Growth with Responsibility

TITAN COMPANY

TITAN COMPANY LIMITED

38th Annual Report 2021-22

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Titan has come a long way since 1984 when we started with one product category.

Today, with over 7,000 employees and about 38,000 in the overall Titan ecosystem, 16 brands and over 2,000 retail stores, we are as committed as ever to delivering profitable and responsible growth for all our stakeholders.

At Titan, we have stayed focused on achieving growth with responsibility – applying our values to everything we do.

We aim to deliver a better customer proposition by setting new standards for quality and design and ensuring transparent processes. We strive to support the empowerment of our employees by building a workplace that promotes diversity, opportunity and professional development. We work towards enhancing our partners' progress by sharing best practices and driving inclusive growth. We seek to strengthen our communities through our targeted efforts focused on the upliftment of the underprivileged girl child, skill development for the underprivileged, and support for Indian arts, craft and heritage.

With climate change and depleting natural resources presenting serious threats to life on our planet, embracing sustainability is critical. Across our operations, we are minimising the use of fossil fuels, intensifying the use of renewable energy, using energy-efficient solutions and reusing water, reducing waste, and recycling materials.

In the blink of an eye, the COVID-19 pandemic impacted lives and livelihoods worldwide. Given the scope and magnitude of this sudden crisis, as a responsible corporate, we significantly stepped up the safety focus across all our locations and enhanced our social responsibility efforts.

HAPPY EYES PROGRAMME

During the second wave of the pandemic outbreak as normal life came to a standstill, business was disrupted. We were, however, cognisant that our overall strength and competitive advantages would shield us from the grave economic impact faced by thousands of our other stakeholders. It was our responsibility to lend a helping hand to those relatively weaker and more vulnerable.

From pay protection and no retrenchments for our employees, soft loans to vendor partners and financial support to franchisees and grants to NGOs, we did

TREE PLANTATION DRIVE

PANTNAGAR – WATER BODY RESTORATION

our utmost to alleviate the struggles of our stakeholders and help them overcome the pandemic-induced challenges. To help our franchisees better manage inventory and improve asset turnover in these difficult days, we created a team to help replicate all our best processes to them as well. The Company also made a contribution towards the Tamil Nadu Disaster Relief Fund (for COVID-19) and for the setting up of an oxygen plant in Uttarakhand to strengthen health infrastructure.

During the second wave of the pandemic in the country, we proactively closed some stores in the highly impacted towns keeping people's safety in focus. The initiative of customer outreach was also not undertaken during this time considering that the humanitarian impact on consumers was severe and widespread. We also placed the highest priority on conducting free COVID-19 vaccination drives for our employees and their families, business partners and local communities.

In the past financial year, we achieved a strong performance despite the disruptions in the operating environment. We believe that our trusted relationships with customers, distributors, franchisees, vendor partners, and the community and our continued efforts towards driving product innovation, retail expansion and strengthening our brands played a valuable role in this business resurgence.

One thing that the pandemic has taught the world is that organisations and society are interconnected and responsible to one another; organisations must see beyond short-term earnings, and engage meaningfully with all their stakeholders to drive long-term growth. At Titan, we will continue to stay focused on achieving growth with responsibility – doing all that is needed to create value for all our stakeholders including customers, employees, business partners, vendors, communities, investors, our nation, and our planet.

PROVISION OF STAND POST TAP IN A VILLAGE IN UTTARAKHAND

About Titan

Titan is India's leading lifestyle company and among the most admired and respected corporates in the country. We have established leading positions in the Jewellery, Watches and EyeCare categories led by our trusted brands and superior customer experience. We have also diversified into Wearables, Indian Dress Wear and Fragrances & Fashion Accessories and are driving differentiation in these lifestyle categories, underpinned by our deep understanding of customer preferences.

Titan products today touch the daily lives of millions of customers. Our superior quality and innovative edge along with our continued focus on delivering the best experience have enabled us to set new industry benchmarks and build trusted customer relationships. We are widely known for having transformed the watch and jewellery industry in India and shaping India's retail market by pioneering experiential retail.

Titan's lineage traces back to the Tata Group and Tamilnadu Industrial Development Corporation (TIDCO), with our existence coming into being in 1984 through a joint venture between these entities. Our growth over the past three decades has been driven by our dedicated people and supported by a strong ecosystem of artisans, suppliers, distributors, franchisees and vendor partners. Anchored to the Tata ethos and values, we remain committed to making the right choices for our customers, people, partners, communities and planet and creating long-term value for all stakeholders.

Achieving Growth the Right Way

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

Customer First
Customers take precedence over all else, always.

People Make the Brand
Titanians are at the heart of our success and that is why their dreams and aspirations are at the forefront of our brand policy.

Culture and Teamwork
High performance is a way of life.

Creativity and Innovation
Driven by innovation and creativity, we focus on smarter approaches and newer technologies.

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

Corporate Citizenship
We ensure that a part of our resources is invested in environment and community betterment.

Key Numbers

₹ 27,456 crore
Standalone revenue for FY 2021-22

₹ 2,25,156 crore
Market Capitalisation

2,178
Number of Stores

2.8mn+
Retail area in sq.ft.

11
Manufacturing and Assembly Facilities

7,263
Employees

34%
Gender diversity at the entry levels

15%
Gender diversity in top management

₹ 2,750+ crore
Sales through new-age channels

₹ 35.42 crore
CSR spend

Over 4.50 lakh
Lives touched through CSR activities

6 lakh+
Shareholders

Note: All numbers are as of 31st March 2022.

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Responsible Brands

Through product innovation, sustainable procurement, supporting local artisans and communities, engaging responsibly, and enabling seamless customer experiences with trust and transparent processes at every step of the journey, our brands define, and deliver our commitment of growth with responsibility.

	Luxury	Premium	Mid-Market	Mass Market
 Jewellery	ZOYA The Exquisite Diamond Boutique A TATA PRODUCT	TANISHQ	Mia by Tanishq; CARATLANE	
 Watches	FAVRE-LEUBA	XYLYS Swiss made; NEBULA 18K Solid Gold Watches by TITAN	TITAN; fastrack move on; Zoop Be Cool	SONATA A TATA PRODUCT
 EyeCare			TITAN EYE+; GLARES by TITAN; fastrack move on	
 Fragrances & Fashion Accessories			SKINN by TITAN Fine French Perfumes	SKINN by TITAN; fastrack Perfume
 Indian Dress Wear			TANEIRA A TATA PRODUCT	

Licensed Brands

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

Financial Growth

STANDALONE REVENUE FROM OPERATIONS

₹ 27,456 crore — 32%
₹ 20,783 crore

EBITDA

₹ 3,525 crore — 87%
₹ 1,882 crore

ROE

25.8% — 14%
12.2%

PBT

₹ 2,983 crore — 118%
₹ 1,370 crore

PAT

₹ 2,180 crore — 149%
₹ 877 crore

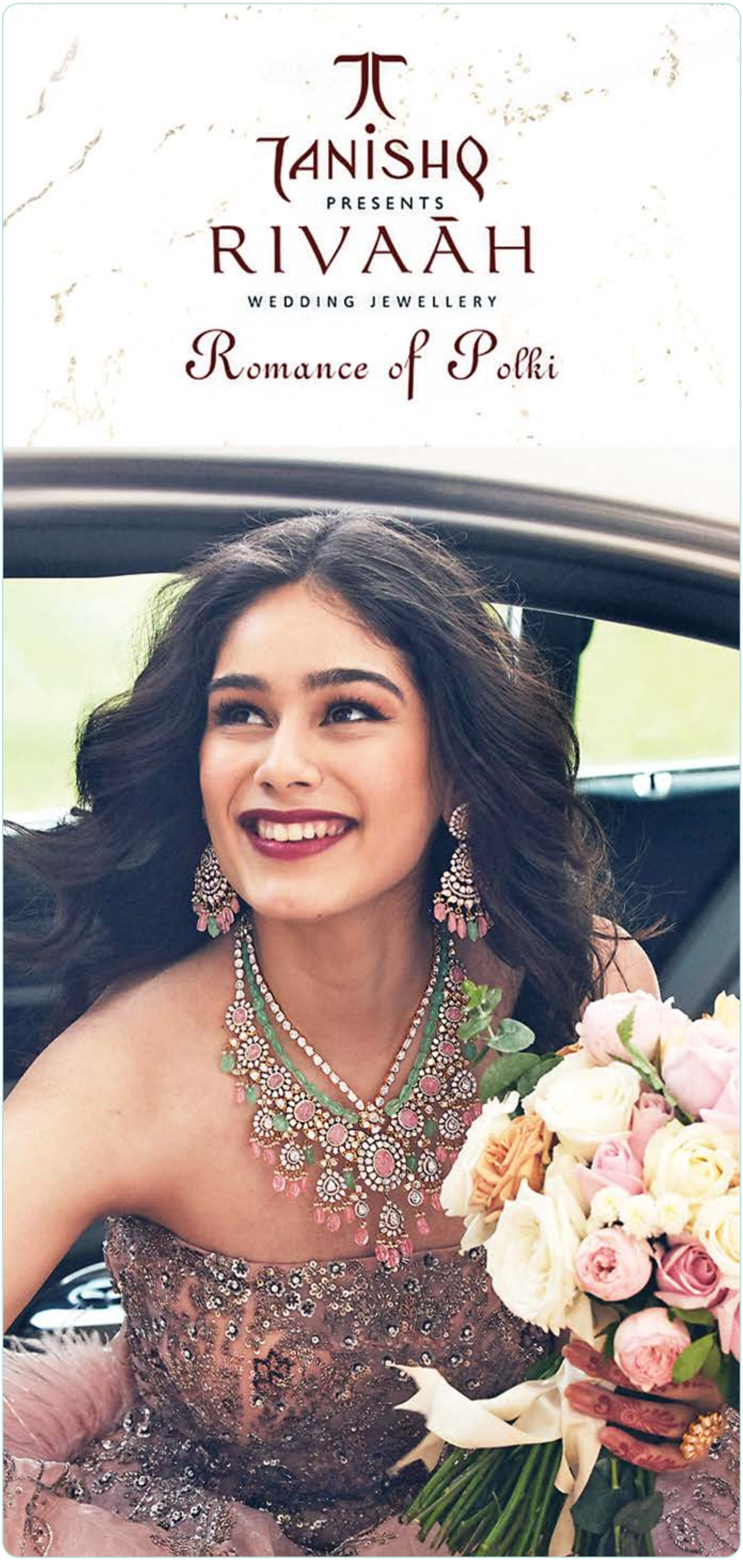
MARKET CAPITALISATION

₹ 2,25,156 crore — 63%
₹ 1,38,322 crore

ROCE

29.0% — 12.60%
16.4%

■ FY 2021-22 ■ FY 2020-21 ⌃ Change



Letter from the Managing Director

Dear Shareholders,

During FY22 the employees of Titan Company once again rose to the occasion, overcame the challenges and delivered exceptional customer delight and sales and financial growth.

In this they were joined by the larger Titan Family members: all our franchisees, distributors, retailers and vendor partners and their employees as well as all people working at our various facilities on the rolls of our partner organisations. I would like to express my sincere thanks to them on behalf of the Company.

I would also like to express my gratitude to the millions of customers of Titan who have continued to support us even during times like these when their own needs for our products were not that pressing.

The future looks really bright for Titan Company:

- As Indians inexorably march towards the USD 5000 per capita GDP, their desire for lifestyle products will explode
- Our low market share in many of our categories combined with the increasing affinity for Trust will accelerate this further
- Our deep penetration of Tier 3, 4 and 5 towns will unlock the real potential in small towns and establish our leadership in each of those markets very early
- Our Digital maturity will propel us and help us maintain the momentum
- The relationship that our store staff share with millions of our customers will bring all this alive in a manner unique in the Indian consumer space

I must share with you that the sense of Destiny across the Titan Company system is palpable, almost visceral.

We are gunning for a big growth in every category we are in. And especially so in the Indian Ethnic Wear, Fine Fragrances and Women's Bags. We are also ratcheting up our thrust behind the Indian Diaspora opportunity for Jewellery. The Tanishq Flag will soon fly in multiple locations in West Asia and North America.

Equally, our ambitions in the Technology Products space are also surging. We have made huge inroads in the Wearables category in the last six months with very exciting products under the Titan and Fastrack names and are becoming a player to watch. I am sure by end FY23 we will become a prominent name in this category.

The Titan EYEX is a smart Eyecare product that has made waves in the last six months for its fabulous innovation (winning 2 Red Dot awards) and exceptional value. I am sure we will build on this.

On an equally impressive note, in the first ever Economic Times/Amrop Assessment done in quarter 3 of FY22, your Company's Board was adjudged the Best Large Cap Board by an eminent jury, leaping over much larger and older companies. I must thank all the Directors of the Company, past and present, for building an environment and processes that helped achieve this.

I must also thank all our shareholders for the continued belief and support.

FY22 began on an uncertain note with the second wave. The third wave in January 2022 and the global conflict in February 2022 aggravated the situation further and made for a truncated financial year. But the whole Titan family rose to the occasion once again and delivered stupendous results. The Management of your Company, in the best Tata and Titan tradition, put this family in the centre of everything it did, reconfirming the tenet that We Must Not Just Grow, but We Must Grow Responsibly.

Like I had expressed last year,
Being Good is Good for Business.

C K Venkataraman

Managing Director

Jewellery Division

Our multiple brands enable us to meet different aspirations and together with our widespread network and customer-facing initiatives, open up exciting growth opportunities. All our brands are connected by the common thread of ethical business practices as we seek to drive growth with responsibility.

Overview

Tanishq is India's largest jewellery retailer. Our flagship brand Tanishq is synonymous with purity, style and design. Zoya is a luxury brand offering exquisite jewellery in diamonds and precious stones; Mia by Tanishq offers contemporary jewellery; while CaratLane is an omnichannel brand for modern jewellery at affordable prices. Our brands are enabling us to serve different customer segments and requirements. Most importantly, trust is an intrinsic part of all our brands. With customers increasingly pivoting towards trusted brands, our brands have witnessed an acceleration in market share gain despite the external operating challenges. Innovative designs, superior customer service, growing reach and customer-focused campaigns have also contributed to the strong performance of our jewellery segment.

Growing our financial performance

Across all our brands, strong year-on-year revenue growth was achieved while always staying focused on customer and employee safety. Growth in margins was driven by scale-induced healthy operating leverage gains, better product mix and higher realisation due to diamond price appreciation.

