)	81,400	11,195
	636,309	**528,810**

e) Other segment information

₹ in lakhs

	Depreciation and amortisation	
	For the year ended 31 March 2020	**For the year ended 31 March 2019**
Watches	8,795	3,877
Jewellery	11,998	5,150
Eyewear	4,708	1,698
Others	1,397	272
Corporate (unallocated)	4,071	2,892
Total	**30,969**	**13,889**

f) Geographical information

₹ in lakhs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue		
India	1,999,934	1,905,514
Others	15,671	19,333
Total	**2,015,605**	**1,924,847**

₹ in lakhs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Assets*		
India	1,316,046	1,145,042
Others	2,749	1,940
Total	**1,318,795**	**1,146,982**

*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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

28. Earnings per share

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit for the year (₹ lakhs)	151,763	137,436
Weighted average number of equity shares	887,786,160	887,786,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	**17.09**	**15.48**

29. Leases

29.1 Amounts recognised in balance sheet

₹ in lakhs

		Note	As at 31 March 2020
(i)	**Right-of-use assets**	4	
	Buildings		84,988
	Leasehold land		2,050
			87,038
(ii)	**Lease liabilities**		
	Non-current	14.1	96,675
	Current	16.3	16,945
			113,620
(iii)	**Lease receivables**		
	Non-current	7.3	15,132
	Current	11.5	2,404
			17,536

29.2 Amounts recognised in the statement of profit and loss

₹ in lakhs

		Note	For the year ended 31 March 2020
(i)	Depreciation and amortisation expense	4	
	Buildings		15,180
	Leasehold land		24
			15,204
(ii)	Interest expense (included in finance cost)	23	9,798
(iii)	Interest income on sub-lease (included in other income)	20	1,454
(iv)	Expense relating to short-term leases	25	1,235
(v)	Expense relating to variable lease payments	25	1,012

(a) Short-term leases has been accounted for applying Paragraph 6 of Ind AS 116- Leases and accordingly recognised as expense in the statement of profit and loss.

(b) The total cash outflow for the year ended 31 March 2020 amounts to ₹ 27,122 lakhs.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

29.3 The impact on the statement of profit and loss for the year ended 31 March 2020 is as below:

₹ in lakhs

	For the year ended 31 March 2020
Rent is lower by	22,198
Depreciation is higher by	(15,180)
Finance cost is higher by	(9,798)
Other income is higher by	2,317
	(461)

The Company has discounted lease payments using applicable incremental borrowing rate as at 1 April 2019 which is ranging from 8.8% to 9.1% for measuring the lease liability.

29.4 Additional information on variable lease payment:

During the year ended 31 March 2020, the Company has incurred an amount of ₹ 1,012 lakhs 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.

29.5 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.

29.6 During the year ended 31 March 2019, rental expense from operating leases were generally recognised on a straight-line basis over the term of the relevant lease. The disclosures pertaining to previous year are given below:

(i) Payments recognised as an expense

₹ in lakhs

	For the year ended 31 March 2019
Minimum lease payments	20,947
Contingent rentals	368
	21,315

(ii) Leasing arrangements:

The Company had taken the operating leases for non-cancellable periods ranging from 12 months to 108 months. The leases are renewable by mutual consent. The Company does not have an option to purchase the leased asset at the expiry of the lease periods.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(iii) Non-cancellable operating lease commitments

The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:

₹ in lakhs

Particulars	For the year ended 31 March 2019
For a period not later than one year	3,401
For a period later than one year but not later than five years	1,077
For a period later than five years	-
	4,478

30. Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 35,226 lakhs (Previous year: ₹ 29,198 lakhs) comprising of the following:

a) Sales tax - ₹ 3,492 lakhs (Previous year: ₹ 2,885 lakhs)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

b) Customs duty - ₹ 462 lakhs (Previous year: ₹ 68 lakhs)
(relating to denial of benefit of exemptions)

c) Excise duty - ₹ 13,771 lakhs (Previous year: ₹ 19,208 lakhs)
(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 - ₹ 16,571 lakhs (Previous year: ₹ 6,083 lakhs)
(relating to disallowance of deductions claimed and Includes an amount of ₹ 9,088 lakhs, which is based on certain disallowances made in the draft assessment order of AY 2016-17 for which the company has filed an appeal with the DRP)

e) Others - ₹ 930 lakhs (Previous year: ₹ 954 lakhs)
(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 - ₹ 4,000 lakhs (Previous year: ₹ 9,000 lakhs)
(relating to guarantee provided for loans taken by CaratLane Trading Private Limited)

The movement of the guarantees is given below:

₹ in lakhs

	As at 31 March 2020	As at 31 March 2019
Opening balance	9,000	-
Given during the year	-	9,000
Withdrawn/ revoked during the year	(5,000)	-
Closing balance	**4,000**	**9,000**

Notes to Standalone Financial Statements
for the year ended 31 March 2020

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.

31. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 8,751 lakhs (Previous year: ₹ 10,972 lakhs).

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 lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
National pension scheme	206	153
Superannuation fund#	809	-
Employee pension fund	1,111	1,109
	2,126	**1,262**

b) Defined Benefit Plans

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provident fund*	2,276	1,871
Superannuation fund#	-	688
	2,276	**2,559**

*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 year ended 31 March 2020, the Company has charged ₹ 1,990 lakhs (Previous year: Nil), 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 year ended 31 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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.

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (p.a.)	6.90%	7.70%
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 lakhs

	Rates (p.a.)	
Age (Years)	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
21-44	6%	4%
45 and above	2%	2%

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	1,636	1,372
Interest on net defined benefit liability/ (asset)	188	(111)
Total component of defined benefit costs charged to the statement of profit and loss	**1,824**	**1,261**

Notes to Standalone Financial Statements
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Components of defined benefit costs recognised in other comprehensive income are as follows:

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening amount recognised in other comprehensive income outside the statement of profit and loss	2,255	(332)
Remeasurements during the year due to:		
- Changes in financial assumptions*	2,332	490
- Changes in demographic assumptions	(318)	(5)
- Experience adjustments	2,791	1,033
- Actual return on plan assets less interest on plan assets	103	1,070
Closing amount recognised in other comprehensive income	**7,163**	**2,255**

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 ₹ 1,950 lakhs charged by the Company, being the change in measurement of defined benefit plans, in other comprehensive income during the year ended 31 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 lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening net defined benefit liability/ (asset)	3,391	(457)
Expense charged to the statement of profit and loss	1,824	1,261
Amount recognised outside the statement of profit and loss	4,908	2,587
Employer contributions	(3,391)	-
Closing net defined benefit liability/ (asset)	**6,732**	**3,391**

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening defined benefit obligation	25,620	21,675
Current service cost	1,636	1,372
Interest on defined benefit obligation	1,884	1,657
Remeasurement due to		
- Actuarial gains and losses arising from changes in demographic assumptions	(318)	(5)
- Actuarial gains and losses arising from changes in financial assumptions	2,332	490
- Actuarial gains and losses arising from experience adjustments	2,791	1,033
Benefits paid	(1,760)	(602)
Closing defined benefit obligation	**32,184**	**25,620**

Notes to Standalone Financial Statements

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	22,228	22,131
Employer contributions	3,391	-
Interest on plan assets	1,696	1,768
Remeasurements due to actuarial return on plan assets less interest on plan assets	(103)	(1,070)
Benefits paid	(1,760)	(602)
Closing fair value of plan assets	**25,452**	**22,228**

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 lakhs

	As at 31 March 2020		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	30,697	33,763	31,817
Defined benefit obligation on minus 50 basis points	33,779	30,697	32,569

₹ in lakhs

	As at 31 March 2019		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	24,421	26,905	25,387
Defined benefit obligation on minus 50 basis points	26,908	24,414	25,864

Maturity profile of defined benefit obligation

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Within year 1	1,856	2,308
1 year to 2 years	1,546	1,348
2 years to 3 years	1,503	1,304
3 years to 4 years	1,976	1,169
4 years to 5 years	1,857	1,523
Over 5 years	61,100	55,707

The Company is expected to contribute ₹ 1,900 lakhs to the gratuity fund next year.

Notes to Standalone Financial Statements

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

₹ in lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	14,082	-	12,333	-
Other debt instruments	10,139	-	8,812	-
Entity's own equity instruments	1,321	-	803	-
Others	-	(89)	-	280
	25,542	**(89)**	**21,948**	**280**

c) Unfunded

The defined benefit obligation pertaining which are provided for but not funded are as under:

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Compensated absences		
Non-current	12,194	11,465
Current	3,413	1,791
	15,607	**13,256**

33. Research and Development expenses

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Expenditure at the Department of Scientific and Industrial Research approved Research and development centers		
Capital	244	377
Revenue	2,153	2,248
	2,397	**2,625**

Notes to Standalone Financial Statements

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34. Related parties

i) Relationships

a)	Promoters	Tamilnadu Industrial Development Corporation Limited	
		Tata Sons Private Limited	
b)	Subsidiaries	Titan TimeProducts Limited (up to 18 June 2018)	
		Titan Engineering & Automation Limited	
		Caratlane Trading Private Limited (formerly known as Carat lane Trading Private Limited)	
		Favre Leuba AG (Switzerland)	
		Titan Watch Company Hongkong Limited (100% subsidiary of Favre Leuba AG)	
		Titan Holdings International FZCO (from 15 October 2019)	
		Titan Global Retail L.L.C (from 15 December 2019)	
c)	Joint venture	Montblanc India Retail Private Limited	
d)	Associate	Green Infra Wind Power Theni Limited	
e)	Key management personnel	Mr. Bhaskar Bhat, Managing Director (up to 30 September 2019)	
		Mr. C K Venkataraman, Managing Director (from 1 October 2019)	
		Mr. S.Subramaniam, Chief Financial Officer	
		Mr. A R Rajaram, Company Secretary (up to 30 June 2018)	
		Mr. Dinesh Shetty, General Counsel and Company Secretary (from 3 August 2018)	
		Non - executive Directors	
		Mr. K. Gnanadesikan (Chairman) (up to 14 March 2019)	
		Mr. N. Muruganandam (Chairman) (from 14 March 2019)	
		Mr. Ramesh Chand Meena (up to 14 October 2019)	
		Mr. Harish Bhat (up to 30 September 2019)	
		Mr. Bhaskar Bhat (from 1 October 2019)	
		Dr. Mohanasankar Sivaprakasam (from 3 July 2019)	
		Mrs. Kakarla Usha (from 21 November 2019)	
		Mr. N N Tata	
		Mr. T K Balaji (up to 31 July 2019)	
		Mrs. Hema Ravichandar	
		Prof. Das Narayandas (up to 25 January 2019)	
		Mrs. Ireena Vittal	
		Ms. Shilpa Prabhakar Satish (up to 10 May 2018)	
		Mr. Ashwani Puri	
		Mr. B Santhanam (from 10 May 2018)	
		Mr. V Arun Roy (from 26 November 2018)	
		Mr. Pradyumna Rameshchandra Vyas (from 25 March 2019)	
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

Notes to Standalone Financial Statements

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		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	
g)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

ii) Related party transactions during the year :

₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Cost of materials and components consumed			
Titan TimeProducts Limited	Subsidiary	-	258
Caratlane Trading Private Limited	Subsidiary	2,393	2,827
Favre Leuba AG	Subsidiary	18	32
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	3	15
Titan Engineering & Automation Limited	Subsidiary	-	96
Purchases of services (other expenses)			
Tata Consultancy Services Limited	Group entity	1,366	2,106
Tata AIG General Insurance Company Limited	Group entity	32	221
Tata Unistore Limited	Group entity	369	276
Caratlane Trading Private Limited	Subsidiary	850	251
Others	Group entity	161	-
Revenue from operations			
Tata Sons Private Limited	Promoter	17	29
Caratlane Trading Private Limited	Subsidiary	1,610	2,821
Titan TimeProducts Limited	Subsidiary	-	11
Titan Engineering & Automation Limited	Subsidiary	8	8
Tata Consultancy Services Limited	Group entity	7,634	303
Others	Group entities	123	299
Rent			
Tata Sons Private Limited	Promoter	70	62
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	331	261

Notes to Standalone Financial Statements
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₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	12,374	9,280
Tata Sons Private Limited	Promoter	9,253	6,941
Key managerial personnel compensation			
Commission and sitting fees	Promoter	95	115
Commission and sitting fees	KMP	348	328
Managerial remuneration	KMP	2,166	1,562
Pension paid (refer note 15)	KMP	56	-
Miscellaneous expense (Royalty)			
Tata Sons Private Limited	Promoter	3,201	2,627
Reimbursement towards rendering of services / expenses			
Tata Sons Private Limited	Promoter	46	66
Caratlane Trading Private Limited	Subsidiary	5	271
Montblanc India Retail Private Limited	Joint venture	-	2
Favre Leuba AG	Subsidiary	22	-
Others		15	10
Recovery towards rendering of services / expenses			
Titan TimeProducts Limited	Subsidiary	-	15
Titan Engineering & Automation Limited	Subsidiary	236	105
Caratlane Trading Private Limited	Subsidiary	402	57
Montblanc India Retail Private Limited	Joint venture	112	138
Favre Leuba AG	Subsidiary	29	-
Others		54	6
Sitting fees received			
Caratlane Trading Private Limited	Subsidiary	9	30
Inter-corporate deposit placed			
Tata Housing Development Company Limited	Group entity	5,000	10,000
Tata Capital Financial Services	Group entity	-	13,000
Tata Realty and Infrastructure Limited	Group entity	5,000	-
Inter-corporate deposit redeemed			
Tata Housing Development Company Limited	Group entity	10,000	10,000
Tata Capital Financial Services	Group entity	5,000	9,500
Tata Realty and Infrastructure Limited	Group entity	5,000	-

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for the year ended 31 March 2020

₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income			
Tata Housing Development Company Limited	Group entity	304	495
Tata Capital Financial Services	Group entity	61	396
Tata Realty and Infrastructure Limited	Group entity	104	-
Caratlane Trading Private Limited	Subsidiary	41	115
Others	Subsidiary	1	-
Subscription to share capital			
Favre Leuba AG	Subsidiary	6,219	4,960
Titan Holdings International FZCO	Subsidiary	-	-
Caratlane Trading Private Limited	Subsidiary	-	10,000
Montblanc India Retail Private Limited	Joint venture	774	-
Loan givento subsidiary			
Titan Holdings International FZCO	Subsidiary	195	-
Advance to subsidiary			
Titan Holdings International FZCO	Subsidiary	459	-
Contribution to Trust funds			
Titan Watches Provident Fund	Others	8,200	6,756
Titan Watches Super Annuation Fund	Others	363	326
Titan Industries Gratuity Fund	Others	3,392	-

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

₹ in lakhs

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Outstanding - net receivables / (payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	(91)	(108)
Tata Sons Private Limited	Promoter	(2,378)	(2,065)
Caratlane Trading Private Limited	Subsidiary	(261)	(238)
Favre Leuba AG	Subsidiary	-	(4)
Titan Engineering & Automation Limited	Subsidiary	-	(45)
Tata Capital Financial Services	Group entity	(13)	-
Tata Consultancy Services Limited	Group entity	-	(111)
Bhaskar Bhat	KMP	(319)	(660)
C K Venkataraman	KMP	(195)	-

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₹ in lakhs

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Others		(295)	(312)
Caratlane Trading Private Limited	Subsidiary	380	718
Titan TimeProducts Limited	Subsidiary	-	1
Favre Leuba AG	Subsidiary	106	-
Titan Engineering & Automation Limited	Subsidiary	346	-
Titan Holdings International FZCO	Subsidiary	654	-
Montblanc India Retail Private Limited	Joint venture	1	2
Tata Consultancy Services Limited	Group entity	859	-
Tata Housing Development Company Limited	Group entity	2	5,112
Tata Capital Financial Services	Group entity	-	5,105
Others	Group entities	119	72
Corporate Guarantees			
Caratlane Trading Private Limited	Subsidiary	4,000	9,000
Letter of financial support provided to the following:			
Caratlane Trading Private Limited	Subsidiary		
Favre Leuba AG	Subsidiary		

Notes:

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.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

35. Financial instruments
35.1 Categories of financial instruments
Financial assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	9,029	8,402
Total financial assets measured at FVTPL (a)	**9,029**	**8,402**
Measured at amortised cost		
- Trade receivables	21,444	35,823
- Cash and cash equivalents	5,046	36,405
- Bank balances other than cash and cash equivalents	30,554	63,695
- Inter-corporate deposits	-	20,000
- Security deposits	12,970	11,071
- Employee loans	6,329	5,230
- Lease receivable	17,536	-
- Other financial assets	44,013	10,436
Total financial assets measured at amortised cost (b)	**137,892**	**182,660**
Derivative instruments in designated hedge accounting relationships (c)	-	-
Derivative instruments other than in designated hedge accounting relationships (d)	327	164
Total financial assets (a + b + c +d)	**147,248**	**191,226**

Financial liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through profit or loss (FVTPL)		
- Gold on loan	150,695	228,763
Total financial liabilities measured at FVTPL (a)	**150,695**	**228,763**
Measured at amortised cost		
- Borrowings	62,622	-
- Trade payables	50,994	77,234
- Lease liability	113,620	-
- Other financial liabilities	19,091	21,288
Total financial liabilities measured at amortised cost (b)	**246,327**	**98,522**
Derivative instruments in designated hedge accounting relationships (c)	-	113
Total financial liabilities (a + b + c)	**397,022**	**327,398**

Notes to Standalone Financial Statements

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35.2 (i) Fair value hierarchy

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

₹ in lakhs

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
a) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	44	7,401	-	7,445
- Other unquoted investments	-	-	1,584	1,584
- Derivative instruments other than in designated hedge accounting relationships	-	327	-	327
Total financial assets	**44**	**7,728**	**1,584**	**9,356**
Financial liabilities				
- Gold on loan	150,695	-	-	150,695
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total financial liabilities	**150,695**	**-**	**-**	**150,695**

₹ in lakhs

Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
b) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	41	6,922	-	6,963
- Other unquoted investments	-	-	1,439	1,439
- Derivative instruments other than in designated hedge accounting relationships	-	164	-	164
Total financial assets	**41**	**7,086**	**1,439**	**8,566**
Financial liabilities				
- Gold on loan	228,763	-	-	228,763
- Derivative instruments in designated hedge accounting relationship	-	113	-	113
Total financial liabilities	**228,763**	**113**	**-**	**228,876**

(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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Particulars	As at 31 March 2020		
	Less than 3 months	More than 3 months	Total
Contractual maturities of financial liabilities			
Gold on loan	**34,210**	116,485	150,695
Borrowings	**62,622**	-	62,622
Trade payables	**50,994**	-	50,994
Lease liability	**5,727**	107,893	113,620
Other financial liabilities	**19,091**	-	19,091
Total non-derivative liabilities	**172,643**	**224,378**	**397,022**
Derivatives (net settled)			
Derivative instruments in designated hedge accounting relationship	-	-	-
Total derivative liabilities	**-**	**-**	**-**

₹ in lakhs

Particulars	As at 31 March 2019		
	Less than 3 months	More than 3 months	Total
Contractual maturities of financial liabilities			
Non-derivatives			
Gold on loan	56,937	171,826	228,763
Trade payables	77,234	-	77,234
Other financial liabilities	21,288	-	21,288
Total non-derivative liabilities	**155,459**	**171,826**	**327,285**
Derivatives (net settled)			
Derivative instruments in designated hedge accounting relationship	113	-	113
Total derivative liabilities	**113**	**-**	**113**

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, forward commodity contracts (up to 30 June 2018) 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.

Notes to Standalone Financial Statements
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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.

The following table gives details of contracts as at the end of the reporting period:

Cash flow hedges Sell forward/future contracts:

₹ in lakhs

Particulars	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
31 March 2020	4,296	8,607	369,752
31 March 2019	3,202	6,286	201,283

- The line item in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

As at 31 March 2020 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 lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at beginning of the year (net of taxes)	2,741	(527)
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(53,603)	1,673
Deferred tax on fair value of effective portion of cash flow hedges	14,296	(458)
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	28,080	2,825
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	(7,490)	(773)
Movement in cash flow hedges	**(25,523)**	**4,498**
Deferred tax on movement in cash flow hedge	**6,806**	**(1,230)**
Balance at end of the year (net of taxes)	**(15,976)**	**2,741**

Notes to Standalone Financial Statements

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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 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 ₹ 15 lakhs 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 no forward exchange contracts as at 31 March 2020 (Previous year: 3 forward exchange contracts for US Dollars 6 lakhs equivalent to ₹ 411 lakhs).

In addition to the above, the Company has 6 Option contract in USD 187 lakhs equivalent to ₹ 13,725 lakhs (Previous year : 15 Option contracts in USD 329 lakhs equivalent to ₹ 23,837 lakhs).

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. Subsequent event

Subsequently, the Company has issued Commercial Paper amount to ₹ 50,000 lakhs each (total ₹ 100, 000 lakhs) in the months of April 2020 and May 2020 with maturity in the months of July 2020 and August 2020 respectively.

38. Impact of COVID-19 (Global pandemic):

In March 2020, the World Health Organisation declared COVID-19 to be a 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

Notes to Standalone Financial Statements
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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.

(iii) Credit Risk:

Financial instruments carried at fair value as at 31 March 2020 is ₹ 9,029 lakhs and financial instruments carried at amortised cost as at 31 March 2020 is ₹ 137,892 lakhs. A portion of the financial assets are classified as Level 1 having fair value of ₹ 44 lakhs as at 31 March 2020. 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 ₹ 35,600 lakhs as at 31 March 2020 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 ₹ 21,444 lakhs as at 31 March 2020 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 ₹ 10,138 Lakhs as at 31 March 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 638 lakhs as at 31 March 2020 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.

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39. Details of Inter-corporate deposits given and investments made during the year:

₹ in lakhs

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1 April 2019	Given during the year	Receipt during the year	Provision for impairment	As at 31 March 2020
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	9,500	-	-	9,500	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	5,000	-	-	5,000	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.40%	6 months	5,000	5,000	10,000	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	8.15%	6 months	5,000	-	5,000	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	8.45%	6 months	5,000	-	5,000	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	8.20%	6 months	5,000	-	5,000	-	-
Tata Realty and Infrastructure Limited	Group entity	Unsecured	Trade deposits	8.40%	3 months	-	5,000	5,000	-	-
						34,500	**10,000**	**30,000**	**14,500**	**-**

₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2019	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2020
Investments						
Investment in equity instruments (unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	23,505	-	-	23,505
Caratlane Trading Private Limited	Subsidiary	Strategic investment	47,403	3,100	-	50,503
Favre Leuba AG	Subsidiary	Strategic investment	5,020	6,219	-	11,239
Titan Holdings International FZCO (refer note 40)	Subsidiary	Strategic investment	-	-	-	-
Montblanc India Retail Private Limited	Joint venture	Strategic investment	3,112	774	-	3,886
Green Infra Wind Power Theni Limited	Associate	Strategic investment	150	-	-	150
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	3	-	2	1
Tata Steel Limited*	Others	Wealth creation	12	-	6	6
Tata Consumer Products Limited(formerly known as Tata Global Beverages Limited)*	Others	Wealth creation	12	8	-	20
Tata Chemicals Limited*	Others	Wealth creation	3	-	2	1
Trent Limited*	Others	Wealth creation	11	4	-	15
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	1,428	145	-	1,573
Green Infra Wind Generation Limited	Others	Wealth creation	9	-	-	9
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	2	-	-	2
			80,670	**10,250**	**10**	**90,910**

* The movement is on account of fair valuation as at the year end.

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Details of Inter-corporate deposits given and investments made during the previous year:

₹ in lakhs

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1 April 2018	Given during the year	Receipt during the year	Provision for impairment	As at 31 March 2019
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	-	9,500	-	9,500	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	-	5,000	-	5,000	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.10%-8.40%	6 months	5,000	10,000	10,000	-	5,000
Shriram Transport Finance Company Limited	Others	Unsecured	Trade deposits	8.10%	4 months	-	5,000	5,000	-	-
Kotak Mahindra Investments Limited	Others	Unsecured	Trade deposits	8.05%	6 months	-	5,000	5,000	-	-
Kotak Mahindra Prime Limited	Others	Unsecured	Trade deposits	7.95%	6 months	-	5,500	5,500	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	7.15%-8.15%	6 months	3,000	7,000	5,000	-	5,000
Mahindra & Mahindra Financial Services Limited	Others	Unsecured	Trade deposits	7.3%-7.8%	6 months	5,000	5,000	10,000	-	-
Dewan Housing Finance Limited	Others	Unsecured	Trade deposits	7.55%-8.10%	3 to 6 months	-	10,000	10,000	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	7.25%-8.45%	6 months	1,500	13,000	9,500	-	5,000
Bajaj Finance Limited	Others	Unsecured	Trade deposits	7.20% - 8.20%	3 to 9 months	8,500	11,000	14,500	-	5,000
Piramal Enterprises Limited	Others	Unsecured	Trade deposits	7.50%	4 months	-	5,000	5,000	-	-
						23,000	**91,000**	**79,500**	**14,500**	**20,000**

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₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2018	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2019
Investments						
Investment in equity instruments (unquoted)						
Titan TimeProducts Limited	Subsidiary	Strategic investment	1,363	-	1,363	-
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	23,505	-	-	23,505
Carat Lane Trading Private Limited	Subsidiary	Strategic investment	37,403	10,000	-	47,403
Favre Leuba AG	Subsidiary	Strategic investment	7,061	4,959	7,000	5,020
Montblanc India Retail Private Limited	Joint venture	Strategic investment	3,112	-	-	3,112
Green Infra Wind Power Theni Limited	Associate	Strategic investment	150	-	-	150
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	2	1	-	3
Tata Steel Limited*	Others	Wealth creation	12	-	-	12
Tata Global Beverages Limited*	Others	Wealth creation	16	-	4	12
Tata Chemicals Limited*	Others	Wealth creation	4	-	1	3
Trent Limited*	Others	Wealth creation	10	1	-	11
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)*	Others	Strategic investment	726	702	-	1,428
Green Infra Wind Generation Limited	Others	Wealth creation	9	-	-	9
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	2	-	-	2
			73,375	**15,663**	**8,368**	**80,670**

* The movement is on account of fair valuation as at the year end.

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40. The financial statements are presented in ₹ lakhs (rounded off). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ lakhs are given below:

Amount in ₹

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Investments			
(i) In subsidiary companies (at cost unless stated otherwise)	7		
1 (Previous year: Nil) fully paid equity shares of AED 1,000 each in Titan Holdings International FZCO		19,415	-
Other bank balances			
- Unclaimed debenture and debenture interest	11.3	-	13,256
Other financial liabilities			
- Unclaimed debenture and debenture interest	16.5	-	13,256

Amount in ₹

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Related party transactions	34		
- Subscription to share capital- Titan Holdings International FZCO		19,415	-
- Purchase of services (other expenses) - Others		-	14,908
Details of Inter-corporate deposits given and investments made	39		
Investment in equity instruments (unquoted)			
Titan Holdings International FZCO		19,415	-

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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

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

₹ in lakhs

1	Name of the subsidiary	Favre Leuba AG	Titan Watch Company Limited	Titan Holdings International FZCO	Titan Global Retail LLC	Titan Engineering & Automation Limited	Caratlane Trading Private Limited
2	Reporting period	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020
3	Reporting currency	CHF	HKD	AED	AED	INR	INR
4	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	1 CHF = ₹ 78.37	1 HKD = ₹ 9.73	1 AED = ₹ 20.51	1 AED = ₹ 20.51	Not applicable	Not applicable
5	Share capital	12,796	1	0*	-	4,705	665
6	Reserves & surplus	(6,865)	(1)	(48)	(65)	29,608	922
7	Total assets	6,816	-	771	801	48,598	38,366
8	Total liabilities	886	-	818	866	14,285	36,779
9	Investments	-	-	-	-	3,956	-
10	Turnover	625	-	-	-	46,233	62,122
11	Profit/(loss) before taxation	(5,103)	-	(60)	(79)	7,812	(2,727)
12	Provision for taxation	25	-	-	-	2,142	-
13	Profit after taxation	(5,127)	-	(60)	(79)	5,670	(2,727)
14	Proposed dividend	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	72.31%

* Amount invested in the share capital of Titan Holdings International FZCO is 1000 AED, equivalent to ₹ 0.21 lakhs.