REVENUE*

₹23,268 crore

in FY 2021-22 — 35%

EBIT**

₹3,040 crore

in FY 2021-22 — 80%

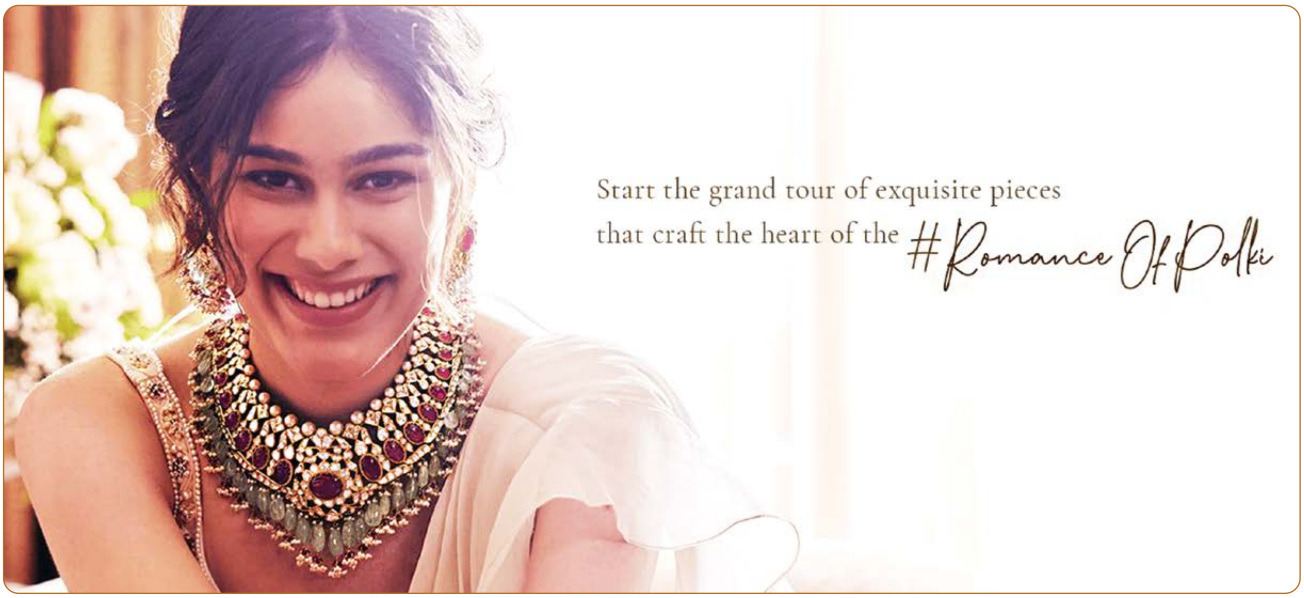
EBIT MARGINS***

13.1%

in FY 2021-22

YoY growth

* Excluding bullions sales
** Before exceptional items
*** % indicate EBIT margins before exceptional items



Tanishq "Every Woman a Diamond" campaign

What's common in the small towns of Sirsa (Haryana), Khanna (Punjab), Angul (Odisha) and Rudrapur (Uttarakhand)?

Each of these towns has a Tanishq store establishing entirely new standards in the jewellery category and delivering unmatched customer value.

Inina, Diwali launch of Mia by Tanishq

Growing our retail network

The thrust on network expansion continued during the year to take our brands to new towns while strengthening our presence in big cities. We added 78 stores to our retail footprint, taking our total store count to 582. Our aim is to take that number to 700 over the next couple of years. CaratLane's handcrafted silver jewellery brand, 'Shaya', opened its first-ever physical store in Mumbai and Bengaluru whilst deepening its presence in metro cities to improve accessibility. Further, aligned with our constant focus on growth with responsibility, we are pursuing a mix of Company-owned stores and an asset-light franchisee model. This pragmatic approach ensures business building while de-risking our operations.

During the year 2021-22, Tanishq opened 36 new stores, Zoya added 1 store, CaratLane added 31 stores and Mia by Tanishq added 10 stores.

Growing our customer base

Our focused strategy of penetrating into tier 2, 3 and 4 towns in India is serving us well. While providing us huge opportunities for growing our customer base, we view this foray as a responsibility to deliver a customer value proposition hitherto not available in these towns. From bringing to them well-finished products of high quality, to ensuring transparent practices and exchange policies, our steadfast focus is on ensuring that our growth is on the firm foundation of an elevated shopping experience and high standards associated with the Tanishq brand. During the year, we also undertook localised activities in these small town markets aligned with our regionalisation strategy. This has led to higher new buyer growth.

Tanishq "Colour Me Joy" collection

Growing in our strategic market

Tamil Nadu is one of the largest jewellery markets in the country. Over the past few years, we have increased our focus on making Tanishq a stronger and bigger brand in this strategic market. Multiple initiatives such as network expansion, regional product introduction and culturally relevant marketing activities based on deep customer insights are yielding strong growth. We are also putting considerable focus on gold exchange programmes and merchandise infusion. These operating levers will continue to be deployed to accelerate our growth momentum in Tamil Nadu.

Growing with product innovation

Our brands continued to win customers' hearts through exquisite product designs. New collections were introduced throughout the year with a special focus on rolling out launches for the wedding season and celebratory occasions such as Diwali, Akshaya Tritiya, Women's Day, Valentine's Day, etc. Tanishq and Zoya, offering gold and studded jewellery, stayed largely focused on traditional designs and marrying ancient symbolism with modern aesthetics. Brand Mia by Tanishq continued to delight young women with its fashionable designs at affordable price points. CaratLane also refreshed its portfolio by launching several products at attractive prices.

Growing by driving brand engagement

Our product innovation was suitably aided by marketing initiatives that strengthened brand engagement. Tanishq launched its first category-specific campaign for establishing brand leadership in Earrings - 'Stunning Every Ear'. Another memorable TVC campaign from Tanishq was 'Little Big Moments', which inspired audiences with a simple but powerful thought – celebrate the small joys of life as happiness does not only come from elaborate celebrations.

Mia by Tanishq's 'Share the Shine' campaign celebrated the leading Indian women athletes at the Olympics, Tokyo 2021. Short videos were filmed to help viewers get a quick sneak peek into the athletes' lives through a candid rapid-fire hosted by various established hosts. Through this association, the women athletes adorned contemporary necklaces and captivating earrings from Mia by Tanishq's signature collections at the Olympics.

CaratLane launched a new integrated campaign 'Say bye-bye to bad gifts' to persuade customers to buy jewellery as the most meaningful gifts and to create awareness about its wide range of affordable jewellery. The brand also launched a highly successful Valentine's Day digital campaign of 'Love it or Hate it' to capture high potential micro-opportunities.

Growing by reinforcing trust

The Government started the phased implementation of mandatory hallmarking of gold jewellery with effect from 16th June, 2021, which is an important step for the development of the industry and safeguarding the consumer's interest. Deeply committed to transparent operations and providing credibility of hallmark to our customers, we are compliant with the applicable regulations.

Golden Harvest Jewellery Purchase Plan continued to be a key contributor to the revenue.

Titan has acquired a minority stake in Great Heights Inc., (through its wholly-owned subsidiary TCL North America Inc.) to deepen its understanding of the "Lab Grown Diamonds" space.

Rivaah by Tanishq campaign

₹100 crore
Jewellery sales through video calls per month

Growing by leveraging technology

We have combined our existing strength of wide physical presence with the huge advantages of digital. Our growing focus on the use of multiple technologies enables customers to shop in new ways. Sales through video calls have received much traction, especially for Tanishq. Endless aisle, wherein customers have access to large touchscreens to browse the entire collection, and book online and collect in-store options have resonated well with customers keeping pandemic safety in perspective. CaratLane's omnichannel framework provides versatile options to customers, such as the try-at-home feature, CaratLane Live (video assistance feature), easy exchange and delivery between 24-48 hours, and online shopping. In terms of digital adoption, these new-age ways of selling are significantly ahead of industry practices in India. Our websites have also achieved an increase in organic traffic.

Focused on growth in new geographies

An important development during the year was the setting up of a 100% subsidiary in the USA to further our international business, particularly for Tanishq jewellery. Our growth ambition is to become the jeweller of choice among the Non-Resident Indian (NRI) and Person of Indian Origin (PIO) markets. The NRI/PIO audience is strengthening their connections with Indian culture, celebrating Indian weddings, festivals and events with great enthusiasm and splendour in their adopted land. The Tanishq brand is etched in the consciousness of NRIs and PIOs as a significant section of this audience has immigrated over the last two decades. Our brand familiarity gives us a headstart in attracting our target customers to our stores. We are also currently focusing on Gulf Cooperation Council (GCC) countries and North America. The first store in North America is slated to open in the early part of FY 2022-23. Our first international store in Dubai, which opened over a year back, is doing exceedingly well, post which more stores have been opened in this geography.

Growing our presence on new formats

In addition to enhancing our retail store presence, we are also looking at making our brand experience available across new formats. During the year, CaratLane opened its first-ever airport store at Bengaluru airport. We believe that our presence at this busy and popular terminal will serve as a branding and marketing opportunity, promoting CaratLane among a more diverse and expanding customer base, while generating revenues. Bengaluru is also the ideal geography to test the waters for impulse buying across this store format before scaling our presence to more airports.

Piloting growth initiatives

The Tanishq brand initiated a new pilot offering Digital Gold under which customers can purchase gold online with an ability to convert it into jewellery at a later stage. The early response has been good with the enrolment of many digitally-savvy young customers.

Watches & Wearables Division

We are driving the growth of the Watches & Wearables division through multiple initiatives with a special focus on bringing new and exciting products to the market, improving accessibility through store expansion and online presence, and transforming the customer experience.

REVENUE
₹ 2,309 crore
in FY 2021-22
46%

EBIT*
₹ 134 crore
in FY 2021-22
306%

EBIT MARGINS**
5.8%
in FY 2021-22

YoY growth

* before exceptional items
** % indicate EBIT margins before exceptional items

Overview

We have a strong portfolio of leading in-house as well as international brands, offering customers a great variety of styles and trends at various price points. Titan, our flagship watch brand, covers majority of the domestic market share in the organised watch market. Other major in-house offerings include Fastrack, an independent youth brand offering fashionable products at affordable prices, and Sonata, our economy price brand catering to the demands of the value segment. All our brands share the same passion for quality, design and best price, along with the focus to operate in a responsible way.

Growing our financial performance

Amidst a challenging environment, the division reported good growth momentum on the back of our omnichannel strategy and with walk-ins steadily improving at our offline channels. Sales acceleration was witnessed across all product brands. Our margins witnessed a strong recovery led by the premiumisation of our portfolio and alteration of our channel mix.

Growing with product innovation

Across all our brands, exciting new products were introduced to reinvigorate our portfolio. Innovations were driven across analog watches and smartwatches as we see considerable market opportunities for both these categories.

Titan launched several new analog collections such as Titan Solidarity, Edge Ceramics, Octane Aerobatics, Ladies' Edge and Unending Beauty, and Raga Silver to cater to different lifestyle segments. Our new launch of 'Titan Smart' Watch is Alexa-enabled and includes features such as heart

Titan Mechanical

rate, sleep and stress monitors, VO2 measurement, multi-sport modes, SpO2 monitor, and women's health monitor, among others. The launch has been very well received by customers. Titan Smart Pro, offering features such as GPS, AMOLED display, health suite, also received a good response from customers.

Fastrack continued to strengthen its portfolio of digital products to appeal to the changing preferences of the urban youth. The major additions included truly wireless earphones (Fastrack Reflex Tunes- FT3) and an Alexa-enabled smartwatch (Fastrack Reflex Vox). In the analog category, Fastrack After Dark was the key highlight.

Sonata continued to enhance its portfolio with offerings such as Epic fashion watches, Gold Edit - gold plated watches and Cassata - a youthful range to entrench its position as the brand of choice for the trend-seeking, value-conscious consumer.

Growth across channels

Changing consumer behaviour and the increasing pace of digitisation are transforming how and when people shop. We are thus driving an omnichannel strategy to respond to this constant evolution, being present across large format stores, modern trade, exclusive brand outlets (EBOs) and multi-brand outlets (MBOs) as well as on e-commerce channels and selling products on our own websites. We are also integrating our physical stores with our online presence to meet customers' new expectations.

Furthermore, our presence across different channels enables us to reach customer segments across different price points. Our presence across multi-brand retail and e-commerce channels is more oriented towards the economy price points. On the other hand, our presence at EBOs and large format stores helps to drive growth for products from the Titan stable and our international brands. With our 'brick and click' presence resonating well with customers and all channels seeing good growth, we continue to strengthen our presence on e-commerce channels and invest in-store expansion as well.

During the Financial Year 2021-22, there were new additions of 33 stores for Titan World and 33 stores for Helios.

Growing by transforming experiences

We are investing in various transformational programs to seize the opportunities offered by a large and growing market.

Our firm belief in the vast prospects for our analog watch business has led us to make various investments for making this category more interesting for customers. This includes investments in retail transformation, portfolio expansion and marketing campaigns.

In the Wearables segment, while we have been a late entrant, we have covered a lot of lost ground with satisfying speed. The Hyderabad development centre has further strengthened our technical capabilities for launching new-gen products. In addition, we are working with various partners and alliances. Several of our recent launches are at the beginning of an interesting journey and we also have a healthy pipeline of new launches to drive continued growth.

Our portfolio premiumisation is being complemented by enabling a premium shopping experience at our stores. We are expanding and modernising the World of Titan (WOT), now being rechristened as Titan World Store chain, as well as our Helios stores. This will enable a much better customer experience and facilitate the sale of more premium products. During the financial year, over 40 Titan World Stores were renovated to the new format to offer a wider choice of premium products and enhance the overall customer experience. The positive response from customers is evidenced in higher levels of customer satisfaction and increased sales.

EyeCare Division

We accelerated our growth journey with significant network expansion and undertaking transformational initiatives. Our focus remains on investing substantially in growing the scale of this business given the huge opportunities in the market.

Overview

Titan Eye+ is India's largest optical retail chain. The chain sells eyewear products under Titan, Titan Glares and Fastrack brands and also offers international brands. Our in-house brands offer great value for money, the products being manufactured at our own integrated lens and frame facility. We have tied-up with Sankara Nethralaya, among the leading ophthalmic institutions worldwide, for the training of staff and optometrists. These attributes have enabled us to emerge as experts in EyeCare.

Growing our financial performance

We reported strong growth for our EyeCare division driven by the sale of sunglasses and frames from our in-house brands. A good demand uptick was also seen for our international brands. Our profitability improved during the year with better product mix, and with the emphasis being put on promoting our in-house brands. The alteration of our channel mix, either exiting expensive channels or exercising greater control over them, also fuelled margin expansion.

REVENUE
₹ 517 crore
in FY 2021-22
38%

EBIT*
₹ 55 crore
in FY 2021-22
136%

EBIT MARGINS**
10.6%
in FY2 021-22

* before exceptional items
** % indicate EBIT margins before exceptional items

Growing with retail expansion

Titan Eye+ retail chain continues to be our primary channel for reaching out to our customers. We are investing in significant store expansion across both big cities as well as in the smaller towns. In the past year, 134 Titan Eye+ stores were added to our network, this being among the largest expansion to date by the division. Our growing presence has enhanced accessibility for customers and driven sales. Our focus is on adding around 250-300 stores to take our total store count to 1,000 by the end of FY 2022-23. This ambitious network expansion will enable us to extract greater value from the huge prospects in this category. In parallel, we are also increasing our presence at Multi-brand outlets and departmental stores for our sunglasses.

Growing with omnichannel presence

Customers are increasingly browsing online and finalising their purchases in-store, or vice versa. In our EyeCare division, we are placing great emphasis to serve this shift in consumer behaviour. During the financial year, we launched the Titan Eye+ shopping app. The app allows users to explore our wide in-house collection of sunglasses and eyeglasses as well as those from international brands. Customers can make their purchases online while having the option of product return and exchange. The app also offers convenient features such as virtual try-on, storing of all orders and prescriptions at one place, and dedicated customer assistance. The launch of Titan Eye+ app has given a big boost to our e-commerce sales. We also launched Neo Progressive lens and computer glasses, exclusively for the e-commerce channel.