Name of subsidiary which are yet to commence operations:

Sl. No.	Name of the Company
1	Titan Watch Company Hong Kong Limited
2	Titan Global Retail LLC

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	31 March 2020
2	Shares of Associate held by the company on the year end	
	- No.	1,500,000
	- Amount of Investment in Associate (₹ Lakhs)	150
	- 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 (₹ Lakhs)	233
6	Profit/(loss) for the year	
	- Considered in Consolidation (₹ Lakhs)	54
	- Not considered in Consolidation (₹ Lakhs)	-

	Name of Joint Venture	Montblanc India Retail Private Limited
1	Latest audited Balance Sheet date	31 March 2019
2	Shares of Associate held by the company on the year end 31 March 2020	
	- No.	38,856,265
	- Amount of Investment in Joint Venture (₹ Lakhs)	3,886
	- Extent of Holding %	49.00%
3	Description of how there is significant influence	There is a significant influence by virtue of joint control
4	Reason why the joint venture is not consolidated	Not applicable
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet (₹ Lakhs)	2,578
6	Profit/(loss) for the year	
	- Considered in Consolidation (₹ Lakhs)	(457)
	- Not considered in Consolidation (₹ Lakhs)	-

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 & Company Secretary*

Date: 8 June 2020

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 31 March 2020, 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, 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 31 March 2020, 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 its 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 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.

Revenue Recognition

Refer note 2(ix) and note 19 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.

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

Refer 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 locations selected using statistical sampling, we attended physical verification of stocks conducted by the Group and performed roll-back 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.

Leases

Refer note 2(x), note 4, note 14.2, note 16.3 and 28 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Ind AS 116 – "Leases" introduces a new lease accounting model, whereby lessees are required to recognise a right-of-use assets (ROU) and a lease liability arising from a lease on its balance sheet. Significant judgement is required in determining whether a contract is appropriately identified as being within or outside the scope of Ind AS 116, assessment of lease term and determination of appropriate incremental borrowing rate thereby affecting the measurement of lease liability and corresponding ROU asset. In view of the above we have identified measurement of lease liability and corresponding ROU asset determination as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among other procedures, to obtain sufficient appropriate audit evidence: 1. We assessed the appropriateness of the accounting policy for leases. 2. We examined relevant contracts on a sample basis to identify those which may contain a lease and tested whether the same has been so accounted for. 3. We examined sample contracts to evaluate whether Group's determination of the lease term is appropriate. 4. On a sample basis, we have assessed the appropriateness of incremental borrowing rate considered for calculating the lease obligation. We have also involved specialists to evaluate key assumptions/ judgements relating to the discount rate considered by the Group. 5. For samples selected using statistical sampling, we verified that the amounts considered for calculations of ROU assets and lease liabilities are in accordance with the terms of the contract. 6. Assessed the adequacy of the disclosures included in the consolidated financial statements.

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 other information is expected to be made available to us after the date of the 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 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 applicable 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 its 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, 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, 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. 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 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 Matter

(a) The consolidated financial statements also include the Group's share of net loss of INR 457 lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one joint venture. 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 the joint venture, 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, 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 matter with respect to our reliance on 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 Matter' 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 31 March 2020 taken on record by the Board of Directors of the Holding Company, the reports of the statutory auditors of its subsidiary companies and its associate incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 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 its associate 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, as noted in the 'Other Matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associate and joint venture. Refer note 29 to the consolidated financial statements.

ii. The Group, its associate and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

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 31 March 2020. 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 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

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, its subsidiary companies, associate company and joint venture 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, its subsidiary companies, associate company and joint venture 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: 20205385AAAAAW9459

Place: Bengaluru
Date: 8 June 2020

Annexure A to the Independent Auditor's Report

on the Consolidated Financial Statements of Titan Company Limited for the year ended 31 March 2020

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 31 March 2020, 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 company as 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 31 March 2020, 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: 20205385AAAAAW9459

Place: Bengaluru
Date: 8 June 2020

Consolidated Balance Sheet

₹ in lakhs

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	128,526	118,231
(b) Capital work-in-progress	3	1,152	2,895
(c) Right-of-use assets	4	93,486	-
(d) Investment property	5.1	2,402	2,402
(e) Goodwill	5.2	12,301	12,301
(f) Other intangible assets	6	26,628	23,729
(g) Intangible assets under development		672	282
(h) Financial assets			
(i) Investments	7.1	4,436	3,920
(ii) Loans receivables	7.2	15,350	12,913
(iii) Other financial assets	7.3	19,870	812
(i) Deferred tax assets (net)	8	15,900	7,418
(j) Income tax assets (net)	8	14,370	12,171
(k) Other non-current assets	9	7,856	15,721
		342,949	**212,795**
(2) Current assets			
(a) Inventories	10	810,298	703,882
(b) Financial assets			
(i) Investments	11.1	11,357	6,922
(ii) Trade receivables	11.2	31,155	42,045
(iii) Cash and cash equivalents	11.3	7,549	42,953
(iv) Bank balances other than (iii) above	11.3	30,564	63,695
(v) Loans receivables	11.4	5,610	24,660
(vi) Other financial assets	11.5	45,906	9,898
(c) Other current assets	12	69,591	64,675
		1,012,030	**958,730**
TOTAL ASSETS		**1,354,979**	**1,171,525**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	8,878	8,878
(b) Other equity	13.2	657,997	598,137
Equity attributable to the equity holders of the Company		666,875	607,015
Non-controlling interest		440	1,408
		667,315	**608,423**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.1	1,697	3,167
(ii) Lease liabilities	14.2	105,629	-
(iii) Other financial liabilities	14.3	452	133
(b) Provisions	15	16,612	13,068
(c) Deferred tax liability (net)	8	619	541
		125,009	**16,909**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	70,590	8
(ii) Gold on loan	16.2	158,455	235,290
(iii) Lease liabilities	16.3	18,668	-
(iv) Trade payables			
- Total outstanding dues of micro and small enterprises	16.4	6,823	1,573
- Total outstanding dues of creditors other than micro and small enterprises	16.4	52,848	89,025
(v) Other financial liabilities	16.5	21,879	23,843
(b) Other current liabilities	17	220,571	188,950
(c) Provisions	18	11,970	6,534
(d) Current tax liabilities (net)	8	851	970
		562,655	**546,193**
TOTAL EQUITY AND LIABILITIES		**1,354,979**	**1,171,525**
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Consolidated Statement of Profit and Loss

₹ in lakhs

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Revenue from operations	19	2,105,154	1,977,852
II. Other income	20	15,323	18,294
III. Total income (I +II)		**2,120,477**	**1,996,146**
IV. Expenses:			
Cost of materials and components consumed		1,304,234	1,223,063
Purchase of stock-in-trade		299,080	294,003
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(87,807)	(77,641)
Employee benefit expenses	22	119,942	101,927
Finance costs	23	16,617	5,254
Depreciation and amortisation expense	24	34,796	16,284
Other expenses	25	223,047	237,351
IV. Total expenses		**1,909,909**	**1,800,241**
V. Profit before share of profit/(loss) of an associate and a joint venture and exceptional item and tax (III - IV)		210,568	195,905
VI. Share of profit/ (loss) of:			
- Associate		54	7
- Joint venture		(457)	(223)
VII. Profit before exceptional item and tax (V - VI)		210,165	195,689
VIII. Exceptional item		-	-
IX. Profit before tax (VII - VIII)		**210,165**	**195,689**
X. Tax expense:			
Current tax	8	57,020	61,750
Deferred tax	8	3,879	(4,926)
X. Total tax		**60,899**	**56,824**
XI. Profit for the year (IX-X)		**149,266**	**138,865**
XII. Other comprehensive income			
(i) Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of employee defined benefit plans		(7,312)	(2,857)
- Income-tax on (i) above		1,863	836
(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		(25,523)	4,498
- Exchange differences in translating the financial statements of foreign operations		744	(5)
- income-tax on (ii) above		6,806	(1,230)
Total other comprehensive income		**(23,422)**	**1,242**
XIII. Total comprehensive income (XI + XII)		**125,844**	**140,107**
Profit for the year attributable to:			
- Owners of the Company		150,139	140,415
- Non-controlling interest		(873)	(1,550)
		149,266	**138,865**
Other comprehensive income for the year attributable to:			
- Owners of the Company		(23,412)	1,259
- Non-controlling interest		(10)	(17)
		(23,422)	**1,242**
Total comprehensive income for the year attributable to:			
- Owners of the Company		126,727	141,674
- Non-controlling interest		(883)	(1,567)
		125,844	**140,107**
XIV. Earnings per equity share of ₹ 1			
Basic	27	16.91	15.82
Diluted		16.91	15.82
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Consolidated Statement of Changes in Equity

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Equity share capital		
Opening balance	8,878	8,878
Changes in equity share capital during the year	-	-
Closing balance	**8,878**	**8,878**

(b) Other equity

₹ in lakhs

Particulars	Reserves and surplus										Capital reserve on consolidation	Attributable to the Owners of the Company	Non-controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Items of other comprehensive income (refer note 13.2)							
							Remeasurement of employee defined benefit plans	Foreign currency translation reserve	Cash flow hedge reserve	Total				
Balance as at 1 April 2018	**3**	**74**	**14,072**	**264**	**306,573**	**179,196**	**205**	**205**	**(520)**	**(110)**	**37**	**500,110**	**(182)**	**499,928**
Profit for the year (net of taxes)	-	-	-	-	-	140,415	-	-	-	-	-	140,415	(1,550)	138,865
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	(2,004)	(5)	3,268	1,259	-	1,259	(17)	1,242
Employee stock compensation	-	-	-	107	-	-	-	-	-	-	-	107	-	107
Acquisition of non-controlling interests in subsidiary (refer note 41)	-	-	-	-	-	(3,157)	-	-	-	-	-	(3,157)	3,157	-
Sale of subsidiary (refer note 42)	-	(10)	-	-	-	(420)	8	-	-	8	(37)	(460)	-	(460)
Total comprehensive income for the year	**-**	**(10)**	**-**	**107**	**-**	**136,838**	**(1,996)**	**(5)**	**3,268**	**1,267**	**(37)**	**138,164**	**1,590**	**139,754**
Payment of dividends	-	-	-	-	-	(33,292)	-	-	-	-	-	(33,292)	-	(33,292)
Tax on dividends	-	-	-	-	-	(6,845)	-	-	-	-	-	(6,845)	-	(6,845)
Balance as at 31 March 2019	**3**	**64**	**14,072**	**371**	**306,573**	**275,897**	**(1,791)**	**200**	**2,748**	**1,157**	**-**	**598,137**	**1,408**	**599,545**
Balance as at 1 April 2019	**3**	**64**	**14,072**	**371**	**306,573**	**275,897**	**(1,791)**	**200**	**2,748**	**1,157**	**-**	**598,137**	**1,408**	**599,545**
Profit for the year (net of taxes)	-	-	-	-	-	150,139	-	-	-	-	-	150,139	(873)	149,266
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	(5,439)	744	(18,717)	(23,412)	-	(23,412)	(10)	(23,422)
Transactions with non-controlling interests (refer note 41)	-	-	-	-	-	(3,015)	-	-	-	-	-	(3,015)	(85)	(3,100)
Employee stock compensation	-	-	-	41	-	-	-	-	-	-	-	41	-	41
Premium on share issued during the year	-	-	22	(22)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**22**	**19**	**-**	**147,124**	**(5,439)**	**744**	**(18,717)**	**(23,412)**	**-**	**123,753**	**(968)**	**122,785**
Payment of dividends (refer note 13.3)	-	-	-	-	-	(44,389)	-	-	-	-	-	(44,389)	-	(44,389)
Tax on dividends (refer note 13.3)	-	-	-	-	-	(9,124)	-	-	-	-	-	(9,124)	-	(9,124)
Transition impact of Ind AS 116	-	-	-	-	-	(15,858)	-	-	-	-	-	(15,858)	-	(15,858)
Deferred tax on transition impact of Ind AS 116 {refer note 8(a)}	-	-	-	-	-	5,477	-	-	-	-	-	5,477	-	5,477
Balance as at 31 March 2020	**3**	**64**	**14,094**	**390**	**306,573**	**359,127**	**(7,230)**	**944**	**(15,969)**	**(22,255)**	**-**	**657,997**	**440**	**658,437**
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Consolidated Statement of Cash Flow

₹ in lakhs

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities			
Net profit before tax		210,165	195,689
Adjustments for :			
- Depreciation and amortisation expense		34,796	16,284
- Net unrealised exchange gain/loss		(74)	(144)
- Share of profit/(loss) of the associate and joint venture		403	216
- Employee stock compensation expense		41	107
- Loss on sale/ disposal/ scrapping of property, plant and equipment (net)		(286)	446
- Provision for doubtful trade receivables (net) and bad trade receivables written off		393	729
- Interest income		(9,843)	(10,369)
- Gain on investments carried at fair value through profit and loss		(3,174)	(4,459)
- Impairment of investment in inter-corporate deposits		-	14,500
- Gain on pre-closure of lease contracts		(864)	-
- Finance costs		16,617	5,254
Operating profit before working capital changes		**248,174**	**218,253**
Adjustments for :			
- (increase)/ decrease in trade receivables		10,942	(13,908)
- (increase)/ decrease in inventories		(105,713)	(111,986)
- (increase)/ decrease in financial assets-loans receivable		(2,002)	(2,351)
- (increase)/ decrease in other financial assets		(33,624)	(1,153)
- (increase)/ decrease in other assets		3,571	(27,621)
- (increase)/ decrease in other bank balances		42	(390)
- increase/ (decrease) in gold on loan		(76,835)	74,088
- increase/ (decrease) in trade payables		(30,997)	3,232
- increase/ (decrease) in other financial liabilities		(27,952)	2,093
- increase/ (decrease) in other liabilities		31,621	44,642
- increase/ (decrease) in provisions		3,798	2,997
Cash generated from operating activities before taxes		**21,025**	**187,896**
- Direct taxes paid		(55,766)	(63,604)
Net cash (used in)/ generated from operating activities	**A**	**(34,741)**	**124,292**
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property		(35,502)	(26,472)
Proceeds from sale of property, plant and equipment		945	137
Inter-corporate deposits placed		(10,000)	(91,000)
Proceeds from inter-corporate deposits		30,000	79,500
Bank deposits placed, net		33,089	(48,719)
Purchase of investments in subsidiaries, joint venture and other equity instruments		(3,874)	-
Purchases of mutual funds, net		(1,260)	(3,587)
Proceeds from sale of investment in subsidiaries net of related expenses and cash		-	1,821
Lease payments received from sub-lease		2,823	-
Interest received		7,278	8,486
Net cash from/ (used in) investing activities	**B**	**23,499**	**(79,834)**

Consolidated Statement of Cash Flow

₹ in lakhs

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flow from financing activities			
Proceeds /(repayment) from borrowings, net		69,340	(3,891)
Dividends paid including dividend distribution tax		(53,557)	(39,738)
Payment of lease liabilities excluding interest paid		(23,333)	-
Finance costs paid		(16,617)	(5,254)
Net cash used in financing activities	**C**	**(24,167)**	**(48,883)**
Net decrease in cash and cash equivalents during the year (A+B+C)		**(35,409)**	**(4,425)**
Cash and cash equivalents (opening balance) {refer note 11.3}	11.3	42,953	47,205
Add/ (Less): Unrealised exchange (gain)/ loss		5	173
Cash and cash equivalents (closing balance) {refer note 11.3}	**11.3**	**7,549**	**42,953**
Debt reconciliation statement in accordance with Ind AS 7			
Current borrowings	16.1		
Opening balance		8	7,899
Proceeds /(repayment) from borrowings, net		70,582	(7,891)
Closing balance		**70,590**	**8**
Non current borrowings and current maturities of long term borrowings	14.1 and 16.5		
Opening balance		4,000	-
Proceeds /(repayment) from borrowings, net		(1,242)	4,000
Closing balance		**2,758**	**4,000**
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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Notes to Consolidated Financial Statements

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 these consolidated financial statements and notes have been rounded off to rupees lakhs as per the requirement of Schedule III, unless otherwise stated.

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 31 March 2020 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 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.

Notes to Consolidated Financial Statements

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 31 March 2020	Ownership interest 31 March 2019
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%
Carat Lane Trading Private Limited ("Caratlane")	India	72.31%	69.47%
Titan TimeProducts Limited was subsidiary of TitanCompany Limited until 18th June 2018 with 100% holding	India	-	-
Titan Holdings International FZCO (from 15 October 2019)	Dubai	100%	-
Titan Global Retail L.L.C (from 15 December 2019) (Subsidiary of Titan Holdings International FZCO)	Dubai	100%	-

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 31 March 2020	Ownership interest 31 March 2019
Montblanc India Retail Private Limited - Jointly controlled entity	India	49.00%	49.00%
Green Infra Wind Power Theni Limited - Associate company	India	26.79%	26.79%

Notes to Consolidated Financial Statements

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. March 31, 2020. 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 lakhs, unless otherwise indicated.

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

Notes to Consolidated Financial Statements

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.

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.

Notes to Consolidated Financial Statements

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

Till 31 March 2019, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary costs, such increases are recognised in the year in which such benefits accrue. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

From 1 April 2019, the Group has applied Ind AS 116, "Leases" using the modified retrospective approach, under which the cumulative effect of initial application is recognised in the retained earnings as at 1 April 2019. Accordingly, the comparative information presented for 31 March 2019 is not restated i.e. it is presented, as previously reported.

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 Consolidated Financial Statements

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

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have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing 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

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profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

a) Current tax: The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of 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.

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.

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 utilized.

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.

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xv. Property, Plant and Equipment

a) *Recognition and measurement:*

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on 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 the 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.

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

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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 past events

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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

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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.

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

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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 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

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involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group 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 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.

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The resulting gain or loss is recognised in the statement of consolidated profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) *Cash flow hedges*

The Group 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 hedging 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.

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xxiv. Consolidated cash flow statement

Consolidated 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 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2020.

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3.1 Property, plant and equipment

₹ in lakhs

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and servers	Leasehold improvements	Furniture and fixtures	Office equipment	Vehicles	Total
Owned assets									
As at 1 April 2018	8,530	33,577	56,349	7,219	523	20,330	3,414	1,634	131,576
Additions	-	4,799	8,737	2,128	117	5,957	1,712	950	24,400
Deletion due to sale of subsidiary*	-	317	992	-	-	14	24	7	1,354
Disposals	-	2	1,134	156	70	1,159	142	380	3,043
As at 31 March 2019	**8,530**	**38,057**	**62,960**	**9,191**	**570**	**25,114**	**4,960**	**2,197**	**151,579**
As at 1 April 2019	8,530	38,057	62,960	9,191	570	25,114	4,960	2,197	151,579
Additions	-	3,031	9,296	3,178	273	7,729	2,248	1,178	26,933
Disposals	-	2	1,042	508	100	1,505	221	612	3,990
As at 31 March 2020	**8,530**	**41,086**	**71,214**	**11,861**	**743**	**31,338**	**6,987**	**2,763**	**174,522**
Accumulated depreciation									
As at 1 April 2018	-	1,945	9,325	1,570	188	6,408	1,511	425	21,372
Depreciation expense	-	1,001	6,305	2,088	180	3,860	770	595	14,799
Deletion due to sale of subsidiary*	-	40	301	-	-	3	16	3	363
Disposals	-	1	835	142	69	964	105	344	2,460
As at 31 March 2019	**-**	**2,905**	**14,494**	**3,516**	**299**	**9,301**	**2,160**	**673**	**33,348**
As at 1 April 2019	-	2,905	14,494	3,516	299	9,301	2,160	673	33,348
Depreciation expense	-	1,126	6,031	2,439	147	4,441	1,053	742	15,979
Disposals	-	1	825	483	86	1,233	188	515	3,331
As at 31 March 2020	**-**	**4,030**	**19,700**	**5,472**	**360**	**12,509**	**3,025**	**900**	**45,996**
Net carrying value									
As at 31 March 2019	**8,530**	**35,152**	**48,466**	**5,675**	**271**	**15,813**	**2,800**	**1,524**	**118,231**
As at 31 March 2020	**8,530**	**37,056**	**51,514**	**6,389**	**383**	**18,829**	**3,962**	**1,863**	**128,526**

* refer note no 42 for deletion due to sale of subsidiary

3.2 Capital work-in-progress

₹ in lakhs

As at 1 April 2018	4,301
Additions	22,994
Capitalizations	24,400
As at 31 March 2019	**2,895**
As at 1 April 2019	2,895
Additions	25,190
Capitalisations	26,933
As at 31 March 2020	**1,152**

Notes to Consolidated Financial Statements

4. Right-of-use assets*

₹ in lakhs

Particulars	Leasehold land	Buildings	Plant & Machinery	Total
As at 1 April 2019- Transition impact of Ind AS 116	2,074	72,563	-	74,637
Additions	252	35,752	1,170	37,174
Modifications/ terminations	-	2,794	-	2,794
As at 31 March 2020	**2,326**	**105,521**	**1,170**	**109,017**
Accumulated amortisation				
As at 1 April 2019- Transition impact of Ind AS 116	-	-	-	-
Amortisation expense	60	16,277	55	16,392
Modifications/ terminations	-	861	-	861
As at 31 March 2020	**60**	**15,416**	**55**	**15,531**
Net carrying value				
As at 31 March 2020	**2,266**	**90,105**	**1,115**	**93,486**

*Also, refer note 28.

5.1 Investment property

₹ in lakhs

Particulars	Land
As at 1 April 2018	2,268
Additions	134
Disposals	-
As at 31 March 2019	**2,402**
As at 1 April 2019	2,402
Additions	-
Disposals	-
As at 31 March 2020	**2,402**
Net carrying value	
As at 31 March 2019	**2,402**
As at 31 March 2020	**2,402**

a) The Company's investment properties consist of freehold land and therefore no depreciation is chargeable.

b) Fair market value of land at ₹ 10,160 lakhs (Previous year: ₹ 10,143 lakhs) have been arrived at on the basis of valuations carried out by Chartered Engineer during year ended 31 March 2020 and 31 March 2019.

c) No rental income has been accrued against these properties.

Notes to Consolidated Financial Statements

5.2 Goodwill

	₹ in lakhs
Opening Goodwill as at 1 April 2019	12,301
Movement during the year	-
Closing Goodwill as at 31 March 2020	**12,301**

Name of the CGU	Operating Segment
Jewellery business of Titan Company Limited	Jewellery
Caratlane Trading Private Limited (Formerly known as Carat Lane 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 (since 15 October 2019)	Other business
Titan Global Retail L.L.C (from 15 December 2019)	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 31 March 2020 has been entirely allocated to the Carat Lane CGU.

The recoverable amount of the Carat Lane 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.

Notes to Consolidated Financial Statements

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.

6. Other Intangible assets

₹ in lakhs

Particulars	Trademarks	Intellectual properties	Patents	Computer softwares	Brand on consolidation	Total
Owned assets						
As at 1 April 2018	1,614	-	-	4,619	18,000	24,233
Additions	-	-	-	2,606	-	2,606
Disposals	-	-	-	-	-	-
As at 31 March 2019	**1,614**	**-**	**-**	**7,225**	**18,000**	**26,839**
As at 1 April 2019	1,614	-	-	7,225	18,000	26,839
Additions*	-	604	847	3,873	-	5,324
Disposals	-	-	-	-	-	-
As at 31 March 2020	**1,614**	**604**	**847**	**11,098**	**18,000**	**32,163**
Accumulated amortisation						
As at 1 April 2018	330	-	-	1,295	-	1,625
Amortisation expense	-	-	-	1,485	-	1,485
Disposals	-	-	-	-	-	-
As at 31 March 2019	**330**	**-**	**-**	**2,780**	**-**	**3,110**
As at 1 April 2019	330	-	-	2,780	-	3,110
Amortisation expense	-	29	41	2,355	-	2,425
Disposals	-	-	-	-	-	-
As at 31 March 2020	**330**	**29**	**41**	**5,135**	**-**	**5,535**
Net carrying value						
As at 31 March 2019	**1,284**	**-**	**-**	**4,445**	**18,000**	**23,729**
As at 31 March 2020	**1,284**	**575**	**806**	**5,963**	**18,000**	**26,628**

* During the year, the Group acquired intellectual properties and patents from HUG Innovations LLP and HUG Innovations Corp (collectively referred as "Hug Innovations") on 6 and 9 January 2020 respectively for a cash considerations of ₹ 1,451 lakhs.

7. Financial assets

7.1 Investments

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
1) Investment in equity instruments (unquoted)		
i) In joint venture company (at cost unless stated otherwise)		
38,856,265 (Previous year: 31,115,000) fully paid equity shares of ₹ 10 each in Montblanc India Retail Private Limited	2,578	2,261
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 a) below}	233	179
	2,811	**2,440**

Notes to Consolidated Financial Statements

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
2) Other investments		
a) 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	2	3
2,349 (Previous year: 2,349) fully paid equity shares of ₹ 10 each in Tata Steel Limited	6	12
6,638 (Previous year: 6,000) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	20	12
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	1	3
3,000 (Previous year: 3000) fully paid equity shares of ₹ 1 each in Trent Limited	15	11
	44	**41**
b) 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)	1,570	1,428
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	9	9
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	2	2
	1,581	**1,439**
Aggregate value of investments	**4,436**	**3,920**
Aggregate book value of quoted investments	**44**	**41**
Aggregate market value of quoted investments	**44**	**41**
Aggregate book value of unquoted investments	**4,392**	**3,879**

Note:

a) 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 receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	10,986	9,591
Employee loans	4,364	3,322
	15,350	**12,913**

Notes to Consolidated Financial Statements

7.3 Other financial assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Lease receivables	19,073	-
Other assets	797	812
	19,870	**812**

8. Income tax

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	15,900	7,418
Deferred tax liabilities	(619)	(541)
Net deferred tax asset	**15,281**	**6,877**

Particulars	As at 1 April 2019	On adoption of Ind AS 116	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets					
Provision for doubtful trade receivables	202	-	(31)	-	171
Employee benefits	4,999	-	(580)	-	4,419
Compensation towards voluntary retirement of employees	1,784	-	(1,099)	-	685
MAT credit entitlement	252	-	(252)	-	-
Fair value of investments	4,840	-	(1,391)	-	3,449
Cash flow hedges	(1,045)	-	-	6,806	5,761
Lease liabilities (net of Right-of-use assets)	-	5,477	(1,401)	-	4,076
Others	161	-	(161)	-	-
Sub-total	**11,193**	**5,477**	**(4,915)**	**6,806**	**18,561**
Deferred tax liability					
Property, plant and equipment	(4,316)	-	1,036	-	(3,280)
	(4,316)	-	1,036	-	(3,280)
	6,877	**5,477**	**(3,879)**	**6,806**	**15,281**

Notes to Consolidated Financial Statements

₹ in lakhs

Particulars	As at 1 April 2018	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
Provision for doubtful trade receivables	288	(86)	-	202
Employee benefits	4,312	781	(94)	4,999
Compensation towards voluntary retirement of employees	2,562	(705)	(73)	1,784
MAT credit entitlement	39	252	(39)	252
Fair value of investments	(115)	4,955	-	4,840
Lease liabilities (net of Right-of-use assets)	-	-	-	-
Others	390	(229)	-	161
Sub-total	**7,476**	**4,968**	**(206)**	**12,238**
Deferred tax liability				
Property, plant and equipment	(4,372)	(42)	98	(4,316)
Cash flow hedges	185	-	(1,230)	(1,045)
	(4,187)	**(42)**	**(1,132)**	**(5,361)**
	3,289	**4,926**	**(1,338)**	**6,877**

b) Amounts recognised in statement of profit and loss and other comprehensive income.