Growing with product innovation

Innovation and the early adoption of emerging technologies are central to Titan Eye+ offerings. A major new launch for the year was Titan EYEX, a first-of-its-kind smart wearable product. This has established our EyeCare division as a pioneer in smart eyewear within a short span of time. The product designed by Design Excellence Centre bagged two prestigious awards (product design and smart category) at the RED DOT Awards 2022, one of the largest design competitions worldwide. These achievements are a testament to our commitment to innovation.

Other new creations include ClearSightZ, a first-of-its-kind 8 in 1 lens launched for the hyper-connected generation; Fastrack computer glasses and Steel Frames at attractive price points with exclusive SKUs for E-commerce; OfficePro, a unique visual solution in lenses for office professionals covering distinct work profiles of meetings, laptop and desktop; and Crest Bold, an acetate material eyeglasses under Titan Crest Collection.

Fragrances & Fashion Accessories Division

We are concertedly working towards making our Fragrances & Fashion Accessories business bigger and more profitable and prestigious. In parallel, we are relentlessly developing our brands to enhance the customer experience.

Overview

Our brands SKINN and Fastrack offer perfumes at attractive price points to make fragrances affordable for aspirational customers. SKINN fragrances are crafted in France by celebrated perfumers and distilled from the finest ingredients. Our fragrances are sold through Titan World Stores, key departmental chains and e-commerce. The perfume category in India remains under-penetrated. We believe that our brands present a massive opportunity for the democratisation of fragrances and scaling our Fragrances business.

In the Fashion Accessories business, women's bags are a strong focus for the division.

Growing our financial performance

The resumption of normal life and more walk-ins at our offline channels enabled our Fragrances and Fashion Accessories business to post a strong sales recovery.

We also witnessed high sales growth on our e-commerce channels. Multiple initiatives such as product innovation, distribution, sampling and marketing communications further strengthened brand awareness and recall.

Growing with new initiatives

Innovation is a long-time hallmark of Titan and permeates every aspect of our Fragrances & Fashion Accessories business as well. During the financial year, Fastrack women's bags launched the Spring-Summer collection 'Soft Cocooning' with 96 variants. The collection is an amalgamation of comfort-driven yet trendy looks in summer pastel hues.

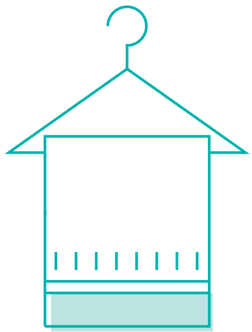
The division continued to deepen brand engagement through endearing marketing campaigns. The Raksha Bandhan campaign from brand SKINN based on the theme of 'Celebrating Sibling Love' was well received. Brand SKINNs' new campaign of 'Feel Your Best' and Fastrack women's bags' digital campaign on the Autumn-Winter collection on the theme of 'Wear it Your Way' also resonated well with our audiences. Good growth was witnessed across all retail and departmental stores post the activation of our campaigns.

8 million

Views garnered by Brand SKINN's Valentine's Day campaign

Indian Dress Wear Division

We have exciting growth ambitions for our youngest brand, Taneira. Just as we developed a network of branded jewellery stores and made Tanishq a trusted jewellery brand, we believe we can develop Taneira into a distinguished brand in the largely unorganised ethnic wear segment.



Overview

Launched in 2017, Brand Taneira is anchored in special occasion wear sarees from across India. Taneira aims to offer style and quality to customers in a sustainable way. The brand's offerings are made from pure and natural fibres. With customers gravitating towards more environmental-friendly fashion, we believe that Taneira is a brand whose time is just around the corner. With its handcrafted clothing in exclusive designs, it is well-positioned for redefining the Indian dress wear industry.

Growing our financial performance

Pandemic restrictions and high COVID-19 anxiety among the people kept socialising and weddings at a very low level of activity over the past couple of years. For Taneira, being a nascent brand with a yet-to-be-established customer base, the operating environment has been particularly tough. In the past financial year, with life returning to near normal, albeit with disruptions, Taneira has demonstrated its potential by posting a strong sales recovery. The overall opportunity for Taneira remains huge and we remain confident that over the medium-term, Taneira will become a more significant contributor to the overall revenue of our Company.

Growing with product innovation

Our focus remained on driving differentiation in our product assortment. Among the key highlights included the launch of Tarang, a collection of beautiful tussar sarees in vivid hues; Sundarban, a collection manifesting the spirit of the forest into sublime sarees; Spring-Summer collections - sarees and ready-to-wear products weaving human emotions of healing, nostalgia and happiness; and new bridal campaigns featuring rich opulent weaves from various clusters across the country. More returning customers and high customer satisfaction confirm that our products are being appreciated.

Growing with store expansion

The first year of the pandemic restricted our ability to scale up Taneira's retail network. As pandemic fears receded, we returned to retail expansion to increase brand accessibility. During the financial year, we launched stores in cities of Noida, Jamshedpur and Lucknow, in addition to adding stores in our existing markets, taking the total store count to 20.

During the Financial Year 2021-22, Taneira opened 6 stores.

Growing with novel initiatives

With store visits remaining low in the initial period of the fiscal due to the severe second wave of the pandemic, novel measures were adopted to reach out to customers. This included initiatives such as trunk shows, pop-up stores and Taneira@ Home. As normal life resumed, we stepped up our customer outreach measures. In particular, the brand's **#9days9colours** micro-influencer campaign for the Navratri festival showed good traction amongst the customers during the festive period. A hand weaving loom installation at the flagship store at Indiranagar, Bengaluru saw a one-of-a-kind initiative to provide a first-hand experience of the complete saree making process to customers. We also launched the Tussar Festival campaign with an aim to create awareness about tussar silks. Multimedia campaigns conducted to boost sales showed good traction amongst the customers with high traffic generated on our brand website.

Diversity, Equity and Inclusion

With a commitment to cultivate a culture of diversity, inclusion and equity, the Company has introduced several policies. These policies create an inclusive and safe place to work for all our employees and stakeholders and are designed to provide a favourable and positive environment at workplace.

- Employees who become New Parents will continue to receive their full remuneration and benefits, with the right to return to work in the same or equivalent position, after returning from paid or unpaid parental leave. If outstation travel for work is absolutely necessary, the primary parent is allowed to travel with the child and one other person while on business travel.
- Enhanced support for woman employees in terms of availing fastest mode of transport and lodging with an option to choose to stay overnight at hotel near to the airport, bus stand or train station to avoid late night road travel.
- Option of extended hotel stay for women employees on deputation when facing difficulty in finding suitable domicile. Company Car at disposal for daily work commute in difficult conditions/places. Support for women employees for scouting, negotiation with broker and registration of place of stay.

The focus will be to make Titan the employer of choice for individuals from all walks of life and will remain committed in all its endeavours to create tangible and lasting change.

Growth with Responsibility

Sustainability at Titan

Business sustainability comes with responsible behaviour towards all its stakeholders and more specifically towards the environment and community and Titan has a rich legacy of the same.

Harnessing renewable energy – Wind power

Renewables constitute **62%** of the total energy consumed at Manufacturing plants

Titan has taken several important steps to embed sustainability in its operations, with specific focus on energy and water to positively impact environment and the community. This also includes various efforts towards waste minimisation and optimising resource utilisation across divisions.

A significant area has been the continued focus by the Company to engage and invest in initiatives towards carbon footprint reduction through use of renewable energy. Across all Divisions, especially in the ISCMs, a significant thrust has been to bring more renewable energy as part of in-house installation or even creating offset projects. Many other initiatives are being driven by other divisions and also by the Retail Services Group (in Retail operations) locally to reduce the carbon footprint.

A few salient features include raising awareness on climate change and encouraging the adoption of processes and practices that promote sustainability. The Company is constantly engineering innovative solutions and mitigation mechanisms to conserve the environment. The Company, during the year put in place environmentally sustainable processes for raw material acquisition, vendor management, manufacturing and recycling. Environmental management systems are being setup at factories with facilities acquiring ISO 14001 certification.

Piloting CNG in Retail

Expanding roof top solar application in EyeCare plant

88% of water used in at manufacturing is recycled water

Responsible neighbour

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

Rain water harvesting: 40 lakh litre cistern

Besides the rejuvenation of the Veerasandra lake adjoining the corporate office at Bangalore, the Company has also taken another lake adjoining the factory at Hosur for full rejuvenation.

The Company has also sought to offset carbon footprint by taking up large-scale tree plantation through creation of Miyawaki forests in Hosur and also plantation of trees in public areas in Pantnagar.

Hosur water body under restoration

Miyawaki forest – Hosur Jewellery Factory

Miyawaki Forest - for the public in Hosur

Growing Responsibly – taking the community along

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

Corporate Social Responsibility

The CSR policy of the Company focuses on Education, especially the education of the underprivileged Girl Child, Skill Development for the Underprivileged and support for Arts, Crafts and Indian Heritage. While most education programmes have a large focus on the Girl Child, the Company also makes all efforts to make it truly inclusive by building in requirements of Affirmative Action and also including People with Disabilities.

Being a Pan India organisation, the Company continues to support local causes that are important to the communities with which it operates, (including the retail presence) besides supporting issues that are of national importance, notable among this was the response towards COVID-19 over the past two years.

The Company has created Design Impact Award programme, which seeks to engage the youth towards applying design thinking for social impact.

Education/Girl Child programme

This programme focuses on remedial education both within the Government school system and in learning centres. We have been able to put this programme back on track through effective use of technology and creating an alternate learning arrangement with appropriate safety protocols. The programme currently has reached over 16,600 children across Tamil Nadu, Uttarakhand and West Bengal.

Kanya Programme has been initiated at Tiruvannamalai, Tamil Nadu after completing one full stint at Krishnagiri of over 7 years. We have also completed teacher training programme and certified about 1,108 teachers during the financial year.

The science education programme has also been effectively implemented through technology and has reached most of the locations where our girl child programme is in place in Tamil Nadu.

Science Education in Kanya schools

Many elements of the Kanya Sampurna programme in Yadgir and Kattumannarkoil have been implemented. Be it the school readiness program, creation of model anganwadis, Early Grade Reading for teachers, adolescent education, creation of community libraries and also livelihood-based engagement, all of them have shown signs of programme during the difficult times. This programme has come to a conclusion in both the locations and we have seen a reach of over 1 lakh underprivileged individuals, most of them girls, over the five-year engagement period.

Our focus on Affirmative Action through tribal school education continues. This year in Karnataka, our high school children pass percentage has been 100%, a first ever achievement for this school.

Titan Kanya girl child education

Education of tribal youth

We have been supporting five tribal ITIs which we have adopted in Tamil Nadu towards many areas of importance. These include right from help during recruitment, employability skills, skilling, online sessions, job connects etc. apart from small infrastructural support.

The longest programme in terms of tenure has been the Titan Scholarship Program which has been taken into its 34th year of implementation and we have given 119 new scholarships this year.

Titan Scholarship

Skill development for the underpreviliged

The Titan Skill Development intervention (Titan LeAP - Learn Apply and Progress) focuses on: a) Skilling for employment - in its skill centres and spokes at Chennai and other locations; b) Skilling for employability across Government ITIs in Tamil Nadu and Tier 3/Tier 4 Engineering colleges in Tamil Nadu; and c) Entrepreneurship development. During the year, we successfully leveraged technology for reaching out to the candidates, both at our LeAP centre, spokes and also the engineering colleges. In addition to this, we have also covered Government ITI students. Across all formats of employment, employability and entrepreneurship development, we have been able to see substantial progress during the year. We have also been able to see encouraging progress in our skilling and placement of persons with disabilities. Around 450 persons with disabilities were skilled and placed during the year.

Titan LeAP

Support to Arts, Crafts and Indian Heritage

Our programs in Varanasi (UP) and Karnataka pertaining to Arts and Crafts are progressing, though slowly. We have initiated two new programs, one with disabled working the space of banana fibre and another a community to restore the knitting ecosystem in parts of Uttarakhand. The communities have been engaged through design inputs, market linkages in some cases and also through skilling. A highlight during the year has been the launch of a platform for bringing the artisan community and buyer community together directly (Project Tarasha) and about 40 artisans have been onboarded on this platform.

Project Tarasha

Design Impact Programme

The Company's support to the grantees of the Design Impact Programme has now reached its final stages and will be closed by Financial Year 2022-23. Progress has been encouraging in most of the grantee engagements.

The year also saw the launch of the Design Impact Movement platform that has been created to engage the youth towards designing for social needs. We have had close to twenty thousand registrations.

Design Impact Programme

Responsible Citizenship

Our Integrated Village Development and Water and Sanitation programmes in Uttarakhand has progressed well. We have completed and handed over 8 water schemes to the community. Overall, 25 schemes have been completed. The Integrated Village Development Program was augmented with COVID-19 support during the year. The watershed programme with NABARD covering 5,000 hectares has met most of its objectives and will be completing its first phase during Q1 of FY 2022-23.

Integrated Village Development and Watershed programme

The Happy Eyes program was put back on track. The comprehensive support included opening of total of 5 vision centres over the past two years, including effective use of the Mobile Rural Vision Screening program. We had also supported for procurement of a new vehicle to Akhand Jyoti Hospital in Bihar to support Mobile eye screening. Despite the pandemic, employee engagements continue to be encouraging through our volunteering programme, largely through online volunteering, for both, our projects as well as programmes across the Tata Group companies.

COVID-19 Relief

Undoubtedly this was one of the big focus areas during the early part of the year. The Company reached out to many types of requests, mostly focusing on supporting in setting up of ICU beds, oxygen facilities and related infrastructural support.

Three notable features include contribution towards TN Disaster Relief Fund (for COVID-19), setting up of an Oxygen plant in Uttarakhand to augment a Government Hospital towards COVID-19 treatment and supporting over fifteen thousand vaccinations including vaccination for the differently abled.

Provided hospital beds in fight against the pandemic

Assistance in fighting COVID-19 pandemic

The Company draws inspiration from the fact that it reached out to more than **4.52 lakh** individuals through its CSR programmes during the year.

COVID-19 Vaccination Drive

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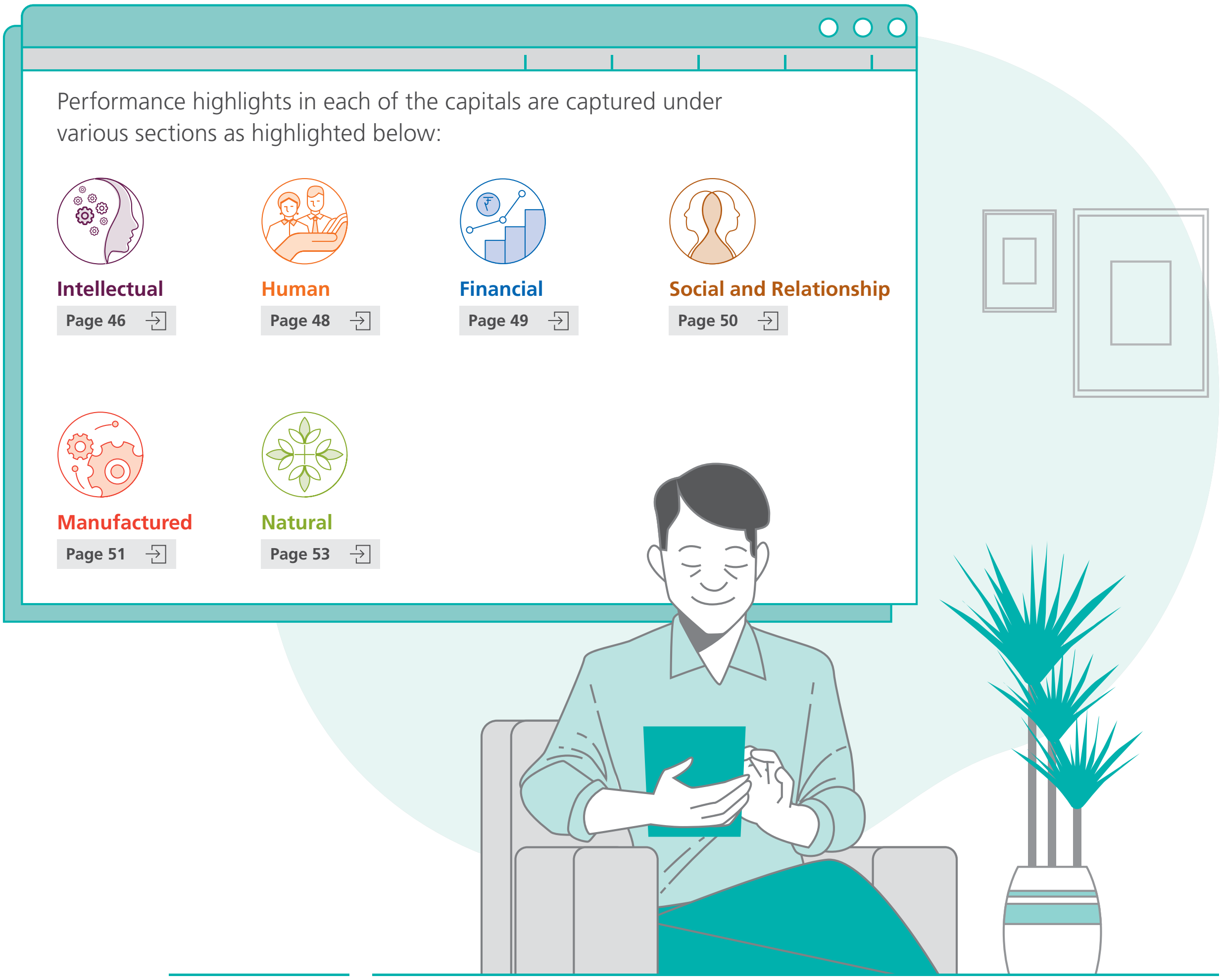
Approach to Reporting



The Company started publishing its Integrated Report four years back thereby displaying its commitment to uphold highest standards of transparency in communication and ethos of Corporate Governance.

This is our 5th year of Integrated Reporting to voluntarily disclose additional information to our stakeholders on non-financial objectives that have been achieved over the past years.

The Integrated Report highlights the organisation's perspectives and performance on material topics such as Manufacturing, Financial, Human, Intellectual, Social & Relationship and Natural Capitals thereby providing a glimpse into the longer term value creation and sustainability of the Company. These include the key initiatives that were taken during the course of the year that have significantly impacted the outcomes of these capitals. This Report has been prepared in accordance with IIRC's Integrated Reporting framework <IR>. Other <IR> content elements like our engagement with key stakeholders, risks, governance, CSR and environmental initiatives are further explained in the statutory section of the Annual Report under topics like Management Discussion and Analysis (MDA) and Board's Report as well as Business Responsibility Report.

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

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

Employees

Employee Connect, Engagement & Development

The Company continues to use various engagement and connect forums like Tell Me, Heartbeat survey, Great Place to Work survey, cascades and other innovative ways to connect and engage with employees. Tell Me is an online survey rolled out to all employees of Titan, to hear from them on pre-set themes that pertain to the health of the organisation, such as Inclusive Work Culture, Structure, Processes & Empowerment, Ethics and Integrity and seek their suggestions on specific topics such as top line growth, cost reductions, process improvements, etc.

During the year under the "Speak-to-the-MD" programme, different segments of employee groups were identified and were invited to volunteer for a session with the MD and the Chief People Officer, covering 500+ employees over 70+ hours, across the length and breadth of Titan.

Even though the pandemic seems to have receded, emphasis still remains on safety norms and measures.

Employee development has been through internal facilitators from businesses with the deployment of online platforms like Titan U, LinkedIn Learning and Coursera promoting self-paced learning. The work from-home situation brought in opportunities to rethink and redefine the ways of connecting with employees spread across the country. Examples of innovative programmes covering physical, financial and emotional wellness include: Virtual Talent showcases, one-to-one connect sessions with leadership teams, employee health and wellness sessions, online yoga by certified instructors, one-to-one financial planning services and counselling services through Calmness experts for all our employees.

Customers

Engagement/Satisfaction

Engagement of customers across geographies, demographics and segments is through deployment of wide variety of mechanisms such as surveys and research, as well as digital media, which are extensively used to understand the customer needs and expectations. These in turn are used for developing and deploying specific initiatives to elevate their experiences. The Net Promoter Score (NPS) is an important metric used to understand customer satisfaction.

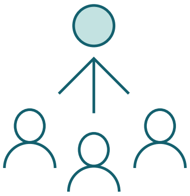
Connecting with customers through Smile App, a dedicated portal to connect with Multi brand outlet customers, leveraging live chat and creation of WhatsApp teams are some of the interventions.

The Digital team rolled out multiple technology innovations, enhancements and continuous improvements, including numerous information security measures and processes to enhance customer data privacy. The Encircle loyalty program, which has grown into one of the largest in the retail sector has been leveraged to further enhance relationships with customers as well as engage with them on the Company's product and service offerings to drive cross categories sales as well as repeat sales.

Further, the Unified Customer Service program has helped the Company to connect with customers through various channels, including the digital medium and serve their needs and expectations in a dynamic manner.

The Indian Dress Wear business has also launched several customer engagement initiatives such as Self-browse retail format, video calling, WhatsApp/Live chats, Trunk & PoP Ups (Exhibitions), etc.

The customer service team at the watches Division has addressed the needs of the customers through SMILE program in retail stores, an exchange offer called WDC (Watch Depreciation Coupon) for more than 4 years old watches, free enrolment to the Retail Loyalty Program at service centres, in case customers are not part of the loyalty program, etc.



Vendors, Contractors and Suppliers

Partnering for Progress

The Company works closely with its vendors, suppliers and other service providers who have been playing an important role ranging from procurement to manufacturing and from branding to logistics. Regular vendor meets, workshops and conferences enable the Company to build and enhance the engagement towards collective realisation of ambition as well as resolve key issues towards ease of doing business, maintaining quality, enhancing capabilities, etc.

Examples include development of women Self-Help Groups at Hosur for over 25 years now, in providing livelihood opportunities by providing them with outsourced activities.

The EyeCare business focused on sourcing within India by keeping long-term objective of developing eyewear hub through regular skill building programs for vendors and sub-contractors to enhance productivity and first pass yield, also handholding small existing/ new eyewear manufacturers by supporting to implement in latent manufacturing capabilities to enhance more reliable and consistent supplies with quality benchmarking to International standards.

A healthy partnership continues to throttle the way forward in the Jewellery Division. Apart from maintaining an agile while predictable supply chain and working closely with the best-in-segment vendors, suppliers and other service providers who are playing a crucial role ranging from procurement to manufacturing and from branding to logistics. Periodic vendor engagements, training programs, conferences ensure to build a collective ecosystem belonging to a single fraternity.

Support to vendor partners and suppliers during COVID-19 in the form of awareness sessions, maintenance of gold standard safety protocols across the ecosystem, quarantine facilities, to and fro transportation arrangements and insurance for karigars are other instances of engagement. The implementation of Responsible Sourcing guidelines in contrast to the common jewellery industry practices are paying rich dividends. Consistent efforts towards Responsible Sourcing of Gold, Diamond and Jewellery Products have been made by collaborating with competent suppliers and partners.

Business Associates

Enabling Customer Reach

The Company works with a wide network of business associates including franchisees, management agents who play an important role in connecting the Company to end consumers apart from delivering products and services. Due to the pandemic, the Company engaged with its business associates virtually during the most part of the year apart from possible face-to-face meetings to understand ground realities and address their issues. They are also part of our new Digital Journey (Omni, Lead Generation and Endless Aisle). Their feedback is taken into consideration and their needs and expectations are incorporated by various teams to further increase product and value propositions to customers as well as business associates.

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 community segments, with a view to create a significant positive impact, Through constant engagement with the partners it works with, to co-create programmes that add immense value to the community.

Being a Pan India company, it reaches out to the communities 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. It also works closely with the Government in reinforcing or strengthening ongoing programmes, even as it takes up causes of national interest such as Swachh Bharat, Disaster response to natural calamities, Response to COVID-19, etc.

Government Bodies and Industry Associations

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

Materiality Approach

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

Material Determination

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

The Company conducted materiality analysis across stakeholder groups through a third-party study as per integrated reporting framework materiality assessment process. The purpose of the analysis was to identify topics that have a direct or indirect impact on the Company's ability to create, preserve or erode economic, environmental and social value, not only for the Company, but also for its stakeholders and the society at large.

The analysis revealed what the internal and external stakeholders consider to be the most material and relevant aspects.

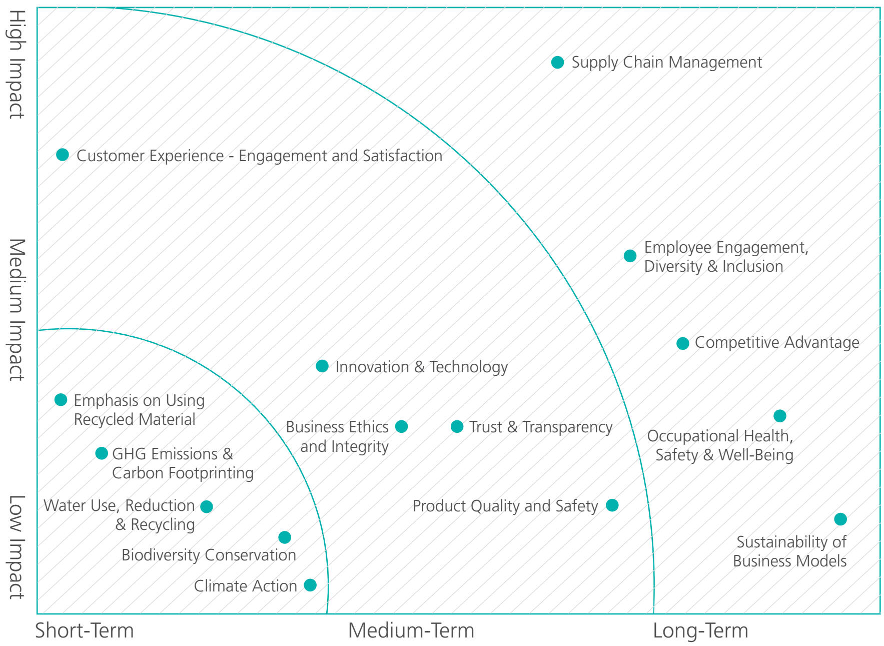
The analysis resulted in seven material topics which were formalised and implemented in the management's approach.

Material Aspects

The prioritised material aspects are:

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

Materiality Matrix



Customer Experience

The Company's continued focus on customer satisfaction obsession has led to new routes to reach out to the customer. Whether it be comfort calling or reaching out to our detractors for service recovery, or calling our customers just before warranty expiration, we have left no stone unturned to ensure that customer satisfaction is arrived at. Net Promoter Score (NPS) continues to be our North Star, guiding us in process and product improvement. Many aspects such as product offerings and price points, focus on "Correct Selling" and simplification of the sales process, have all been re-imagined due to feedback from our Customers. We also were able to get insights from a larger set of customers after we introduced WhatsApp in the EyeCare Division as a channel for NPS surveys. Gradual recovery from the pandemic also brought about a shift in the expectations of our customers with regards to the omnichannel experience. This created focus on a seamless experience for offline and online customers. We began this journey by remodelling the team to reflect this need. During the lockdown, this category being one that requires assistance in buying, all our store teams reached out to the customers, helping them buy remotely – a concept called Phygital (Physical and Digital) emerged as a strong customer choice. The launch of CX 2.0 brought in renewed focus on personalising the experience for our customers, especially customers who were new spectacle wearers. We recognised that the journey could be significantly improved by simplifying the whole dispense process for these customers. Thus, "Pehla Chashma" and "Pehla Progressive" processes were born.

In the Watches business, various initiatives were undertaken including social media Launch for Titan World channel and scaling up of Helios on all social media platforms, personalised reach out to Encircle Customers, Nebula Trunk Shows, Milestone Birthday and Anniversary reach out - Customised & Personalised, customer surveys & Feedback sessions, LITMUS, etc. Introduction of NPS response, 7 Day feedback from SMART buyers through NPS and Customer engagement activities at stores were also undertaken.

In Jewellery Division, many initiatives have been deployed such as strengthening the TWOL program by enhancing the service standards, embedding at the heart of Tanishq training and service orientation of our stores, defined training modules for Customer Relations Officer as well as periodic mystery audits ensure that stores keep the focus. The NPS training has been strengthened by addressing the gap between store's targeted NPS and prevailing one. Similarly on Customer Complaints that are raised from any source, we ensure that a customer-friendly resolution is given to the customer within 48 hours. The engagement programs have also been enhanced to deliver higher customer satisfaction and remain connected with the customer. In Taneira, dedicated/ Captive looms across India are established to weave exclusive products designed by the design team. Further, activities to transform the weavers' ecosystem by supporting them with technical expertise and improving their working conditions are also being undertaken.

Supply Chain Management and Responsible Sourcing

With integrated supply chain as a strategic advantage to balance between making in-house and outsourcing, the Company is able to ensure the reach of its products across markets efficiently and in a timely manner at optimum cost. The primary focus has always been to build a sustainable and agile integrated supply chain ecosystem in India. The Company treats vendors, sub-contractors, etc. as strategic partners in its supply chain. The Company ensures responsible business, replenishment/analytics-based planning, stock supply visibility with all its key vendors.

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

Below paragraphs highlight two significant efforts in the supply chain journey of the Company that has not only gone on to create sustainable social business entities, but have also created a benchmark of sorts in the Indian Industry:

a) Women Self-Help Groups for outsourcing/subcontracting Operations (Project MEADOW),
b) Karigar transformation story, responsible sourcing journey of the jewellery division.

Project MEADOW - creation of sustainable social business model
MEADOW (Management of Enterprise and Development of Women) an initiative of the NGO, MYRADA in collaboration with Titan, is an inclusive growth programme started with about 24 women and today employs over 400+ rural women in and around Hosur. MEADOW Rural Enterprises was incorporated in the year 1998. Uneducated young women, widows and single mothers are primarily given employment in MEADOW. MEADOW operates as a vendor for three manufacturing Divisions (Watches, Jewellery and TEAL). MEADOW started its association with Titan in a small way when Titan had decided to outsource assembling of watch straps. Titan not only trained them in the assembly of links, but also in the managerial functions like Planning, Production, Accounting, Lean, Business Awareness, Technical Skilling, Costing, etc. MEADOW employs around 40% of its employees from Affirmative Action community.