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income tax expenses		
Current tax	57,020	61,750
Deferred tax	3,879	(4,926)
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	(1,863)	(836)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(6,806)	1,230
Tax expense for the year	**52,230**	**57,218**

Notes to Consolidated Financial Statements

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 is as follows:

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	210,568	195,905
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	52,996	68,449
Effect of:		
Expenses that are not deductible in determining taxable profit	2,088	654
Income taxes relating to earlier periods	(226)	(935)
Effect of concessions	-	(12,818)
Unrecognised deferred tax assets for losses of subsidiaries	1,976	3,428
Income taxed at higher rate for subsidiary	309	(338)
Tax charge/(credit) on gratuity disclosed in OCI	1,759	(836)
Effect of change in income tax rate*	2,640	-
Others	(643)	(780)
Income tax expense recognised in the statement of profit and loss	**60,899**	**56,824**

*From the Assessment Year 2020-21 relevant to the financial 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 year ended 31 March 2020 and computed deferred tax based on the rate prescribed in the said section. After evaluation, the subsidiaries opted not to exercise option permitted under section 115BAA for the year ending 31 March 2020.

d) The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019:

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets (net)	14,370	12,171
Current tax liabilities (net)	851	970
Net current income tax assets at the end of the year	**13,519**	**11,201**

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net current income tax assets at the beginning of the year	11,201	8,020
Income tax paid	55,766	63,604
Current income tax expense	(57,020)	(61,750)
Deletion from opening balance due to sale of subsidiary	-	(61)
Interest on income tax refund	1,709	552
Income tax on other comprehensive income and others	1,863	836
Net current income tax assets at the end of the year	**13,519**	**11,201**

Notes to Consolidated Financial Statements

9. Other non-current assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Capital advances	2,287	1,665
Balance with revenue authorities	5,161	3,974
Prepaid expenses	-	2,049
Other assets (includes deferred lease cost and deferred employee cost) {refer note (a) and (b) below}	408	8,033
	7,856	**15,721**

(a) Includes Nil (Previous year: ₹ 4,100 lakhs) given to other shareholder of Caratlane Trading Private Limited ("CTPL") as per the memorandum of understanding dated 28 November 2018 for puchase of additional equity shares of CTPL by the Company.

(b) Includes Nil (Previous year: ₹ 3,610 lakhs) pertaining to deferred lease cost. During the year ended 31 March 2020, the deferred lease costs has been classified under Right-of-use assets on account of implementation of Ind AS 116 w.e.f. 1 April 2019.

10. Inventories

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	143,662	125,140
Work-in-progress {refer (a) below}	35,349	27,775
Finished goods	464,803	400,565
Stock-in-trade	163,451	147,456
Stores and spares	2,494	2,363
Loose tools	539	583
	810,298	**703,882**
Included above, goods-in-transit		
Raw materials	987	794
Stock-in-trade	224	116
	1,211	**910**
a) Details of inventory of work-in-progress		
Watches	16,260	14,750
Jewellery	14,694	6,872
Others	4,395	6,153
	35,349	**27,775**

(i) The cost of inventories recognised as an expense during the year is ₹ 1,515,507 lakhs (Previous year: ₹ 1,439,425 lakhs).

(ii) The cost of inventories recognised as an expense includes ₹ 144 lakhs (Previous year: ₹ 161 lakhs) in respect of write down of inventory to net-realisable value.

(iii) The inventory includes Gold purchased on loan from banks amounting to ₹ 158,455 lakhs (Previous year: ₹ 235,290 lakhs).

(iv) Refer point (xix) under significant accounting policies for mode of valuation.

Notes to Consolidated Financial Statements

11. Financial assets

11.1 Investments

₹ in lakhs

Particulars Investments in mutual funds (Unquoted)- {at fair value through profit or loss}	As at 31 March 2020		As at 31 March 2019	
Name of the fund	**No of units**	**Amount**	**No of units**	**Amount**
Axis Overnight Fund - Direct Plan - Growth Option	378,966	4,000	-	-
Tata Overnight Fund-Direct Plan-Growth	189,817	2,000	-	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	438,283	1,401	-	-
Axis Liquid Fund - Direct Plan - Growth	107,590	2,371	333,834	6,922
ICICI Prudential Liquid Fund - Direct Plan	51,261	151	-	-
L&T Liquid Fund - Direct Plan	52,675	1,434	-	-
		11,357		**6,922**
Aggregate value of unquoted investments		**11,357**		**6,922**

11.2 Trade receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good- unsecured*	31,503	42,939
Less: Allowance for doubtful trade receivables	(348)	(894)
	31,155	**42,045**
Credit impaired	527	282
Less: Allowance for doubtful trade receivables	(527)	(282)
	-	-
	31,155	**42,045**

* Includes dues from related parties - refer note 34.

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			
	Titan Company Limited			
	Watches	**Jewellery**	**Eye-wear**	**Aerospace and Defence, Automation Solutions**
Within credit period	-	8%	2%	-
Less than 1 year	-	86%	2%	-
1 to 2 years	10%	50%	15%	12%
2 to 3 years	15%	36%	31%	39%
Over 3 years	100%	100%	100%	100%

Notes to Consolidated Financial Statements

₹ in lakhs

Age of receivables	As at 31 March 2020	As at 31 March 2019
With in credit period	14,280	31,763
Less than 1 year	16,903	10,605
1 to 2 years	375	444
2 to 3 years	185	126
Over 3 years	287	283
	32,030	**43,221**

Movement in the expected credit loss allowance

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	1,176	1,096
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(301)	80
Balance at the end of the year	**875**	**1,176**

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

11.3 Cash and bank balances

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Cash on hand	614	1,689
Cheques, drafts on hand	408	926
Balances with banks		
(i) Current account {refer note (a) below}	6,525	9,988
(ii) Demand deposit	2	30,350
Total cash and cash equivalents	**7,549**	**42,953**
Other bank balances		
(iii) Earmarked accounts		
- Unclaimed dividend	1,132	1,174
(iv) Demand deposit	2,810	41,500
(v) Fixed deposits held as margin money against bank guarantee	1,105	4
(vi) Fixed deposits held as deposit reserve fund {refer note (b) below}	25,517	21,017
Total other bank balances	**30,564**	**63,695**
	38,113	**106,648**

Notes:

a) The balance under current account includes funds in transit primarily for credit card receipts yet to be credited to the Company- ₹ 337 lakhs (Previous year: ₹ 4,952 lakhs).

Notes to Consolidated Financial Statements

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 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2020.

11.4 Loans receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Inter-corporate deposits	14,500	34,500
Less: Impairment during the year (refer note 36)	(14,500)	(14,500)
Inter-corporate deposits, net	-	20,000
Security deposits	3,163	2,277
Employee loans	2,447	2,383
	5,610	**24,660**

11.5 Other financial assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Refunds due from government authorities	12,092	6,663
Margin money for gold Future contracts	24,509	-
Derivative instruments other than in designated hedge accounting relationships	327	164
Lease receivable	2,937	-
Other assets (Mark to market gain on gold future contracts, interest accrued on fixed deposits and ICDs)	6,041	3,071
	45,906	**9,898**

12. Other current assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured and considered good		
Advances to suppliers	8,554	11,436
Prepaid expenses	3,254	3,162
Balance with revenue authorities {refer note (a) below}	46,260	36,996
Contractual asset {refer note (b) below}	10,239	9,780
Other assets (includes deferred lease cost and deferred employee cost) {refer note (c) below}	1,284	3,301
	69,591	**64,675**

(a) Balance with revenue authorities includes GST credits of ₹ 44,020 lakhs (Previous year: ₹ 34,757 lakhs) in respect to GST input credit, transitional credit and deemed credit.

Notes to Consolidated Financial Statements

(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.

(c) Includes Nil (Previous year: ₹ 949 lakhs) pertaining to deferred lease cost. During the year ended 31 March 2020, the deferred lease costs has been classified under Right-of-use assets on account of implementation of Ind AS 116 w.e.f. 1 April 2019.

13.1 Share capital

₹ in lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares (in lakhs)	Amount	No. of shares (in lakhs)	Amount
a) Authorised				
Equity share of ₹ 1 each with voting rights	12,000	12,000	12,000	12,000
Redeemable cumulative preference shares of ₹ 100 each	40	4,000	40	4,000
b) Issued, subscribed and fully paid up				
Equity share of ₹ 1 each with voting rights	8,878	8,878	8,878	8,878

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 31 March 2020		As at 31 March 2019	
	No. lakhs	₹ lakhs	No. lakhs	₹ lakhs
Equity shares with voting rights				
At the beginning of the year	8,878	8,878	8,878	8,878
At the end of the year	**8,878**	**8,878**	**8,878**	**8,878**

e) Shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares held (in lakhs)	% total holding	No. of shares held (in lakhs)	% total holding
Tamilnadu Industrial Development Corporation Limited	2,475	27.88	2,475	27.88
Tata Group				
Tata Sons Limited	1,851	20.85	1,851	20.85
Tata Investment Corporation Limited	179	2.01	179	2.01
Tata Chemicals Limited	138	1.56	138	1.56
Ewart Investments Limited	50	0.56	50	0.56
Piem Hotels Limited	5	0.06	5	0.06
Total - Tata Group	**2,223**	**25.04**	**2,223**	**25.04**
Jhunjhunwala Rakesh Radheshyam	**393**	**4.43**	**508**	**5.72**

Notes to Consolidated Financial Statements

13.2 Other equity

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve	3	3
(Surplus on re-issue of forfeited shares and debentures)		
Capital redemption reserve	64	64
(Reserve created on redemption of capital)		
Securities premium	14,094	14,072
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)		
General reserve	306,573	306,573
(Represents appropriation of profit by the Company)		
Retained earnings*	359,127	275,897
(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)		
Other comprehensive income	(22,255)	1,157
(Items of other comprehensive income consist of cash flow hedge reserve, foreign currency translation reserve and remeasurement of net defined benefit obligation.)		
Share options outstanding	390	371
(Share options granted by a subsidiary to its employees)		
	657,997	**598,137**

*Of the above, ₹ 10 lakhs (Previous year: ₹ 10 lakhs) relates to the state subsidy received which is not available for dividend as per the terms of subsidy.

13.3 Distributions made and proposed

The Board of Directors at its meeting held on 8 May 2019 had proposed a final dividend of ₹ 5 per equity share of par value of ₹ 1 each for the financial year ended 31 March 2019. The proposal was approved by shareholders at the Annual General Meeting held on 6 August 2019 and the same was paid during the year ended 31 March 2020. This has resulted in a total outflow of ₹ 53,513 lakhs including corporate dividend tax of ₹ 9,124 lakhs.

The Board of Directors, in its meeting on 8 June 2020, have proposed a final dividend of ₹ 4 per equity share for the financial year ended 31 March 2020. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 11 August 2020 and if approved would result in a cash outflow of approximately ₹ 35,511 lakhs.

14. Financial liabilities

14.1 Borrowings

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Term loan*	1,697	3,167
	1,697	**3,167**

*The interest rate of the term loan was 8.60% per annum and is payable over 48 equal monthly installments began from 1 June 2019. A prepayment of ₹ 500 lakhs of the principal amount was made in December 2019.

Notes to Consolidated Financial Statements

14.2 Lease liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liabilities (refer note 28)	105,629	-
	105,629	**-**

14.3 Other financial liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Others (includes rental deposits)	452	133
	452	**133**

15. Provisions

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for compensated absences {refer note 31 (c)}	13,291	12,465
Provision for pension*	3,052	420
Provision for gratuity {refer note 31 (b)}	269	183
	16,612	**13,068**

*During the year ended 31 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 ₹ 2,568 lakhs 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 lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Bank overdraft and cash credit {refer note (a) below}	3,025	8
Unsecured		
Loan from bank {refer note (b) below}	62,622	-
Commercial paper {refer note 40 and note (c) below}	4,943	-
	70,590	**8**

(a) Secured against the Company's inventory, receivables and property, plant and equipment. The interest rate varies from 8.3% to 8.95% per annum.

(b) The term loan has a tenure ranging from to 24 days to 31 days. The interest rate varies from 7.45% to 8.85% per annum (Previous year: nil).

(c) Commmercial papers are issued with 5.8% effective interest rate for a tenure of 3 months.

Notes to Consolidated Financial Statements

16.2 Gold on loan

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Secured#		
Payable to banks* {refer note (a) below}	65,703	114,659
Unsecured		
Payable to banks*	92,752	120,631
	158,455	**235,290**

#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 2.82% per annum (Previous year: 1.55% to 2.82% per annum) and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.

16.3 Lease liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liabilities (refer note 28)	18,668	-
	18,668	**-**

16.4 Trade payables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of Micro and small enterprises {Refer note (a) below}	6,823	1,573
Total outstanding dues of other than micro and small enterprises	52,848	89,025
	59,671	**90,598**

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	6,823	1,573
- 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.*	1,791	428
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.	-	-

Notes to Consolidated Financial Statements

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
The amount of interest accrued and remaining unpaid at the end of each accounting year. (refer note 43)	-	4
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.	4	4

*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.

16.5 Other financial liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unclaimed dividends {refer note (a) below}	1,132	1,174
Payables on purchase of property, plant and equipment	766	2,623
Current maturities of long term debt {refer note (c) below}	1,061	833
Derivative instruments in designated hedge accounting relationship	-	113
Derivative instruments other than in designated hedge accounting relationships	335	-
Other financial liabilities		
- Employee related	14,881	17,123
- Others {refer note (b) below}	3,704	1,977
	21,879	**23,843**

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 ₹ 7 lakhs (Previous year: ₹ 4 lakhs) and therefore amounts relating to the same have not been transferred.

(b) Includes ₹ 2,120 lakhs, being the change in measurement of defined benefit plans, during the year ended 31 March 2020 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.

(c) Secured against the Corporate Guarantee issued by Titan Company Limited.

Notes to Consolidated Financial Statements

17. Other current liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	30,586	23,158
Golden harvest scheme (deposit)	148,435	127,332
Liability towards award credit for customers	8,026	5,855
Statutory dues (TDS, PF etc.)	1,999	1,835
Contract liability {refer note (a) below}	14,300	13,265
Other liabilities (gift card liability, book overdraft)	17,225	17,505
	220,571	**188,950**

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 lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for compensated absences {refer note 31 (c)}	3,729	1,953
Provision for gratuity {refer note 31 (b)}	7,175	3,713
Provision for warranty { refer note (a) below}	1,066	868
	11,970	**6,534**

Note (a): Provision for warranty

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	868	802
Provisions made during the year	879	1,365
Utilisations/ reversed during the year	(681)	(1,299)
Provision at the end of the year	**1,066**	**868**

19. Revenue from operations

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations		
Sale of products		
Manufactured goods		
Watches	203,004	191,782
Jewellery	1,373,083	1,300,097
Eyewear	8,558	8,400
Others	45,419	33,899
	1,630,064	**1,534,178**

Notes to Consolidated Financial Statements

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Traded goods		
Watches	50,202	46,969
Jewellery	332,379	319,916
Eyewear	45,158	42,606
Others	17,849	13,729
	445,588	**423,220**
Total - Sale of products (a)	**2,075,652**	**1,957,398**
Income from services provided (b)	**1,118**	**1,808**
Other operating revenue		
Indirect tax incentive {refer note (a) below}	6,395	4,862
Sale of precious / semi-precious stones	12,580	8,459
Sale of gold / platinum	8,197	4,703
Scrap sales	1,212	622
Total - Other operating revenue (c)	**28,384**	**18,646**
Revenue from operations (a+b+c)	**2,105,154**	**1,977,852**

a) Represents benefits accrued on account of budgetary support for the existing eligible units under different industrial promotion schemes.

b) As per the requirements of Ind AS 115, the Group disaggregates revenue based on line of business, geography (as given in Note 26) and between manufactured and traded goods as given above.

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

₹ in lakhs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	2,557,513	2,376,097
Reductions towards variable consideration components	452,359	398,245
Revenue recognised	**2,105,154**	**1,977,852**

The reduction towards variable consideration comprises of scheme discounts, incentives, taxes etc.

20. Other income

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financial assets carried at amortised cost	6,329	9,817
Interest income on income tax refund	1,709	552
Gain on investments carried at fair value through profit and loss	3,174	4,459
Interest income on sub-lease	1,805	-
Miscellaneous income {refer note (a) below}	2,306	3,466
	15,323	**18,294**

Notes to Consolidated Financial Statements

a) The Group has disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 1,850 lakhs. Consequently, the Company had recognised profit on sale of investment amounting to ₹ 487 lakhs for the year ended 31 March 2019.

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

₹ in lakhs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Closing stock		
Finished goods	464,803	400,565
Work-in progress	35,349	27,775
Stock-in-trade	163,451	147,456
	663,603	**575,796**
Opening stock		
Finished goods	400,565	363,787
Work-in progress	27,775	22,866
Stock-in-trade	147,456	111,534
Less: Adjustment on account of sale of subsidiary	-	(32)
	575,796	498,155
(Increase) / decrease in inventory	**(87,807)**	**(77,641)**

22. Employee benefits expense

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	104,179	88,406
Contribution to provident and other funds		
- Gratuity {refer note 31(b)}	2,038	1,419
- Provident and other funds {refer note 31(a) and 31 (b)}	5,071	4,465
Staff welfare expenses	8,613	7,530
Employee stock compensation expense (refer note 33)	41	107
	119,942	**101,927**

23. Finance costs

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on :		
Borrowings	2,325	1,069
Interest on lease liability	10,614	-
Gold on loan*	3,657	4,254
Others	21	(69)
	16,617	**5,254**

*Refer note 16.2

Notes to Consolidated Financial Statements

24. Depreciation and amortisation expense

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	15,979	14,799
Amortisation of intangible assets (refer note 4, 6)	18,817	1,485
	34,796	**16,284**

25. Other expenses

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loose tools, stores and spare parts consumed	5,160	5,320
Agency labour	12,759	10,692
Power and fuel	5,181	4,851
Repairs and maintenance		
- buildings	773	876
- plant and machinery	2,485	2,263
- others	196	177
Advertising	55,970	59,920
Selling and distribution expenses	67,542	55,489
Insurance	966	618
Rent (refer note 28)	2,760	22,739
Rates and taxes	858	894
Travel	5,297	5,480
Bad trade receivables and advances written off	120	490
Less : Provision released	9	216
	111	**274**
Provision for doubtful trade receivables	282	455
Loss on sale / disposal / scrapping of property, plant and equipment (net)	-	446
Expenditure on corporate social responsibility {refer note (c) below}	3,161	3,178
Provision for impairment of investment in ICD {refer note (d) below}	-	14,500
Miscellaneous expenses {refer note (a) & (b) below}	59,061	48,662
Directors' fees	70	108
Commission to non Whole-time Directors	415	409
	223,047	**237,351**

Notes:

a) Includes exchange (gain) / loss (net) of ₹ 252 lakhs (Previous year: ₹ Nil)

b) Auditors remuneration comprises fees for audit of statutory accounts ₹ 203 lakhs (Previous year:₹ 162 lakhs), taxation matters ₹ 23 lakhs (Previous year: ₹ 22 lakhs), audit of consolidated accounts ₹ 11 lakhs (Previous year: ₹ 10 lakhs), other services ₹ 86 lakhs (Previous year: ₹ 83 lakhs) and reimbursement of levies and expenses ₹ 23 lakhs (Previous year: ₹ 15 lakhs).

c) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the group during the year: ₹ 3,136 lakhs (Previous year ₹ 2,424 lakhs)

Notes to Consolidated Financial Statements

(ii) Amount spent during the year on:

₹ in lakhs

	In cash	Yet to be paid in cash	Total
- Construction/acquisition of any asset	-	-	-
- On purposes other than above	3,098	63	3,161
	3,098	**63**	**3,161**

d) During the previous year, the Group, as part of its Treasury operations, invested in intercorporate deposits aggregating ₹ 14,500 lakhs with Infrastructure Leasing & Financial Services Limited and its subsidiary (IL&FS Group), which were due for maturity in November 2018 and December 2018. The aforesaid amounts and the interest thereon have however not been received as on date. As a result of increased credit risk in relation to outstanding balances from IL&FS Group and the uncertainity prevailing on IL&FS Group due to the proceedings pending with the NCLT, Management has provided for full amount of ₹ 14,500 lakhs for impairment in value of deposit. The provision currently reflects the exposure that may arise given the uncertainity. The Group, however, continues to monitor developments in this matter and is committed to take steps including legal actions that may be necessary to ensure full recoverability.

26. 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 lakhs

Particulars	Revenue		Profit / (loss)	
	For the year ended 31 March 2020	**For the year ended 31 March 2019**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Watches	262,173	244,749	31,613	26,675
Jewellery	1,731,916	1,639,006	205,078	190,804
Eyewear	54,401	50,879	(1,433)	(238)
Others	63,473	48,335	1,903	125
Corporate (unallocated)	8,514	13,177	(10,379)	(16,423)
	2,120,477	**1,996,146**	**226,782**	**200,943**
Finance costs			16,617	5,254
Profit before taxes			**210,165**	**195,689**

There is no inter segment revenue.

Notes to Consolidated Financial Statements

c) Profit / (loss) from segments before exceptional items, finance costs and taxes are as below:

₹ in lakhs

Segment	For the year ended 31 March 2020	For the year ended 31 March 2019
Watches	31,613	26,675
Jewellery	205,078	190,804
Eyewear	(1,433)	(238)
Others	1,903	125
Corporate (unallocated)	(10,379)	(16,423)
Total	**226,782**	**200,943**

d) Segment assets and liabilities

₹ in lakhs

Segment	As at 31 March 2020	As at 31 March 2019
Segment assets		
Watches	221,750	155,956
Jewellery	890,371	731,507
Eyewear	49,517	39,447
Others	71,030	50,226
Corporate (unallocated)	122,311	194,389
	1,354,979	**1,171,525**
Segment liabilities		
Watches	78,280	46,462
Jewellery	481,104	479,574
Eyewear	23,371	12,705
Others	24,163	13,166
Corporate (unallocated)	80,746	11,195
	687,664	**563,102**

e) Other segment information

₹ in lakhs

	Depreciation and amortisation	
Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Watches	8,923	4,118
Jewellery	13,751	5,733
Eyewear	4,708	1,698
Others	3,343	1,843
Corporate (unallocated)	4,071	2,892
	34,796	**16,284**

Notes to Consolidated Financial Statements

f) Geographical information

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue		
India	2,078,626	1,955,310
Others	41,851	40,836
Total	**2,120,477**	**1,996,146**

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Assets*		
India	1,340,904	1,164,318
Others	14,075	7,207
Total	**1,354,979**	**1,171,525**

*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.

27. Earnings per share

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit for the year (₹ lakhs)	150,139	140,415
Weighted average number of equity shares	887,786,160	887,786,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	**16.91**	**15.82**

28. Leases

28.1 Amounts recognised in Balance Sheet

₹ in lakhs

Particulars	Note	As at 31 March 2020
(i) Right-of-use assets	4	
Buildings		90,105
Leasehold land		2,266
Leasehold plant & machinery		1,115
		93,486
(ii) Lease liabilities		
Non-current	14.2	105,629
Current	16.3	18,668
		124,297

Notes to Consolidated Financial Statements

₹ in lakhs

Particulars	Note	As at 31 March 2020
(iii) Lease receivables		
Non-current	7.3	19,073
Current	11.5	2,937
		22,010

28.2 Amounts recognised in the statement of profit and loss

₹ in lakhs

		Note	For the year ended 31 March 2020
(i)	Depreciation and amortisation expense	4	
	Buildings		16,277
	Leasehold land		60
	Leasehold plant & machinery		55
			16,392
(ii)	Interest expense (included in finance cost)	23	10,614
(iii)	Interest income on sub-lease (included in other income)	20	1,805
(iv)	Expense relating to short-term leases	25	1,735
(v)	Expense relating to variable lease payments	25	1,025

(a) Short-term leases has been accounted for applying Paragraph 6 of Ind AS 116- Leases and accordingly recognised as expense in the statement of profit and loss.

(b) The total cash outflow for the year ended 31 March 2020 amounts to ₹ 30,168 lakhs.

28.3 The impact on the statement of profit and loss for the year ended 31 March 2020 is as below:

₹ in lakhs

	For the year ended 31 March 2020
Rent is lower by	23,555
Depreciation is higher by	(16,367)
Finance cost is higher by	(10,614)
Other income is higher by	2,639
	(787)

The Group has discounted lease payments using applicable incremental borrowing rate as at 1 April 2019 which is ranging from 8.75% to 11.19% per annum for measuring the lease liability.

28.4 Additional information on variable lease payment:

During the year ended 31 March 2020, the Company has incurred an amount of ₹ 1,023 lakhs on account of variable lease payments. Variable payment terms ranges from 0.28% 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 Consolidated Financial Statements

28.5 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.

28.6 During the year ended 31 March 2019, rental expense from operating leases were generally recognised on a straight-line basis over the term of the relevant lease. The disclosures pertaining to previous year are given below:

(i) Payments recognised as an expense

₹ in lakhs

	For the year ended 31 March 2019
Minimum lease payments	22,371
Contingent rentals	368
	22,739

(ii) Leasing arrangements:

The Group has taken the above operating leases for non-cancellable periods ranging from 12 months to 108 months. The leases are renewable by mutual consent. The Group does not have an option to purchase the leased asset at the expiry of the lease periods.

(iii) Non-cancellable operating lease commitments

The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:

₹ in lakhs

Particulars	For the year ended 31 March 2019
For a period not later than one year	3,809
For a period later than one year but not later than five years	2,054
For a period later than five years	331
Total	**6,194**

29. Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 35,237 lakhs (Previous year: ₹ 29,280 lakhs) comprising of the following:

a) Sales tax - ₹ 3,492 lakhs (Previous year: ₹ 2,885 lakhs)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

b) Customs duty - ₹ 462 lakhs (Previous year: ₹ 68 lakhs)
(relating to denial of benefit of exemptions)

c) Excise duty - ₹ 13,781 lakhs (Previous year: ₹ 19,289 lakhs)
(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)

Notes to Consolidated Financial Statements

d) Income tax - ₹ 16,571 lakhs (Previous year: ₹ 6,083 lakhs)
(relating to disallowance of deductions claimed and Includes an amount of ₹ 9,088 lakhs, which is based on certain disallowances made in the draft assessment order of AY 2016-17 for which the company has filed an appeal with the DRP)

e) Others - ₹ 930 lakhs (Previous year: ₹ 954 lakhs)
(relating to miscellaneous claims)

f) Claims not acknowledged as debts ₹ 1 lakh (Previous year: ₹ 1 lakh)

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.

30. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 10,254 lakhs (Previous year: ₹ 13,332 lakhs)

31. Employee benefits

a) Defined Contribution Plans

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
National pension scheme	206	152
Superannuation fund#	860	-
Employee pension fund	1,243	1,208
	2,309	**1,360**

b) Defined Benefit Plans

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provident fund*	2,762	2,371
Superannuation fund#	-	734
	2,762	**3,105**

*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.