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

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

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

Titan Karigar Centre

in the area of human rights and dignity of work for karigars is a well acknowledged practice in the Indian Jewellery industry.

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

Transforming lives. The Karigar Story: The Gem and Jewellery sector contributes to about 6-7% of India's GDP. The Indian fascination to Jewellery dates back to 5,000 years. This sector is highly fragmented and unorganised with over 90% jewellers being family-owned businesses. Titan is one of the key players in the organised sector with a market share of 5 to 6%. The Jewellery industry in India has a highly unorganised artisan (karigar) driven, traditional skill-based (handcrafted) manufacturing value chain, employing lakhs of people in rather inhumane working conditions with labour exploitation and poor labour and workplace practices, which is very different from other countries. This highly labour-intensive sector has been traditionally characterised by outdated practices, negligible inputs from modern processes and technologies, craftsmen working for 14-16 hours in poorly lit, cramped and unsafe environment with the use of toxic chemicals, leading to early health-related forced retirement by the age of 40. Titan's interventions from over a decade have transformed some parts of this sector and influenced many more players too. The objective is to bring transformation in the way jewellery manufacturing is being done in India and focus on inclusive growth of the stakeholders in the value chain. It has highlighted the need to urgently uplift the exploited vital link in the chain - "The Karigar". This transformation journey was brought about in three stages over the years starting from Project Unnati, moving to Mr. Perfect and later has taken the shape of Karigar Centre. Karigar Centre is a sustainable model focusing on inclusive growth for all stakeholders in the value chain especially the craftsmen who are completely neglected by the trade.

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

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

During the year, in collaboration with an external partner, we have established a manufacturing facility at Midnapore (hub of Karigar fraternity) to be nearer to the Karigars' hometown. This way, we will be able to provide elevating experience to our Karigars by enabling better quality of life for them as they will not be separated from their families for work.

We have also established a facility in the jewellery park at Ankurhatti and brought some of our vendors under the same facility for bringing them together under one roof to have better visibility and cross-learning opportunities.

Along with transforming the lives of Karigars, the business benefits for Karigar Centre include: 2X productivity increase for Karigars; Year-on-year business growth for vendor partners; Enhanced quality; Reduced lead-time and inventory levels; Enhanced delivery performance to customer; and New capability development.

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

Digital Transformation of Supply chain is one of the major focus areas for Titan through which we are aiming to enhance visibility and automate the manual repetitive processes.

We have a robust network of "True Titan Partners" in our supply chain. We have created a dedicated Risk Management and Compliance function for ensuring 100% compliance through initiatives like periodic audits at different vendor places for identifying the gaps, proper handholding to our partners to bridge the identified lacunae, etc.

Responsible Sourcing:
The Company has embarked on the next phase of the responsible sourcing journey. As part of a formal practice and policy, the following initiatives have been put in place by the Jewellery Division in this journey:

Procurement of gold and outsourced Jewellery: A significant 40-45% of the gold consumed is from recycled gold received from the customers under our friendly and transparent gold exchange programme. The balance 55-60% fresh gold bars consumed is procured from RBI-designated banks which import London Bullion Market Association (LBMA) certified gold ensuring highest purity, quality and mined from ethical sources.

This approach is also applicable for all outsourced jewellery and vendors who supply finished or semi-finished products to us. An internal bullion management policy ensures robust compliance and optimises the use of this precious commodity to ensure procurement of mined gold is minimised.

Procurement of diamonds

Diamonds are being procured from reputed and authorised "Sight holders" who buy from global diamond manufacturers like who follow the Kimberly Process for ethical mining. Further, these Sight Holders who are our vendors in India, are governed by a comprehensive Titan Supplier Engagement Protocol (TSEP) specifically deployed for diamond sourcing.

Procurement of Jewellery from other Outright/Jobwork/Outwork vendors: In addition to gold and diamond procurement, we have ensured a vendor code of practice for all jewellery manufacturers who work with us based on a well-structured "4P - People, Place, Process, Planet" framework for ensuring a comprehensive and holistic approach to transforming the traditional and unorganised jewellery manufacturing sector. Further, there are requirements pertaining to traceability categorisation and certifications. This above protocol is formally signed by the concerned supplier/vendor. The overall aim of this protocol is to ensure three basic objectives:

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

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

c) Ensure zero mixing of synthetics with natural diamonds.

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

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

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

<u>Place:</u> Guidelines on health and safety, security, pollution levels, ergonomic working, etc.

<u>Planet:</u> Guidelines on waste and emissions, preservation of environment, etc.

<u>Vendor Audits, grading and on-boarding:</u> To ensure a measurable progress along this responsible sourcing journey, using the 4 P framework all vendor partners of the jewellery division have been classified into 4 categories of Cottage, Basic, Standard and World-class based on ground audits of all parameters. There is a systematic programme to continuously plan, audit, review and develop all vendor units to become Standard by FY 2022-23. This is being constantly reviewed and driven systematically by the Jewellery manufacturing team. Further, there is also a formal audit and vendor assessment system in place to ensure new vendors who get on-boarded adhere to this protocol. Across all divisions, the Company was able to put in mechanisms to support supply chain partners during the pandemic, both financially and also logistically.

Working on joint collaborative projects both for business benefits and engagement is a key hallmark of our Vendor relations. A case in example is engagement of sub-contracting vendors is setting up of the Fundamental Skill Building

Centre (FSBC) for skilled case polishing operations in ISCM Watches.

The FSBC includes classroom-enabled e-learning, dexterity and cognitive improvement exercises, on-the-job and hands-on training, mass finishing lab and visual inspection room, complete with visual training aids. The objective of FSBC is to bring a structured training for the polishing industry (550+ in the industry), instil pride of being a polisher, standardise skills across vendors and finesse (look and finish/touch and feel). The module trained 300+ polishers.

In the Watches & Wearables Division, aggressive focus on Make in India by reducing the dependency on China was taken up intensively in FY 2020-21 which resulted in reduction of China dependency to 20% from the current levels.

Suppliers and vendors are also made an inclusive part of safety, quality and environment programs as part of Vendor engagement initiatives through TVQMS (Titan Vendor Quality Management System), TVSMS (Titan Vendor Safety Management System), TVWMS (Titan Vendor Workplace Management System).

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. We, at Titan, aim to become more diverse not just because we want to maximise the organisational effectiveness through diversity, but also because we believe that this is the Right Thing To Do. To give all segments the representation they deserve. Building on the solid foundations of the last three decades, we are now looking at the next decade with considerable ambition. We are now committed to embed Diversity, Equity and Inclusion across everything we do, focusing on three core areas - increasing our gender representation across managerial levels, strengthening diversity enabling processes and building a culture of inclusivity. One immediate goal for us is increasing the number of 'Women in Retail and Sales'. We believe that Retail and Sales represent the more challenging functions for women representation and an achievement here will create the necessary overall momentum. Towards this, we have taken the target of 25% of RBMs, ABMs and SMs to be women by FY24. Titan is currently at par with some of the best companies to work for women with 15% gender diversity in our Top Management and 34% gender diversity at the entry levels.

The Company also looks at modifications based on needs and expectations of employees and in this regard, policies on travel, non-metro posting as well as parental support and benefits have been enhanced.

During the year, Titan launched its very first women's network – NoW (Network of Women). The network is aimed towards providing a platform for women across cities, businesses, functions, to share ideas, aspirations, experiences, dilemmas and also to help Titan Company create more inclusive, more equitable and more diversified teams all around.

As on 31st March 2022, the Company had 7,263 employees on rolls, out of which 1,961 were women. Of the total base, 136 employees were differently abled.

Competitive Advantage

The Company strives to retain its competitive advantage in the domestic and international markets. Being a dominant player across categories and coupled with state-of-the-art manufacturing facilities as well as Pan India presence provides the Company sustainable competitive advantage. The Company has been able to attract and retain high calibre talent, who demonstrate the desired behavioural traits that fit into the entrepreneurial and dynamic culture. The Company believes that its capability to respond to its customers' demands with agility will enable it to deliver high quality products and exceptional customer service, thereby strengthening its competitive advantage.

The key differentiators that the Company offers are - exceptionally designed and crafted collections, products that continue to be industry-leading, brand-building efforts that are cutting-edge, exceptional customer experience at the stores characterised by warmth displayed by store personnel as well as store ambience, strong digital presence through websites and various social media, IT-led Analytics and leveraging the CRM platform to enable a seamless physical-cum-digital consumer engagement and continued focus on Encircle, the loyalty program that is growing well.

Product Innovation and Technology

The Company continues to leverage existing as well as new technologies to create innovative products for customers' latent needs and caters to a wide segment of customers to enhance the value proposition and their experience across various touch points including the omnichannel.

Development of resistance coating "ClearSightZ" lens for high usage, focus on prescription ophthalmic lenses to enhance business revenue through mass customisation. This also resulted in higher customer satisfaction measured through NPS score. The year saw the EyeCare division taking a lead in computerised operations in supply chain by implementing Warehouse Management System (WMS), initiated Interactive Voice Response (IVR) for engaging retail stores and associates on supply and delivery part, thus enhanced speedy logistic operations.

In the Jewellery business, focus was on producing Light Weight Jewellery to make it budget-friendly for our customers through development of new hard alloy, and design re-engineering and product engineering as there was an unusual spike in prices of the precious metal and the growing customer's expectations for value for money jewellery products. Continued focus on innovation in watches has led to experimentation on new concepts and ideas leading to co-creation of products and solutions along with internal stakeholders, vendors, institutions, experts and through open innovation forums. In the Indian Dress wear business, the Taniera brand was expanded to more than 100+ clusters and there was a foray into sustainable fabric.

On Wearables, the Division laid emphasis on leveraging the consumer demand and hence 3 key smart watches were launched. Apart from revenue growth they enabled in product ratings going up which is an indication of positive consumer acceptance. We also engaged with our consumers through our mobile applications, which has helped in deeper consumer interaction. The engagement has risen from 6% to 22% this year with an average 3 minutes time spent on the app. Also, the Wearables business launched 5 new audio accessories under the Fastrack Reflex Tunes brand with key features like ANC (Active Noise Cancellation), ENC (Environment Noise Cancellation) and enhanced battery life for a much better user experience. With the help of these new launches in both watches and audio accessories, the Division registered a growth of 68%.

Product Manufacturing, Quality and Safety

The Company has been able to further augment its product quality, production efficiency and cost competitiveness to ensure responsive management across the value chain. All manufacturing locations obtained ISO 45001 certification on Occupational Health and Safety.

The EyeCare plant has started its journey towards lean manufacturing with implementation of tools like 5S, Layout optimisation, Quality circle, Single piece flow, etc. to bring world-class manufacturing system. The Kolkata plant has won "National award for manufacturing competitiveness". Also the Lens manufacturing factory located at Noida has been awarded "Green Manufacturing Challenges" assessed by International Institute for Manufacturing.

The Jewellery plant is now focused on producing Light Weight Jewellery to make it budget-friendly for its customers through development of new hard alloy, design re-engineering and product engineering as there is an unusual spike in prices of the precious metal and the growing customers' expectations for value for money jewellery products. Through customised jewellery designing and manufacturing, the Division goes deep into the imagination of is customers and to come out with designs matching their aspirations, and making the brand more customer-centric. Unlike the conventional handcrafting of

jewellery prevalent in the industry, the Division focuses on engineering the craft with development and adoption of relevant technology by keeping art at the core.

The manufacturing plants at Hosur and Pantnagar are testimony of our superior quality products. Keeping product and process innovation at its core, we focus on producing unique products which will bring a smile on the face of our customers. It is supported by benchmark Refining facility, advanced CNC machines, 3D Wax printing machines, benchmark machine-made jewellery infrastructure, etc. Our Pantnagar plant has also embarked in the journey of producing platinum products as an added capability. Our established material purity authenticity infrastructure is now externally supported by Hallmarking centers to ensure the purity of Gold. We have also invested in commissioning of a 2 MW solar plant in Coimbatore. It has ensured and supported Hosur plant operations with 90%+ renewable energy.

The New Product Development process at Watches & Wearables

Division is agile to cater various Consumer segments and launched with differentiated new products across brands and price points. Some of them include new collections with materials - Aventurine, Meteorite, Acetate, Paralumin, Sustainable Leathers, Preciosa, Natural Stones and New plating colours introduced like Titan - IP Carnation, IPCG, ICE Blue, Sea Blue, and FT-IP Navy Blue. Some of the new design/construction include Unveil – Skeleton quartz watches and Gold mesh straps for Nebula. Robust New product calendaring process is in place to ensure on-time product delivery. Development of new category products like Smart Wearables, Hearables & Clocks were launched during the year.

Quality

Titan is renowned for its Product Quality and Customer Service. New products are developed based on stringent Design Standards and undergo DFMEA process & Reliability tests to conform Design Quality.

Several micro precision parts are manufactured in Special Purpose Machines (SPM) and inspected in high precision Instruments. Vision measuring systems are deployed for precise accuracy and efficient inspection. State-of-the-art Coating technology under Titan Ecosystem being reviewed and upgraded periodically to ensure plating durability and aesthetic appeal.

All the plated sources are covered under Process and Product audits to ensure consistent plating quality. Every individual watch assembled undergoes 100% water resistance test, Running Test and Final Inspection by skilled Manpower. Titan Watches carry Unique Identification (UID) to ensure product authenticity and to combat counterfeiting.

Market returns are monitored through analytics and Six Sigma trained SMEs are engaged in defect group Cross Functional Teams for analysis and corrective action. Over 50 product quality improvements were implemented in the year FY 2021-22. Market returns reduced by over 44% in the last three years through such quality improvement initiatives.

Safety

The Company's Occupational Health and Safety (OHS) Strategy is built on four cornerstones which are leadership, systematic approach, continually building an active OHS culture and inculcating safe work practices. At Titan, we are working to ensure "Every person going home safe and healthy every day" that reflects our OHS vision "Be the safest organisation in the eyes of all our stakeholders".

OHS Strategies

1. Build leadership capability from senior leaders to front-line supervisors
2. Proactively identify hazards, assess and manage risks
3. Continuous improvement and alignment with business
4. Promote understanding, acceptance and compliance with Titan safety management systems at Contractor/Vendor/ franchisee end
5. Communication & participation at all levels.

Prevention-based approach

The two sides of our preventive approach coin are building awareness and proactive initiatives.

The Company's core belief lies in preventive approach through consistent awareness, training, retraining and capability building of its people including all categories of employees and employees of vendors and contractors. This includes a significant focus on Behaviour-based safety.

Being proactive allows us to be more prepared to eliminate issues before they occur and promotes a long-term focus. A few illustrations:

- We have chosen the concept of "Inherently Safer Design" while we buy or modify any equipment so that we can eliminate/minimise the hazard. Hazards identified during the design stage of the machines to eliminate or control through judicious design decisions and engineering.
- Safety and health requirements are part of our retail store design. Safety professionals are part of the design development. Our design engineers are trained on hazard identification, elimination, and control.
- Safety and Supply Chain Management go hand-in-hand. Prime vendors are evaluated on Occupational Health and Safety front and necessary support is extended to make sure that they meet our requirements.

Employee engagement

Engaged employees are central to instilling change, encouraging innovation, and ensuring a safe workplace. Titan encourages employee to speak about workplace safety through safety alert card system.

Project Suraksha

This project is aimed to validate and improve our safety management systems to ensure safety of our employees as well as customers visiting our Company stores and offices.

ISO 45001 certification

All our manufacturing units, offices, Company owned retail stores and CFAs have been certified with Occupational Health and Safety ISO 45001 International Standards. **Titan is the first organisation in India accredited with ISO 45001 standard certification both for its manufacturing as well as its retail stores, offices and CFAs.**

We continued our efforts in setting Gold standards for safety across all our locations, including retail operations to ensure every customer who walks in feels safe!

Safety Training for Retail Staff

Our Business Model

INPUT

Human Capital	UoM	2021-22
On Roll Employees		
Top Management and Leadership	Nos.	80
Manufacturing	Nos.	3,019
Sales, Marketing & Retail	Nos.	2,693
Corporate & Support Functions	Nos.	740
Off Roll Employees		
At Manufacturing and Offices	Nos.	4,500
At Retail Stores	Nos.	11,434
Diversity Aspect		
Male	Nos.	5,302
Female	Nos.	1,961
Differently Abled (Within the Above)	Nos.	136
Training, Learning & Development - Staff		
Investments Per Person	₹	17,934
Training	Man-days	5.6
Unionised Employees		
Investments Per Person	₹	500
Training	Man-days	1
Training for Senior/Top Management/ Professional Courses		
Investments Per Person	₹	14,810
Training	Man-days	1.2
Social and Relationship Capital	**UoM**	**2021-22**
Number of showrooms across all formats	Nos.	2,040
Retail footprint	Sq.Ft	26,59,598
Number of Touchpoints (apart from showrooms)	Nos.	11,000
Natural Capital	**UoM**	**2021-22**
Jewellery Division		
Gold Recycled	Tonnes	Gold-24.12 Tonnes
Silver Recycled	Tonnes	Silver-1.34 Tonnes
Energy Consumption (Fuel+Grid+RE)	Lakh Units	59.13
Water Consumption	KL	29,669
Investments in Environmental Conservation/ Biodiversity	₹ Cr.	12.197
Watches Division		
Precious Gold Consumed	Tonnes	0.053
Total Recycled Gold	Tonnes	0.032
Energy Consumption (Fuel+Grid+RE)	Lakh Units	110.53
Water Consumption	KL	61,940
Investments in Environmental Conservation/ Biodiversity	₹ Cr.	3.19

VALUE CREATION USING THREE 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.

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Distributors

Unemployment

Inflation

Foreign Currency Fluctuation

Domestic Regulatory Policies

Gold Price Fluctuation

Economic Outlook

Business Partners

Creativity and Innovation

Information Technology

Corporate Citizenship

Product Development

Shareholders

OUTCOME

Product & Retail Brands

Watch Brands

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

Jewellery Brands

- TANISHQ
- MIA BY TANISHQ
- ZOYA
- CARATLANE

EyeCare Brands

- TITAN EYE+
- FASTRACK
- GLARES

New Business

- SKINN
- TANEIRA

OUTPUT

Human Capital	UoM	2021-22
On Roll Employees		
No. of candidates identified as Emerging Leaders (Cumulative)	Nos.	220
No. of candidates identified as Young Leaders (Cumulative)	Nos.	15
No. of candidates identified for Sales Excellence program		69
Total Spends on Training, Learning and Development	₹ Cr.	10.5
Investment per person on training/development	₹ Cr.	0.014
Attrition-Overall	%	10
Social and Relationship Capital	**UoM**	**2021-22**
CSR Spend	₹ Cr.	35.42
Number of Beneficiaries Impacted	Lakh	4.52
Jewellery Division		
No. of warranty complaints on sales	%	0.36
Net Promoter Score	Score	88
Watches Division		
% of warranty complaints on sales	%	1.84
Net Promoter Score-World of Titan	Score	77
Net Promoter Score-Fastrack	Score	73
EyeCare Division		
% of warranty complaints on sales	%	0.65
Net Promoter Score	Score	77
Natural Capital	**UoM**	**2021-22**
Jewellery Division		
Specific Consumption of Energy Per Product	KW per unit	11
Specific Consumption of Water Per Product	KL per unit	0.055
Water Recycled	%	130
Watches Division		
Specific Consumption of Energy Per Product	KW per unit	3.09
Specific Consumption of Water Per Product	KL per unit	0.01732
Wind Energy Contribution	%	81
Solar Energy Contribution	%	2.18
Water Recycled	%	89
EyeCare Division		
Specific Consumption of Energy Per Product	KW per unit	1.8
Specific Consumption of Water Per Product	KL per unit	0.009
Water Recycled	%	91

Intellectual Capital

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

The Company's intellectual capital is leveraged to provide high quality yet affordable products. Driven by innovation and creativity, the Company continues to invest in concurrent technologies. Since the Company is predominantly in the area of manufacturing and marketing of branded lifestyle products, design, innovation, and its Brands constitute the core of the Company's intellectual capital.

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, EyeCare, Fragrance & Fashion 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 strengths of the DEC which is supported by deriving insights through continuous design research and, understanding fashion trends across categories.

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. Winning the Global Red Dot award for Eyewear design has been one of the key highlights of the year. Some of the very successful collections launched this year across businesses pushed the boundary of design, brought in differentiated look, techniques and innovation.

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

The Company's value proposition comes through leveraging the strengths and competencies to provide variety of products and services in several customer segments. The Company has focused on developing technologies through in-house efforts as well as through collaborative research.

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

Intellectual Capital – Design and Innovation

Business	Design and Innovation Centres/Hubs	Products	Areas worked upon (material, functionality, design, technology-smart/connected)
	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.
	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.
	Chikkaballapur	Lenses and Frames	Designing of lenses and various types of coatings on lenses and manufacturing types of materials for frames
	Bengaluru	Fragrances	Fragrance development and directing the creativity of our international perfumers, bottling and packaging development
	Design Excellence Centre, Bengaluru	Watches, Jewellery, EyeCare	Designing of watches, jewellery, eyewear and other products catering to various divisions

Watches Jewellery EyeCare Fragrances Common for Businesses

Taneira represents a celebration of diverse textiles and workmanship in India. With sarees made out of pure and natural fabrics, the brand offers a wide variety of sarees in different price points. Apart from sarees, Taneira also offers bridal wear, lehengas, stoles and dupattas. Since designs are painstakingly handpicked, the curation at Taneira promises exclusivity and a refined sense of style. Leaning on the Company's strengths in the arena of design and self-expression, Taneira is targeted at the rooted yet progressive Indian woman with its heart-warming proposition – 'Sarees, Handmade with Love'. The stores are also specifically designed to reflect and celebrate the rich tradition of handicrafts and textiles of India.

The Company also offers SKINN, a range of fragrances for both men and women. These are designed with support from strategic associates and, specific focus on bottling and packaging has added to the competitive advantage among other aspects.

Interlinkage of Intellectual Capital with other capitals

The Company continues to strengthen the Intellectual Capital through investments in technologies, interventions and collaborative approaches for bringing in cutting-edge technologies as well as give fillip to design and innovation to drive growth for the Company. This has also led to many patents being filed. Consequentially, financial capital, as well as manufactured capital, natural capital, human and social and relationship capitals are likely to be positively impacted.

Human Capital

Building talent to drive performance excellence

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

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

Leadership development

We continue to invest in our leadership development programs across the 4 tiers namely Top Management Development (TMD), Senior Management Development (SMD), Emerging Leaders Program (ELP) and Young Leaders Program (YLP). In addition, we introduced a new program called Sales Excellence Program (SEP) which focussed on building a talent pipeline for Sales management roles.

Several of our executives and managers have gone through these programmes.

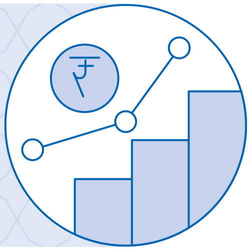
Capability Building

We further strengthened our capability-building platform TitanU with 500+ modules on core engineering topics by leveraging both virtual and classroom Instructor led learning. To further sharpen our development efforts in our Integrated Supply Chain & Manufacturing functions, we have deployed a technical competency framework in the EyeCare business and initiated similar work in the Jewellery and Watches & Wearables divisions as well.

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

The Company's investment decisions are always evaluated against targeted return on capital, which have 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.

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.

The Company has created long-lasting pleasant experiences for everyone, including karigars, vendors, business associates, customers and beneficiaries of social interventions. 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, which happens through country-wide retail network. Focused channel strategies as well as modernising retail stores and sales channels have driven customers to stores leading to volume and value growth.

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

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

Social

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

Trade and Dealer Development

The Company constantly engages with business associates and dealers through several forums to spearhead growth and to reach out to customers.

The relationships with business associates and different categories of dealers have been strengthened over a period of time with processes and mechanisms leading to mutual benefits and growth. Visual merchandising, enhanced presence, systematic launch of new products, training, introduction of wearables, induction of technology enablers as well as continuous meets at various levels have been key drivers of growth. Expansion of the footprint into new non-traditional high traffic outlets has also helped in acquiring new customers.

Manufactured Capital

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

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

Optimisation of lens manufacturing technology to get standardised quality on prescription lens, value added coatings, functioning of Centralised Fitting Labs (CFL) within the lens manufacturing facilities, etc., are some of the examples in EyeCare Division. The EyeCare plant has added in-house capability of manufacturing of Sunglasses, which also added an opportunity for skill building of local people.

The Jewellery manufacturing has been effectively utilising concepts such as Total Productive Maintenance and Daily Work Management tools for driving productivity and improvement along with Total Employee Involvement (TEI) programs.

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

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, surface finishing & allied activities, Pro-E, CAD/CAM for design, laser marking, electroplating, polishing, and forging machines. Assembly line with multipoint monitoring systems and Retail Stores-laser engraving.
	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 Prototyping, etc.
	Chikkaballapur, Noida and Kolkata	Production of frames and lenses	Lens Labs – Lens manufacturing, glass cutting, testing and special coating systems and Frame Manufacturing – Metal Line.

Watches Jewellery EyeCare

Interlinkage of Manufactured Capital with other capitals

The Company's focused investments towards technological upgradation and opening new manufacturing setups and stores, robotisation and digitalisation efforts have helped in improving efficiencies and speed to marketing of product and services. Consequentially, financial capital, as well as, human, social and relationship capitals are likely to be enhanced and environment will be positively impacted.

Natural Capital

As a responsible manufacturer, the Company recognises the importance and use of natural resources while creating valued products. The Company is committed to minimising the negative environmental impact of its operations including from the manufacturing units, Karigar Centres and office spaces. Established mechanisms coupled with internal controls help in mitigating the risks associated with increasingly stringent requirements regarding air quality and effluent management. The Company has defined and communicated a well-articulated policy on sustainability.

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

Sourcing

Further, in manufacturing and supply chain, the Company has been recycling gold and brass that are used for making various products. The Jewellery exchange programme acts as a channel for the Company to source customers' gold for processing.

The Company has established several processes to ensure it buys products and services from responsible vendors. Responsible sourcing strategy in the Jewellery division coupled with the initiatives has resulted in the creation of Karigar Park. The Company's Karigar Centre transforming the way in which jewellery is made in the country, are benchmark practices in the industry.

Looking Ahead

The Company will continue to focus on providing a wide range of high quality products in the sectors in which it operates, with emphasis on enhancing the economic and social well-being of all its stakeholders.

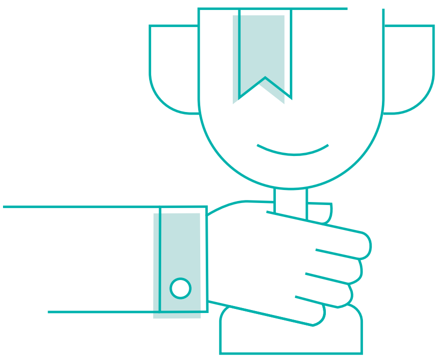
Further, the Company is at the forefront of leveraging opportunities to drive growth that will create greater value to stakeholders in an innovative and agile manner in the fast-changing digital world. The Company is confident that the strategies laid out by it, led by consumer understanding and insights will be of huge advantage. The solid pipeline of new and differentiated products backed by calibrated investments in product development, retail and advertising and demand generation will enable the Company to achieve its growth targets. The Company will continue to cherish its people driving and accomplishing extraordinary outcomes.

Awards

The Company has won the prestigious Red Dot Award 2022 for design quality and degree of innovation in two categories - Product Design as well as Smart Product for the Titan EYEX glasses which was designed by the Company's Design Excellence Centre.

The **"Red Dot"** is the award for high design quality. The international jury only awards this sought-after seal of quality to products that feature an outstanding design.

With minimalism being the highlight of the product, TITAN EYEX glasses blend in smart technology and comfort, creating a product of high utility. The ergonomic, lightweight form weighs a mere 28 grams. The glasses are equipped with voice assistants, an in-built pedometer, and miniature speakers for a captivating sound experience with ambient awareness for safety. Gently-contoured temples for added comfort fit securely and are sweat and water-resistant. True Wireless Qualcomm Bluetooth 5.0 provides a consistent connection with mobile devices and offers advanced operability. One can take a remote selfie, stream music, and receive calls with intuitive swipe and tap gestures.



reddot winner 2022
smart product

'Find My Glasses' feature makes it easy to locate the pair of glasses. Built for both work and play, with additional features like audio navigation, text-to-speech notifications, noise, and echo cancellation, the design is a balance of comfort and details.

The versatile frames can be customised as prescription or sunglasses since the discreet design emulates the look of regular glasses.

India's Best Boards Award

The Company won the Amrop-ET India's Best Boards Awards, in the 'Large Cap' category and was chosen as the 'Champion of Champions' amongst the winners.

The Award followed a three-stage assessment framework of 400 companies listed on the National Stock Exchange (NSE) that benchmarked them for their financial performance (Economic Value Creation), Board effectiveness (Board Governance Assessment Survey) and Investor Perception.

Amrop India | The Economic Times
INDIA'S BEST BOARDS

Mr. C K Venkataraman accepting the India's Best Boards Award

LARGE-CAP COMPANIES

CHAMPION OF CHAMPIONS

Sudha Natrajan - Economic Times

Talks about India's Best Boards Award

Preety Kumar - Managing Partner - AMROP India

Talks about India's Best Boards Award

Board of Directors

(as of 3rd May 2022)

Mr. S Krishnan

Chairman

Mr. S Krishnan is a 1989 Batch IAS Officer who has held many key positions in various departments in the Government of Tamil Nadu and Government of India.

Presently, Mr. S Krishnan is the Additional Chief Secretary, Industries Department. During his career spanning more than 32 years, he has held key positions of Sub collector, Cuddalore, Collector Viruthunagar, Managing Director Tamilnadu Text Book Corporation, Member Secretary, Sports Development Authority and Chairman, Fifth State Finance Commission and CEO, Tamilnadu Infrastructure Board. He worked in Government of India as Secretary to Finance Minister and Senior Advisor, Office of the Executive Director for India, Sri Lanka, Bangladesh and Bhutan, International Monetary Fund, Washington DC.