Notes to Consolidated Financial Statements

During the year ended 31 March 2020, the Company has charged ₹ 2,120 lakhs (Previous year: Nil), 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 year ended 31 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 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.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (p.a.)	6.06% - 6.90%	6.88% - 7.70%
Salary escalation rate (p.a.)		
- Non-management	7.00% - 7.31%	7.00% - 10.00%
- Management	8% - 10%	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 (2006-08) 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:

	Rates (p.a.)	
Age (Years)	For the year ended 31 March 2020	For the year ended 31 March 2019
21-44	6%	4%
45 and above	2%	2%

- Rate of leaving service (leaving service due to disability included) for Caratlane Trading Private Limited is 9.42% to 23.53% for various categories of employees (Previous year: 25%).

Notes to Consolidated Financial Statements

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

₹ in lakhs

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Funded	Non Funded	Funded	Non Funded
Current service cost	1,759	58	1,476	41
Past service cost	-	-	-	9
Interest on net defined benefit liability/ (asset)	206	15	(117)	10
(Gains) / losses on settlement	-	-	-	-
Total component of defined benefit costs charge to the consolidated statement of profit and loss	**1,965**	73	**1,359**	**60**

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

₹ in lakhs

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Funded	Non Funded	Funded	Non Funded
Opening amount recognised in Other comprehensive Income outside the consolidated statement of profit and loss	2,410	56	(391)	40
Remeasurements during the period due to:				
- Adjustment on account of sale of Subsidiary	-	-	-	(40)
- Changes in financial assumptions*	2,480	-	521	-
- Changes in demographic assumptions	(355)	-	(5)	-
- Experience adjustments	2,903	36	1,137	56
- Actual return on plan assets less interest on plan assets	128	-	1,148	-
Closing amount recognised in other comprehensive income	7,566	92	**2,410**	**56**

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.

* Includes an amount of ₹ 2,063 lakhs charged by the Group, being the change in measurement of defined benefit plans, in other comprehensive income during the year ended 31 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.

Notes to Consolidated Financial Statements

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 lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	Funded	Non Funded	Funded	Non Funded
Opening net defined benefit liability/ (asset)	3,679	217	(482)	366
On sale of Subsidiary	-	-	-	(224)
Expense charged to the consolidated statement of profit and loss	1,965	72	1,359	51
Amount recognised outside the consolidated statement of profit and loss	5,155	36	2,802	28
Benefits paid	-	-	(0)	-
Employer contributions	(3,677)	(3)	-	(4)
Closing net defined benefit liability/ (asset)	**7,122**	**322**	**3,679**	**217**

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

₹ in lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	Funded	Non Funded	Funded	Non Funded
Opening defined benefit obligation	27,121	217	22,859	366
On sale of Subsidiary	-	-	-	(224)
Current service cost	1,759	58	1,476	41
Past service cost	-	-	-	-
Interest cost	1,994	15	1,746	10
Remeasurement due to				
- Actuarial gains and losses arising from changes in demographic assumptions	(170)	-	27	-
- Actuarial gains and losses arising from changes in financial assumptions	2,296	-	489	-
- Actuarial gains and losses arising from experience adjustments	2,902	35	1,137	28
Benefits paid	(1,761)	(4)	(613)	(4)
Closing defined benefit obligation	**34,141**	**321**	**27,121**	**217**

Notes to Consolidated Financial Statements

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

₹ in lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	Funded	Non Funded	Funded	Non Funded
Opening fair value of plan assets	23,442	-	23,341	-
Employer contributions	3,679	-	0	-
Interest on plan assets	1,788	-	1,862	-
Remeasurements due to actuarial return on plan assets less interest on plan assets	(128)	-	(1,148)	-
Benefits paid	(1,761)	-	(613)	-
Closing fair value of plan assets	**27,020**	-	**23,442**	**-**

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 lakhs

	As at 31 March 2020		
	Discount rate	Salary growth	Attrition rate
Defined benefit obligation on plus 50 basis points	32,873	36,034	33,750
Defined benefit obligation on minus 50 basis points	36,168	32,782	34,551

₹ in lakhs

	As at 31 March 2019		
	Discount rate	Salary growth	Attrition rate
Defined benefit obligation on plus 50 basis points	26,059	28,712	27,320
Defined benefit obligation on minus 50 basis points	28,715	26,051	27,846

Maturity profile of defined benefit obligation

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Within year 1	2,074	2,474
1 year to 2 years	1,718	1,420
2 years to 3 years	1,668	1,437
3 years to 4 years	2,101	1,311
4 years to 5 years	2,007	1,645
Over 5 years	65,265	59,573

The Company is expected to contribute ₹ 2,000 lakhs to the gratuity fund next year.

Notes to Consolidated Financial Statements

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

₹ in lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	14,949	-	13,007	-
Other debt instruments	10,763	-	9,294	-
Entity's own equity instruments	1,402	-	847	-
Others	-	(95)	-	296
	27,114	**(95)**	**23,148**	**296**

c) Unfunded

The defined benefit obligation pertaining which are provided for but not funded are as under:

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Compensated absences		
Non-current	13,291	12,465
Current	3,729	1,953
	17,020	**14,418**

32. Research and Development expenses

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Expenditure at the Department of Scientific and Industrial Research approved Research and development centers		
Capital	244	377
Revenue	2,153	2,248
	2,397	**2,625**

33. Note on Employee Stock Option Plan

During the financial year 2017-18, the Caratlane Trading India Private Limited (CLTP) 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 77,000 options to employees.

Notes to Consolidated Financial Statements

A maximum of 714,017 options are issuable under this plan. The movement in options issued are as below:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Outstanding at the beginning of the year	462,600	468,000
Options granted during the year	77,000	-
Options forfeited during the year	(38,800)	(5,400)
Options exercised during the year	(12,000)	-
Outstanding at the end of the year	**488,800**	**462,600**
Options exercisable at the end of the year	**335,020**	**259,180**
Weighted average excercise price per option (₹)	**6.41**	**2.00**

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 March 31, 2020 and March 31, 2019 under the Caratlane stock Options Plan was 7 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:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
No of options granted	77,000.00	-
Date of grant	21-Oct-19	-
Vesting period	4 years	-
Expected life of options (years)	5.5	-
Weighted average fair value of options per share (₹)	123	-

34. Related parties

i) Relationships

Names of related parties and description of relationship:

a)	Promoters	Tamilnadu Industrial Development Corporation Limited
		Tata Sons Private Limited
b)	Joint venture	Montblanc India Retail Private Limited
c)	Associate	Green Infra Wind Power Theni Limited
d)	Key Management Personnel	Mr. Bhaskar Bhat, Managing Director (up to 30 September 2019)
		Mr. C K Venkataraman, Managing Director (from 1 October 2019)
		Mr. S.Subramaniam, Chief Financial Officer
		Mr. A R Rajaram, Company Secretary (up to 30 June 2018)
		Mr. Dinesh Shetty, General Counsel and Company Secretary (from 3 August 2018)

Notes to Consolidated Financial Statements

		Non - executive Directors	
		Mr. K. Gnanadesikan (Chairman) (up to 14 March 2019)	
		Mr. N. Muruganandam (Chairman) (from 14 March 2019)	
		Mr. Ramesh Chand Meena (up to 14 October 2019)	
		Mr. Harish Bhat (up to 30 September 2019)	
		Mr. Bhaskar Bhat (from 1 October 2019)	
		Dr. Mohanasankar Sivaprakasam (from 3 July 2019)	
		Mrs. Kakarla Usha (from 21 November 2019)	
		Mr. N N Tata	
		Mr. T K Balaji (up to 31 July 2019)	
		Mrs. Hema Ravichandar	
		Prof. Das Narayandas (up to 25 January 2019)	
		Mrs. Ireena Vittal	
		Ms. Shilpa Prabhakar Satish (up to 10 May 2018)	
		Mr. Ashwani Puri	
		Mr. B Santhanam (from 10 May 2018)	
		Mr. V Arun Roy (from 26 November 2018)	
		Mr. Pradyumna Rameshchandra Vyas (from 25 March 2019)	
e)	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	
f)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

Notes to Consolidated Financial Statements

ii) Related party transactions during the year :

₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	3	15
Purchases of services (other expenses)			
Tata Consultancy Services Limited	Group entity	1,402	2,106
Tata AIG General Insurance Company Limited	Group entity	32	221
Tata Unistore Limited	Group entity	369	276
Others	Group entity	161	-
Revenue from operations			
Tata Sons Limited	Promoter	17	29
Tata Consultancy Services Limited	Group entity	7,634	303
Others	Group entities	123	299
Rent			
Tata Sons Limited	Promoter	70	62
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	331	261
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	12,374	9,280
Tata Sons Limited	Promoter	9,253	6,941
Key managerial personnel compensation			
Commission and sitting fees	Promoter	95	115
Commission and sitting fees	KMP	348	328
Managerial remuneration	KMP	2,166	1,562
Pension paid (refer note 15)	KMP	56	-
Miscellaneous expense (Royalty)			
Tata Sons Limited	Promoter	3,201	2,627
Reimbursement towards rendering of services / expenses			
Tata Sons Limited	Promoter	47	66
Montblanc India Retail Private Limited	Joint venture	-	2
Others		15	10

Notes to Consolidated Financial Statements

₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Recovery towards rendering of services			
Montblanc India Retail Private Limited	Joint venture	112	138
Others		54	6
Inter-corporate deposit placed			
Tata Housing Development Company Limited	Group entity	5,000	10,000
Tata Capital Financial Services	Group entity	-	13,000
Tata Realty and Infrastructure Limited	Group entity	5,000	-
Inter-corporate deposit redeemed			
Tata Housing Development Company Limited	Group entity	10,000	10,000
Tata Capital Financial Services	Group entity	5,000	9,500
Tata Realty and Infrastructure Limited	Group entity	5,000	-
Interest income			
Tata Housing Development Company Limited	Group entity	304	495
Tata Capital Financial Services	Group entity	61	396
Tata Realty and Infrastructure Limited	Group entity	104	-
Subscription to share capital			
Montblanc India Retail Private Limited	Joint venture	774	-
Contribution to Trust funds			
Titan Watches Provident Fund	Others	8,864	6,756
Titan Watches Super Annuation Fund	Others	409	326
Titan Industries Gratuity Fund	Others	3,679	-

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

₹ in lakhs

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Outstanding - net receivables / (payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	(91)	(108)
Tata Sons Private Limited	Promoter	(2,378)	(2,065)
Tata Consultancy Services Limited	Group entity	-	(111)
Tata Capital Financial Services	Group entity	(13)	-
Bhaskar Bhat	KMP	(319)	(660)
C K Venkataraman	KMP	(195)	-
Others		(295)	(312)

Notes to Consolidated Financial Statements

₹ in lakhs

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Montblanc India Retail Private Limited	Joint venture	1	2
Tata Consultancy Services Limited	Group entity	859	-
Tata Housing Development Company Limited	Group entity	2	5,112
Tata Capital Financial Services	Group entity	-	5,105
Others	Group entities	119	72

Notes:

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 lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	12,982	8,402
Total financial assets measured at FVTPL (a)	**12,982**	**8,402**
Measured at amortised cost		
- Trade receivables	31,155	42,045
- Cash and cash equivalents	7,549	42,953
- Bank balances other than cash and cash equivalents	30,564	63,695
- Inter-corporate deposits	-	20,000
- Security deposits	14,149	11,868
- Employee loans	6,811	5,705
- Other financial assets	65,449	10,546
Total financial assets measured at amortised cost (b)	**155,677**	**196,812**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Derivative instruments other than in designated hedge accounting relationships (d)	**327**	**164**
Total financial assets (a + b + c + d)	**168,986**	**205,378**

Notes to Consolidated Financial Statements

Financial liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through profit or loss (FVTPL)		
- Derivative instruments other than in designated hedge accounting relationships	335	-
- Gold on loan	158,455	235,290
Total financial liabilities measured at FVTPL (a)	**158,790**	**235,290**
Measured at amortised cost		
- Borrowings	72,287	3,175
- Trade payables	59,671	90,598
- Lease liability	124,297	-
- Other financial liabilities	21,996	23,863
Total financial liabilities measured at amortised cost (b)	278,251	117,636
Derivative instruments in designated hedge accounting relationships (c)	-	113
Total financial liabilities (a+b+c)	**437,041**	**353,039**

35.2 (i) Fair value hierarchy

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

₹ in lakhs

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	44	11,357	-	11,401
- Other unquoted investments	-	-	1,581	1,581
- Derivative instruments other than in designated hedge accounting relationships	-	327	-	327
Total financial assets	**44**	**11,684**	**1,581**	**13,309**
Financial liabilities				
- Gold on loan	158,455	-	-	158,455
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
- Derivative instruments other than in designated hedge accounting relationships	-	335	-	335
Total financial liabilities	**158,455**	**335**	**-**	**158,790**

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₹ in lakhs

Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	41	6,922	-	6,963
- Other unquoted investments	-	-	1,439	1,439
- Derivative instruments other than in designated hedge accounting relationships	-	164	-	164
Total financial assets	**41**	**7,086**	**1,439**	**8,566**
Financial liabilities				
- Gold on loan	235,290	-	-	235,290
- Derivative instruments in designated hedge accounting relationship	-	113	-	113
- Derivative instruments other than in designated hedge accounting relationships	-	-	-	-
Total financial liabilities	**235,290**	**113**	**-**	**235,403**

(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 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.

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 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

Notes to Consolidated Financial Statements

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.

35.5 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 Group'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 Group can be required to pay.

₹ in lakhs

Particulars	As at 31 March 2020			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Contractual maturities of financial liabilities				
Borrowings	**68,046**	2,544	1,697	72,287
Gold on loan	**37,819**	120,636	-	158,455
Trade payables	**59,559**	112	-	59,671
Lease liability	**14,900**	3,768	105,629	124,297
Other financial liabilities	**21,140**	404	452	21,996
Total non-derivative liabilities	**201,464**	**127,464**	**107,778**	**436,706**
Derivatives (net settled)				
Derivative instruments other than in designated hedge accounting relationship	**335**	-	-	335
Total derivative liabilities	**335**	**-**	**-**	**335**

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₹ in lakhs

Particulars	As at 31 March 2019			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Contractual maturities of financial liabilities				
Borrowings	-	8	3,167	3,175
Gold on loan	59,164	176,126	-	235,290
Trade payables	90,291	307	-	90,598
Other financial liabilities	23,730	-	133	23,863
Total non-derivative liabilities	**173,185**	**176,441**	**3,300**	**352,926**
Derivatives (net settled)				
Derivative instruments in designated hedge accounting relationship	113	-	-	113
Total derivative liabilities	**113**	**-**	**-**	**113**

35.6 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, forward commodity contracts (up to 30 June 2018) 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 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.