Mr. N N Tata

Vice Chairman

Mr. N N Tata joined the Board of Directors of the Company on 7th August, 2003. He has been associated with the Tata group for over 40 years and currently serves on the Board of various Tata Group Companies, including as the Chairman of Trent Limited, Tata International Limited, Voltas & Tata Investment Corporation and as the Vice Chairman of Tata Steel and Titan Company Limited.

He also serves as a Trustee on the Board of Sir Ratan Tata Trust and Sir Dorabji Tata Trust.

His last assignment was as the Managing Director of Tata International Limited, the trading and distribution arm of the Tata Group, between August 2010 and November 2021, where he grew the company from a turnover of USD 500 million to over USD 3 billion. Prior to Tata International, Mr. Tata served as the Managing Director of Trent Limited for more than 11 years, where he has overseen the growth of Trent across formats – from a one store operation in 1998 to over 400 stores across formats in 2022.

Mr. Tata graduated from Sussex University (UK) and has completed the International Executive Programme (IEP) from INSEAD.

Mr. Bhaskar Bhat

Director

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

Mr. C K Venkataraman

Managing Director

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

Ms. Jayashree Muralidharan

Director

Ms. Jayashree Muralidharan is a 2002 batch IAS Officer, who has held many key positions in various departments in the Government of Tamil Nadu. Ms. Jayashree Muralidharan has two decades of wide experience in Public Administration. She is currently the Special Secretary, to the Government of Industries Department, Tamil Nadu.

Mr. Pankaj Kumar Bansal

Director

Mr. Pankaj Kumar Bansal has a Mechanical Engineering degree from the Indian Institute of Technology (IIT) (Banaras Hindu University), Varanasi. He also has a master's in Thermal Engineering from IIT Delhi. A 1997 batch IAS officer of the Tamil Nadu cadre, Mr. Bansal has worked in various capacities at the district and grassroots levels. He is currently the Chairman and Managing Director of TIDCO. Prior to being the Chairman of TIDCO, he was Chairman of Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO). Prior to the same, he was Managing Director of Chennai Metro Rail Limited.

Mr. Ashwani Puri

Independent Director

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

Mr. B Santhanam

Independent Director

Mr. B Santhanam joined the Board of Directors of the Company on 10th May 2018. Mr. Santhanam is the founder Managing Director of Saint-Gobain Glass India and has handled critical functions of Information Technology, Operations, Product Development, Sales and Marketing at Grindwell Norton (Saint-Gobain Group Company). Since July 2021, Mr. Santhanam is CEO of Saint-Gobain APAC and India Region and Member of Global Executive Committee of Saint-Gobain, France.

Mr. Pradyumna Vyas

Independent Director

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

Mr. Sandeep Singhal

Independent Director

Mr. Sandeep Singhal co-founded Nexus Venture Partners in 2006. Nexus manages over $1.5 billion and has an active portfolio of over 75 companies across the technology, enterprise, consumer services, internet and mobile, alternate energy and agribusiness sectors.

Prior to Nexus, Sandeep was co-founder & CEO of Medusind Solutions, a leading healthcare BPO acquired by a US private equity firm, and previously a co-founder & MD of eVentures India, where he invested in CustomerAsset and MakeMyTrip. He has held senior roles at McKinsey & Company in their US offices.

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

Dr. Mohanasankar Sivaprakasam

Independent Director

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

Ms. Sindhu Gangadharan

Independent Director

Ms. Sindhu Gangadharan is SVP and Managing Director of SAP Labs in India, responsible for SAP's development facilities in 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.

Sindhu has played a pivotal role in shaping SAP's Integration strategy by growing SAP's Integration product portfolio as Head of Product Management for SAP Cloud Platform Integration, IoT and SAP Process Orchestration. Her deep technical expertise and business knowledge led her to head the critical integration function in SAP's Technology and Innovation organisation in the Office of the CTO.

Sindhu is recognised as a thought leader in integration and innovation technologies, both within and outside of SAP and is a frequent speaker at SAP's prominent global technology events.

Corporate Information

(as of 3rd May 2022)

BOARD COMMITTEES

Audit Committee

1) Mr. Ashwani Puri (Chairman)
2) Mr. Pankaj Kumar Bansal
3) Mr. B Santhanam
4) Mr. Bhaskar Bhat
5) Dr. Mohanasankar Sivaprakasam
6) Ms. Sindhu Gangadharan
7) Mr. Sandeep Singhal

Nomination & Remuneration Committee

1) Mr. B Santhanam (Chairman)
2) Mr. N N Tata
3) Mr. Pankaj Kumar Bansal
4) Ms. Sindhu Gangadharan
5) Mr. Pradyumna Vyas
6) Mr. Sandeep Singhal

Corporate Social Responsibility Committee

1) Mr. Pradyumna Vyas (Chairman)
2) Dr. Mohanasankar Sivaprakasam
3) Ms. Jayashree Muralidharan
4) Mr. C K Venkataraman (Managing Director)

Risk Management Committee

1) Mr. Sandeep Singhal (Chairman)
2) Mr. Ashwani Puri
3) Ms. Jayashree Muralidharan
4) Dr. Mohanasankar Sivaprakasam
5) Mr. C K Venkataraman (Managing Director)

Stakeholders Relationship Committee

1) Mr. B Santhanam (Chairman)
2) Ms. Jayashree Muralidharan
3) Mr. Bhaskar Bhat
4) Mr. C K Venkataraman (Managing Director)

Ethics Committee

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

Executive Committee

1) Mr. Bhaskar Bhat
2) Mr. B Santhanam
3) Ms. Jayashree Muralidharan

Investment Committee

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

CHIEF FINANCIAL OFFICER

Mr. Ashok Sonthalia

GENERAL COUNSEL & COMPANY SECRETARY

Mr. Dinesh Shetty

AUDITORS

B S R & Co. LLP
Chartered Accountants

BANKERS

Canara Bank
State Bank of India
Axis Bank
The Hongkong and Shanghai Banking Corporation
Standard Chartered Bank
HDFC Bank
Union Bank of India
ICICI Bank
Citi Bank
Kotak Mahindra Bank
IDFC Bank
IndusInd Bank
YES Bank
RBL Bank
Karur Vysya Bank
Bank of Baroda
IDBI 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 Consultants Private Limited
Unit - Titan Company Limited
C 101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083
Email: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in

38TH ANNUAL GENERAL MEETING

Tuesday, 26th July 2022 at 10.30 A.M. through Video Conference/Other Audio Visual Means

BOOK CLOSURE DATES

12th July 2022 to 26th July 2022

CORPORATE IDENTIFICATION NUMBER

L74999TZ1984PLC001456

Notice

Notice is hereby given pursuant to Sections 96 and 101 of the Companies Act, 2013 (the "Act") that the Thirty Eighth 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 26th July 2022 at 10:30 A.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 2022 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 2022 together with the Report of the Auditors thereon.

3. To declare dividend on equity shares for the financial year ended 31st March 2022.

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.

5. To re-appoint B S R & Co. LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

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

"RESOLVED THAT pursuant to Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, B S R & Co. LLP, Chartered Accountants, having registration No. 101248W/W-100022 be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five consecutive years, who shall hold office from the conclusion of this 38th Annual General Meeting till the conclusion of the 43rd Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS

6. **Appointment of Mr. Saranyan Krishnan as a Director**

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

   "RESOLVED THAT Mr. Saranyan Krishnan, IAS (DIN: 03439632) who was appointed as a Director by the Board of Directors with effect from 10th December 2021 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the "Act") read with Article 117 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the 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 Ms. Jayashree Muralidharan as a Director**

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

   "RESOLVED THAT Ms. Jayashree Muralidharan, IAS (DIN: 03048710) who was appointed as a Director by the Board of Directors with effect from 11th August 2021 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the "Act") read with Article 117 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the 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."

8. **Change in place of keeping Registers, Returns, etc.**

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

   "RESOLVED THAT in supersession of all Resolutions passed earlier in this regard and pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to keep the Registers as prescribed under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Corporate Office of the Company at 'INTEGRITY' #193, Veerasandra, Electronics City P.O., Off Hosur Main Road, Bengaluru 560100 and/or at the office of TSR Consultants Private Limited, Registrar and Share Transfer Agent of the Company at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India and/or such other place where the office of the Registrar and Share Transfer Agent of the Company is situated within Mumbai, from time to time.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

9. Appointment of Branch Auditors

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

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

NOTES:

1. In view of the ongoing COVID-19 pandemic and pursuant to the General Circular Nos. 20/2020, 19/2021 and 2/2022 read with other relevant circulars issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as 'MCA Circulars'), and in line with the Circulars issued by the Securities and Exchange Board of India ("SEBI") from time to time, the Company is convening the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members. The deemed venue for the AGM will be Registered Office of the Company.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the business under Item Nos. 5 to 9 of the Notice is annexed hereto. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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.

3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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, physical attendance of Members has been dispensed with. Accordingly, 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 for the AGM are not annexed to this Notice.

4. Institutional Members are encouraged to attend and vote at this AGM through VC/OAVM. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM or to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to the Scrutinizer by email to *pbk@sreedharancs.com* with a copy marked to *evoting@nsdl.co.in*.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. As per the provisions of Clause 3.A.III of the General Circular No. 20/2020 dated 5th May 2020 issued by MCA, the matters of Special Business as appearing at Item Nos. 6 to 9 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

7. The Members can join the AGM in the VC/OAVM 30 minutes before 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 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 large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, institutional investors, Directors, Key Managerial Personnel, the respective Chairmen of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. shall be allowed to attend the Meeting without restriction.

8. The Annual Report for the year 2021-22 including the Audited Financial Statements for the year ended 31st March 2022, is being sent by email to those members whose email addresses are registered with the Company/Depository Participant(s), unless any Member has requested for a physical copy of the same by writing to *investor@titan.co.in* mentioning their Folio No./DP ID and Client ID. The Notice convening the 38th 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*.

9. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

10. **Book Closure and Dividend:**

    i) **The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 12th July 2022 to Tuesday, 26th July 2022,** both days inclusive. The dividend of ₹ 7.50 per equity share of ₹ 1 each (i.e., 750%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ("TDS") on or after Monday, 29th July 2022 as under:

    For Shares held in electronic form: To all the Beneficial Owners as at the end of the day on **Monday, 11th July 2022** 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 **Monday, 11th July 2022**.

    ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. 1st April 2020 and the Company is required to deduct TDS from the dividend paid to the Members at prescribed rates under the Income Tax Act, 1961 (the "IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ("DPs") or in case shares are held in physical form, with the Company by sending documents through email by **Monday, 11th July 2022.** For the detailed process, please click here: *https://www.titancompany.in/sites/default/files/Dividend-communication-on-tax-deduction-2022.pdf*.

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

    Shares held in physical form: Members are requested to send the following documents to Registrar & Transfer Agents, viz., TSR Consultants Private Limited ("TSR"/"RTA"/"Registrar") latest by **Monday, 11th July 2022**:

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

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

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

        iii) 11 digit IFSC.

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

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

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

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

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

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

11. 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. Members are requested to note that in terms of Section 125 of the Act, any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund ("IEPF"). The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website *www.titancompany.in*. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available at *www.iepf.gov.in*.

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

13. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/Registrars and Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing additional details is available on the Company's website under the section 'Investors Information'. 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, or in electronic mode at *csg-unit@tcplindia.co.in* as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DPs only and not to the Company or TSR.

Members are also requested to intimate changes, if any, pertaining to their name, postal address, email 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.

14. **The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such**

Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at *https://www.titancompany.in/investors/investor-information/other-forms*.

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

16. **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 into one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

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

18. 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.

19. **Process for registering email addresses to receive this Notice electronically and cast votes electronically:**

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

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

        - In case shares are held in **physical form**, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, and self-attested scanned copy of Aadhaar Card.

        - In case shares are held in **Demat form**, please provide DP ID-Client ID (16 digit DPID + CLID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, and self-attested scanned copy of Aadhaar Card. If you are an individual shareholder holding securities in Demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for individual Shareholders holding securities in Demat mode.**

20. **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, 19th July 2022 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, 19th July 2022,** may obtain the User ID and Password by sending a request at *evoting@nsdl.co.in*.

iii) The remote e-Voting period commences on **Saturday, 23rd July 2022 at 9.00 a.m. (IST) and ends on Monday, 25th July 2022 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, 19th July 2022**.

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

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

21. 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.

22. 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.

23. 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.

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

25. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Tuesday, 26th July 2022.

26. Since the AGM will be held through VC or OAVM, the Route Map is not annexed to this Notice. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

A. VOTING THROUGH ELECTRONIC MEANS

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

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

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in **demat mode with NSDL**.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. *https://eservices.nsdl.com* either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at *https://eservices.nsdl.com*. Select **"Register Online for IDeAS Portal"** or click at *https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp*. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl.com/* either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in **demat mode with CDSL**	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are *https://web.cdslindia.com/myeasi/home/login* or *www.cdslindia.com* and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at *https://web.cdslindia.com/myeasi/Registration/EasiRegistration*. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in *www.cdslindia.com* home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in **demat mode) login through their depository participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl.com/* either on a Personal Computer or on a mobile.

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 120031 then use ID is 120031001***

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

   a) If you are already registered for e-Voting, then you can use 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 herein for registering email address to receive Notice and Annual Report electronically and cast votes electronically.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. INSTRUCTIONS FOR E-VOTING ON THE DAY OF AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

C. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company i.e. 120031 will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
3. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 38th AGM, from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address at *investor@titan.co.in* before 3.00 p.m. (IST) on Friday, 22nd July 2022. Such questions by the Members shall be suitably replied by the Company.
4. 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 email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at *investor@titan.co.in* between **Wednesday, 20th July 2022 (9.00 a.m. IST) and Friday, 22nd July 2022 (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.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on *www.evoting.nsdl.com* to reset the password.
2. In case of any queries, 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 1020 990 and 1800 22 44 30 or send a request to Sarita Mote at *evoting@nsdl.co.in*.

By Order of the Board of Directors

Dinesh Shetty
General Counsel & Company Secretary

Bengaluru
3rd May 2022
CIN: L74999TZ1984PLC001456

Registered Office:
No.3, SIPCOT Industrial Complex Hosur 635 126, Tamil Nadu.

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 (the "Act") and in terms of Regulation 36 of the SEBI LODR, the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 5 to 9 of the accompanying Notice:

Item No. 5

In accordance with Sections 139 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 33rd Annual General Meeting ('AGM') appointed B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) (BSR) as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of the 33rd AGM till the conclusion of 38th AGM of the Company.

The Board of Directors of the Company at their meeting held on 3rd May 2022, on the recommendation of the Audit Committee, have recommended the re-appointment of BSR as the Statutory Auditors of the Company, for the approval of the Members at the 38th AGM of the Company for a term of five consecutive years from the conclusion of 38th AGM till the conclusion of 43rd AGM of the Company to be held in the year 2027, at an annual remuneration of ₹ 2.75 crore for the year ending 31st March 2023, plus out of pocket expenses and applicable taxes. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., BSR has been recommended to be re-appointed as the Statutory Auditors of the Company.