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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 lakhs

Particulars	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
31 March 2020	4,296	8,607	369,752
31 March 2019	3,202	6,286	201,283

- The line items in the Balance Sheet that include the above hedging instruments are other financial assets and other financial liabilities.

As at 31 March 2020 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 lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at beginning of the year (Net of tax)	**2,748**	(520)
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(53,603)	1,673
Deferred tax on fair value of effective portion of cash flow hedges	14,296	(458)
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to the consolidated statement of profit and loss	28,080	2,825
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to the consolidated statement of profit and loss	(7,490)	(772)
Movement in cash flow hedges	**(25,523)**	**4,498**
Deferred tax on movement in cash flow hedge	**6,806**	**(1,230)**
Balance at end of the year (net of taxes)	**(15,969)**	**2,748**

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.

Notes to Consolidated Financial Statements

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) ₹ in lakhs
Titan Company Limited	1.0%	15
Titan Engineering & Automation Limited (refer note 43)	0.5%	0
Carat Lane Trading Private Limited	1.0%	25

35.7 The Group's exposure to Forward foreign exchange contracts at the end of the reporting year are as follows:

The Group has no forward exchange contracts as at 31 March 2020 (Previous year: 3 forward exchange contracts for US Dollars 6 lakhs equivalent to ₹ 411 lakhs).

In addition to the above, the Group has 6 Option contract in USD 187 lakhs equivalent to ₹ 13,725 lakhs (Previous year : 15 Option contracts in USD 399 lakhs equivalent to ₹ 23,837 lakhs).

36. Details of Inter-corporate deposits given and investments made during the year:

₹ in lakhs

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest (p.a.)	Term	As at 1 April 2019	Given during the year	Receipt during the year	Provision for impairment	As at 31 March 2020
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	9,500	-	-	9,500	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	5,000	-	-	5,000	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.10%-8.40%	6 months	5,000	5,000	10,000	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	7.15%-8.15%	6 months	5,000	-	5,000	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	7.25%-8.45%	6 months	5,000	-	5,000	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	7.20% - 8.20%	3 to 9 months	5,000	-	5,000	-	-
Tata Realty and Infrastructure Limited	Group entity	Unsecured	Trade deposits	8.40%	3 months	-	5,000	5,000	-	-
						34,500	**10,000**	**30,000**	**14,500**	**-**

₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2019	Investment made during the year	Share of Profit/ (loss) during the year	As at 31 March 2020
Investments						
Investment in equity instruments (unquoted)						
Montblanc India Retail Private Limited	Joint venture	Strategic investment	2,261	774	(457)	2,578
Green Infra Wind Power Theni Limited	Associate	Strategic investment	179	-	54	233
			2,440	**774**	**(403)**	**2,811**

Notes to Consolidated Financial Statements

₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2019	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2020
Investments						
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	3	-	1	2
Tata Steel Limited*	Others	Wealth creation	12	-	6	6
Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)*	Others	Wealth creation	12	8	-	20
Tata Chemicals Limited*	Others	Wealth creation	3	-	2	1
Trent Limited*	Others	Wealth creation	11	4	-	15
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited	Others	Strategic investment	1,428	142	-	1,570
Green Infra Wind Generation Limited	Others	Wealth creation	9	-	-	9
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	2	-	-	2
			1,480	**154**	**9**	**1,625**

* 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 lakhs

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest (p.a.)	Term	As at 1 April 2018	Given during the year	Receipt during the year	Provision for impairment	As at 31 March 2019
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	-	9,500	-	9,500	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	-	5,000	-	5,000	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.10%-8.40%	6 months	5,000	10,000	10,000	-	5,000
Shriram Transport Finance Company Ltd	Others	Unsecured	Trade deposits	8.10%	4 months	-	5,000	5,000	-	-
Kotak Mahindra Investments Ltd	Others	Unsecured	Trade deposits	8.05%	6 months	-	5,000	5,000	-	-
Kotak Mahindra Prime Ltd	Others	Unsecured	Trade deposits	7.95%	6 months	-	5,500	5,500	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	7.15%-8.15%	6 months	3,000	7,000	5,000	-	5,000
Mahindra & Mahindra Financial Services Limited	Others	Unsecured	Trade deposits	7.3%-7.8%	6 months	5,000	5,000	10,000	-	-
Dewan Housing Finance Limited	Others	Unsecured	Trade deposits	7.55%-8.10%	3 to 6 months	-	10,000	10,000	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	7.25%-8.45%	6 months	1,500	13,000	9,500	-	5,000
Bajaj Finance Limited	Others	Unsecured	Trade deposits	7.20% - 8.20%	3 to 9 months	8,500	11,000	14,500	-	5,000
Piramal Enterprises Ltd	Others	Unsecured	Trade deposits	7.50%	4 months	-	5,000	5,000	-	-
						23,000	**91,000**	**79,500**	**14,500**	**20,000**

Notes to Consolidated Financial Statements

₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2018	Investment made during the year	Share of Profit/ (loss) during the year	As at 31 March 2019
Investments						
Investment in equity instruments (unquoted)						
Montblanc India Retail Private Limited	Joint venture	Strategic investment	2,484	-	(223)	2,261
Green Infra Wind Power Theni Limited	Associate	Strategic investment	172	-	7	179
			2,656	**-**	**(216)**	**2,440**

₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2018	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2019
Investments						
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	2	1	-	3
Tata Steel Limited*	Others	Wealth creation	12	-	-	12
Tata Global Beverages Limited*	Others	Wealth creation	16	-	4	12
Tata Chemicals Limited*	Others	Wealth creation	4	-	1	3
Trent Limited*	Others	Wealth creation	10	1	-	11
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)*	Others	Strategic investment	726	702	-	1,428
Green Infra Wind Generation Limited	Others	Wealth creation	9	-	-	9
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	2	-	-	2
			781	**704**	**5**	**1,480**

* The movement is on account of fair valuation as at the year end.

Notes to Consolidated Financial Statements

37. 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 lakhs

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	94.24%	682,486	101.55%	151,763	101.85%	(23,856)	101.50%	127,907
Subsidiaries:								
Indian								
1) Titan Engineering & Automation Limited	4.74%	34,313	3.79%	5,670	1.18%	(274)	4.28%	5,396
2) Caratlane Trading Private Limited	0.22%	1,587	-1.82%	(2,727)	0.15%	(36)	-2.19%	(2,763)
Foreign								
1) Favre Leuba AG	0.82%	5,930	-3.43%	(5,127)	-3.07%	718	-3.50%	(4,409)
2) Titan Watch Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3) Titan Holdings International FZCO	0.00%	(28)	-0.04%	(60)	-0.05%	12	-0.04%	(48)
4) Titan Global Retail L.L.C	-0.01%	(84)	-0.05%	(79)	-0.06%	14	-0.05%	(65)
	100.00%	724,204	100.00%	149,440	100.00%	(23,422)	100.00%	126,018
Adjustment arising out of consolidation		(55,665)		1,102		10		1,112
		668,539		150,542		(23,412)		127,130
Associate:								
Green Infra Wind Power Theni Limited		83		54		-		54
Jointly controlled entity:								
Montblanc India Retail Private Limited		(1,307)		(457)		-		(457)
Sub-total		667,315		150,139		(23,412)		126,727
Non controlling interest in subsidiary								
Caratlane Trading Private Limited		(440)		(873)		(10)		(883)
		666,875		**149,266**		**(23,422)**		**125,844**

38. Presentation of impact of Covid-19 on the Financial statements

In March 2020, the World Health Organisation declared COVID-19 to be a 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 the carrying amount of it's assets will be recovered. The impact of COVID-19 on the Group consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

Notes to Consolidated Financial Statements

(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 31 March 2020 is ₹ 12,982 lakhs and financial instruments carried at amortised cost as at 31 March 2020 is ₹ 155,677 lakhs. A portion of the financial assets are classified as Level 1 having fair value of ₹ 44 lakhs as at March 31, 2020. 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 ₹ 38,113 lakhs as at 31 March 2020 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 ₹ 31,155 lakhs as at 31 March 2020 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 ₹ 10,239 lakhs as at 31 March 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 875 lakhs as at 31 March 2020 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.

(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

Notes to Consolidated Financial Statements

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.

39. 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.

40. Commercial Paper

The following tables set forth, for the period indicated, details of commercial paper issued by Caratlane Trading Private Limited:

₹ in lakhs

Maturities	0-1 Month	1-2 Months	2-3 Months
Face value	-	-	5,000
Carrying value	-	-	4,943

Subsequently, the Company has issued Commercial Paper amount to ₹ 50,000 lakhs each (total ₹ 100,000 lakhs) in the months of April 2020 and May 2020 with maturity in the months of July 2020 and August 2020 respectively.

The following tables set forth, ratings assigned by credit rating agency for commercial paper instrument

Instrument	ICRA	BRICKWORKS
Caratlane Trading Private Limited (as at 31 March 2020)	A1+	-
Titan Company Limited (as in May 2020)	A1+	A1+

41. During the previous year, the Group increased its stake in Carat Lane Trading Private Limited by 2.84%, increasing the total ownership to 72.31%. The increase in percentage holding is through purchasing shares from existing share holder for total cash consideration of ₹ 3,100 Lakhs.

During the previous year, the Group increased its stake in one of its subsidiaries i.e., Carat Lane Trading Private Limited by 3.08%, increasing the total ownership to 69.47%. The increase in percentage holding is on account of private placement of shares done by Carat Lane Trading Private Limited to Titan Company limited. Total cash consideration of ₹ 10,000 Lakhs was paid to Carat Lane Trading Private Limited on account of this transaction. This transaction is accounted as an equity transaction and is recognized in retained earnings with the corresponding change in non-controlling interest.

Notes to Consolidated Financial Statements

42. The Group has disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 1,850 lakhs. Consequently, the Group has recognised profit on sale of investment amounting to ₹ 487 lakhs under the head "Other income" during the year ended 31 March 2019.

43. The consolidated financial statements are presented in ₹ lakhs (rounded off). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ lakhs are given below:

Amount in ₹

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Other bank balances			
- Unclaimed debenture and debenture interest	11.3	-	13,256
Trade payables			
- Total outstanding dues of micro and small enterprises	16.4		
The amount of interest accrued and remaining unpaid at the end of each accounting year		41,412	-
Other financial liabilities			
- Unclaimed matured debenture and debenture interest	16.5	-	13,256

Amount in ₹

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Related party transactions			
- Purchase of services (other expenses)- Others	34	-	14,908
Market risk			
- Foreign currency risk management	35.6	18,000	-

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: 8 June 2020

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 & Company Secretary*

Date: 8 June 2020

Financial Statistics under Ind AS

						₹ crores
Balance Sheet	**1 April 2015**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
(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**
Financial assets						
- Investments	39	80	512	734	807	**909**
- Other financial assets	93	103	83	116	126	**299**
Deferred tax asset (net)	-	-	2	48	85	**172**
Tax assets (net)	69	103	81	101	121	**141**
Other non-current assets	95	103	93	106	151	**65**
(2) Current assets						
Inventories	3,986	4,382	4,806	5,749	6,719	**7,741**
Financial assets						
- Investments	-	-	375	-	69	**74**
- Trade receivables	140	135	115	193	358	**214**
- Cash and cash equivalents	210	112	773	612	1,001	**356**
- Other financial assets	441	436	512	354	343	**513**
Other current assets	116	114	110	369	595	**637**
Total Application of Funds	**5,816**	**6,308**	**8,318**	**9,396**	**11,470**	**13,188**
Equity share capital	89	89	89	89	89	**89**
Other equity	3,268	3,446	4,223	5,105	6,093	**6,736**
Non-current liabilities						
- Lease liabilities	-	-	-	-	-	**967**
- Provisions	81	100	109	104	119	**152**
- 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**
- Lease liabilities	-	-	-	-	-	**169**
- Trade payables	1,874	1,629	711	786	772	**510**
- Other financial liabilities	26	70	235	251	214	**191**
Other current liabilities	355	828	1,065	1,414	1,828	**2,123**
Provisions	15	18	18	21	58	**109**
Current tax liabilities (net)	-	-	-	22	9	**9**
Total Sources of Funds	**5,816**	**6,308**	**8,318**	**9,396**	**11,470**	**13,188**

					₹ crores
Profit & Loss Account	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Revenue from operations	11,105	12,999	15,656	19,070	**20,010**
Expenses	10,161	11,804	13,922	17,069	**17,592**
Interest	42	37	48	44	**149**
Depreciation/Amortisation	87	93	110	139	**310**
Operating Profit/ (loss)	815	1,065	1,576	1,819	**1,959**
Add: Other income	73	65	86	179	**146**
Less: Exceptional Item	-	96	92	70	**-**
Profit before tax	888	1,033	1,571	1,927	**2,105**
Tax expense	191	272	408	553	**587**
Profit for the year	698	762	1,163	1,374	**1,518**
Other comprehensive income	(39)	15	(3)	15	**(239)**
Total comprehensive income	**659**	**777**	**1,160**	**1,389**	**1,279**
Equity Dividend (%)	220%	260%	375%	500%	**400%**
Equity Dividend (Rs.)	195	231	333	444	**355**
Employee costs (excluding VRS)	623	696	762	879	**1,040**
% to Sales Income	5.6%	5.4%	3.8%	4.4%	**5.2%**
Advertising	429	445	441	523	**477**
% to Sales Income	3.9%	3.4%	2.2%	2.6%	**2.4%**

https://www.facebook.com/TitanCompanyLimited/

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3 SIPCOT Industrial Complex Hosur 635 126

CIN : L74999TZ1984PLC001456

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)