BSR is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. BSR is a member entity of B S R & Affiliates, a network registered with the ICAI. The other entities which are part of the B S R & Affiliates include, B S R & Associates LLP, B S R & Company, B S R and Co., B S R and Associates, B S R and Company. The firm has offices in various cities across the country.

Pursuant to Section 139 of the Act and the rules framed thereunder, the Company has received written consent from BSR and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, BSR, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

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

None of the Directors, Key Managerial Personnel ("KMP") of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution set out at Item No. 5 of the Notice.

Item No. 6

Tamilnadu Industrial Development Corporation Limited ("TIDCO"), the co-promoter of the Company has nominated Mr. Saranyan Krishnan, IAS, Additional Chief Secretary, Industries Department as Chairman and 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 10th December 2021. As such, Mr. Krishnan holds office as Director up to the date of this AGM and is eligible for appointment as a Non-Executive, Non-Independent Director. A Notice under Section 160(1) of the Act has been received from a Member indicating his intention to propose Mr. Saranyan Krishnan for the office of Director at this AGM.

Further details of Mr. Saranyan Krishnan have been given in the Annexure to this Notice.

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

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

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

Mr. Saranyan Krishnan is not related to any Director or KMP of the Company.

Item No. 7

Tamilnadu Industrial Development Corporation Limited ("TIDCO"), the co-promoter of the Company has nominated Ms. Jayashree Muralidharan, IAS, Special Secretary, Industries Department 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 11th August 2021. As such, Ms. Jayashree Muralidharan holds office as Director up to the date of this AGM and is eligible for appointment as a Non-Executive, Non-Independent Director. A Notice under Section 160(1) of the Act has been received from a Member indicating his intention to propose Ms. Jayashree Muralidharan for the office of Director at this AGM.

Further details of Ms. Jayashree Muralidharan have been given in the Annexure to this Notice.

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

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

None of the Directors or Key Managerial Personnel or their respective relatives other than Ms. Jayashree Muralidharan is concerned or interested in the Resolution at Item No. 7 of the Notice.

Ms. Jayashree Muralidharan is not related to any Director or KMP of the Company.

Item No. 8

As required under the provisions of Section 94 the Act, certain documents such as the Registers and Indexes of Members and Debenture holders and certain other registers, certificates, documents, etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Owing to the shifting of the registered office of TSR Consultants Private Limited ("Registrar" or "TSR"), the Registrars and Share Transfer Agents of the Company, the approval of the Members is sought by a Special Resolution for the Registers and Indexes of Members, Debenture holders, Annual Returns and other documents to be kept at the office of TSR Consultants Private Limited, Registrar and Share Transfer Agent of the Company at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India and/or such other place where the office of the Registrar and Share Transfer Agent of the Company is situated within Mumbai, from time to time and to keep the same at the Corporate Office of the Company at 'INTEGRITY' #193, Veerasandra, Electronics City P.O., Off Hosur Main Road, Bengaluru 560100.

The time for inspection of documents, by shareholders or such persons as are entitled to such inspection, will be between 11.00 a.m. to 1.00 p.m. on any working day of TSR or by writing to the Company at *investor@titan.co.in* except when the Registers and Books are closed under the provisions of the Act or the Articles of Association of the Company.

The Board recommends the resolution as set out at Item No. 8 of the accompanying Notice for the approval by the Members of the Company by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution set out at Item No. 8 of the Notice.

Item No. 9

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. 9 of this Notice for approval of the Members. None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 9 of the Notice.

By Order of the Board of Directors

Dinesh Shetty
General Counsel & Company Secretary

Bengaluru
3rd May 2022

CIN: L74999TZ1984PLC001456
Registered Office:
No.3, SIPCOT Industrial Complex Hosur 635 126, Tamil Nadu.

ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment in forthcoming Annual General Meeting
(In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Noel Naval Tata	Mr. Saranyan Krishnan, IAS
Director Identification Number (DIN)	00024713	03439632
Date of Birth	12th November 1956	20th June 1967
Age	65	54
Date of Appointment	7th August 2003	10th December 2021
Qualifications	B.A (Economics) from University of Sussex, IEP, INSEAD, France	IAS
Experience	Mr. Noel N. Tata has been associated with the Tata group for over 40 years and currently serves on the board of various Tata Group Companies, including as the Chairman of Trent Limited, Tata International Limited, Voltas & Tata Investment Corporation and as the Vice Chairman of Tata Steel and Titan Company Limited. He also serves as a Trustee on the board of Sir Ratan Tata Trust and Sir Dorabji Tata Trust. His last assignment was as the Managing Director of Tata International Limited, the trading and distribution arm of the Tata Group, between August 2010 and November 2021, where he grew the company from a turnover of USD 500 million to over USD 3 billion. Prior to Tata International, Mr. Tata served as the Managing Director of Trent Limited for more than 11 years, where he has overseen the growth of Trent across formats – from a one store operation in 1998 to over 400 stores across formats in 2022. 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.	Mr. S Krishnan is a 1989 Batch IAS Officer who has held many key positions in various departments in the Government of Tamil Nadu and Government of India. Presently, Mr. S Krishnan is the Additional Chief Secretary, Industries Department. During his career spanning more than 32 years, he has held key positions of Sub collector, Cuddalore, Collector Viruthunagar, Managing Director Tamilnadu Text Book Corporation, Member Secretary, Sports Development Authority and Chairman, Fifth State Finance Commission and CEO, Tamilnadu Infrastructure Board. He worked in Government of India as Secretary to Finance Minister and Senior Advisor, Office of the Executive Director for India, Sri Lanka, Bangladesh and Bhutan, International Monetary Fund, Washington DC.
Expertise in specific functional areas	Business Strategy, Sales and Marketing.	People Management and Leadership; Business Strategy

Name of Director	Mr. Noel Naval Tata	Mr. Saranyan Krishnan, IAS
Directorships held in other companies (excluding foreign companies and Titan)	• Trent Limited • Trent Hypermarket Private Limited • Tata Investment Corporation Limited • Tata Steel Limited • Kansai Nerolac Paints Limited • Voltas Limited • Tata International Limited • Retailers Association of India • The Cricket Club of India Limited • Inditex Trent Retail India Private Limited	• Tamilnadu Newsprint & Papers Limited • Tamilnadu Petroproducts Limited • Tamilnadu Minerals Limited • Tamilnadu Magnesite Limited • Tamilnadu Generation and Distribution Corporation Limited • Tamilnadu Cements Corporation Limited • Tamilnadu Industrial Development Corporation Limited • State Industries Promotion Corporation of Tamilnadu Limited • Tidel Park Limited • Tamilnadu Startup And Innovation Mission • Tamilnadu Trade Promotion Organisation • Tamilnadu Industrial Investment Corporation Limited • IIT Madras Research Park
Membership/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	**Audit Committee** • Trent Limited • Kansai Nerolac Paints Limited **Stakeholders Relationship Committee** • Voltas Limited	Nil
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Remuneration	No remuneration other than Sitting Fee and Board approved Commission	No remuneration other than Sitting Fee and Board approved Commission paid to TIDCO
Number of shares held in the Company	46,900	Nil
Number of Meetings of the Board attended during the year.	9	4
Names of listed entities from which Director has resigned in the past three years	None	None

Name of Director	Ms. Jayashree Muralidharan, IAS
Director Identification Number (DIN)	03048710
Date of Birth	24th January 1967
Age	55
Date of Appointment	11th August 2021
Qualifications	IAS
Experience	Ms. Jayashree Muralidharan is a 2002 batch IAS Officer, who has held many key positions in various departments in the Government of Tamil Nadu. Ms. Jayashree Muralidharan has two decades of wide experience in Public Administration. She is currently the Special Secretary, to the Government of Industries Department, Tamil Nadu.
Expertise in specific functional areas	People Management and Leadership
Directorships held in other companies (excluding foreign companies and Titan)	• Tamilnadu Salt Corporation Limited • Tamilnadu Industrial Development Corporation Limited • Tamil Nadu Water Investment Company Limited • Tidel Park Limited • Tamilnadu Industrial Investment Corporation Limited • Tamilnadu Road Infrastructure Development Corporation • CBIC Ponneri Industrial Township Limited • Golden Jubilee Biotech Park for Women Society
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
Remuneration	No remuneration other than Sitting Fee and Board approved Commission paid to TIDCO
Number of shares held in the Company	Nil
Number of Meetings of the Board attended during the year.	4
Names of listed entities from which Director has resigned in the past three years	Nil

Board's Report

To the Members of Titan Company Limited

The Directors are pleased to present the Thirty-Eighth Annual Report and the Audited Financial Statements for the year ended 31st March 2022:

1. Financial Results

(₹ in crore)

	Standalone		Consolidated	
	2021-2022	**2020-2021**	**2021-2022**	**2020-2021**
Revenue from Operations	27,210	20,602	28,799	21,644
Other Income	246	181	234	186
Total Income	**27,456**	**20,783**	**29,033**	**21,830**
Expenditure	23,931	18,901	25,458	19,920
Profit before exceptional items, finance costs, depreciation and taxes	**3,525**	**1,882**	**3,575**	**1,910**
Finance Costs	195	181	218	203
Depreciation/Amortisation	347	331	399	375
Profit before share of profit/(loss) of an associate and joint venture and exceptional items and taxes	2,983	1,370	2,958	1,332
Share of profit/(loss) of an associate and Jointly controlled entity	-	-	-	(5)
Profit before exceptional items and taxes	2,983	1,370	2,958	1,327
Exceptional items	51	137	54	-
Profit before taxes	**2,932**	**1,233**	**2,904**	**1,327**
Income taxes				
- Current	779	351	786	360
- Deferred	(27)	5	(80)	(7)
Profit for the year	**2,180**	**877**	**2,198**	**974**
Attributable to				
- Shareholders of the Company	2,180	877	2,173	973
- Non-controlling interests	-	-	25	1
Profit brought forward	4,279	3,757	4,210	3,592
Appropriations				
Dividend on Equity Shares (excluding tax)	(355)	(355)	(355)	(355)
Closing Balance in Retained Earnings	6,104	4,279	6,028	4,210

1 a) **Standalone Numbers:**

During the year under review, the Company's total revenue grew by 32% to ₹ 27,210 crore compared to ₹ 20,602 crore in the previous year.

Profit before tax and exceptional items grew by 118% to ₹ 2,983 crore and the net profit grew by 149% to ₹ 2,180 crore.

The Watches & Wearables Division of the Company recorded revenue of ₹ 2,309 crore, a growth of 46%. The revenue from Jewellery Division grew by 35% touching ₹ 23,268 crore (excluding sale of bullion of ₹ 1,045 crore). The revenue from EyeCare Division grew by 38% to ₹ 517 crore.

New Businesses, viz. Indian Dress Wear Division and Fragrances & Fashion Accessories Division recorded revenue of ₹ 154 crore, a growth of 57% over the previous year. While the Indian Dress Wear Division grew by 43%, and the Fragrances & Fashion Accessories Division also recorded a growth of 65%.

All the Divisions have done very well during the year amidst various challenges.

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

b) **Consolidated Numbers**

At the consolidated level, the revenue stood at ₹ 28,799 crore as against ₹ 21,644 crore in the previous year. The details of the performance of the Company's subsidiaries are covered below in point 17 of this Report.

2. Company's Response to COVID- 19

The Company witnessed strong demand across its consumer businesses with the major businesses achieving significant revenue uplift and ending the year on a strong note. The underlying demand continued to be strong across all of its businesses with most segments posting Y-o-Y growth over a very strong base from the fourth quarter of the previous year. The network expansion and marketing campaigns have progressed very well during the year under reporting.

However, during the first quarter of the year, the Company's focus was back on keeping everyone safe and few stores were proactively closed in the highly impacted towns. The initiative of customer outreach that brought in sales in the previous year was also not undertaken considering that the humanitarian impact on consumers was severe and widespread during the second wave of the pandemic.

The Company drove vaccination campaigns as the top priority and almost all the store staff and employees got at least their first dose during June – September 2021 period, which was an important step towards bringing back normalcy.

During the second quarter, the Company witnessed a strong recovery in demand after the second wave across its consumer businesses with sales moving swiftly above or close to pre-pandemic levels in most of the Divisions. Most stores were fully operational, barring a few in select towns having localized restrictions, with overall store operation days exceeding 90% for the quarter. Apart from its thrust on digital and omnichannel, the Company also accelerated its retail network expansion during the second quarter.

The Company finished the year on a satisfactory note despite the last quarter of the year getting disrupted twice - first due to the partial lockdowns caused by the Omicron wave in January and again during the month of March in which consumer sentiments got affected adversely due to sharp increase and volatility in gold prices and uncertainty due to a fragile geopolitical situation. The underlying demand continued to be strong across all of its businesses with most segments posting growth over a very strong base in the last quarter of the previous year.

3. Dividend

Considering the excellent performance of the Company during the last financial year, the Board of Directors are pleased to recommend the payment of dividend on equity shares at the rate of 750% (i.e. ₹ 7.50 per equity share of ₹ 1 each), subject to approval by the shareholders, at the ensuing Annual General Meeting ("AGM") and payment is subject to deduction of tax at source as may be applicable. This payment represents a dividend payout ratio of 30.8%. The Dividend Distribution Policy, as amended by the Board at its meeting held on 29th April 2021, is annexed as **Annexure-III** to this Report.

4. Transfer to General Reserve

As permitted under the provisions of the Companies Act, 2013, the Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for the Financial Year 2021-22 in the profit and loss account.

5. Finance

The year saw an excellent performance by all the businesses despite challenges of partial lockdowns and uncertainty in a fragile geopolitical situation during the year.

ICRA maintained the Company's long term rating of AAA with stable outlook. The Company continues to optimise its efficiency in inventory management and cash flow by selling excessive bullion as and when necessary.

6. Public Deposits

The Jewellery Division of the Company was successfully operating customer acquisition schemes for jewellery purchases for many years. When the Companies Act, 2013 (the "Act") became substantially effective on 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 thereunder ('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: ₹ 2,701 crore

(b) remained unpaid or unclaimed as at the end of the year: ₹ 1,574 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 the 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 the end of the financial year and the date of the Report.

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 ₹ 8 crore (CHF 1 million) as application money towards equity stake in Favre Leuba AG (FLAG). The Company had also invested ₹ 1 crore (USD 0.15 million) as subscription to Equity Share capital and ₹ 160 crore (USD 20 million) as application money towards equity stake in TCL North America Inc., a wholly owned subsidiary formed during the year.

10. Integrated Report

The Company has, over the last four years, taken steps to move towards Integrated Reporting in line with its commitment to voluntarily disclose more information to 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 years and has disclosed more qualitative data in the Annual Report of this year. Similar to earlier years, the relevant information has been provided in this year's Annual Report as well.

11. Adequacy of Internal Controls and Compliance with Laws

During the year, the Company has reviewed its Internal Financial Control systems and has continually contributed to the establishment of a 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 ensure 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 an adequate Internal Financial Controls system that is operating effectively as of 31st March 2022.

There were no instances of fraud which necessitated reporting of material misstatements 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, nine Board meetings 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 are included in the Corporate Governance Report, which is a part of this Annual Report. In addition to the Committees mentioned in the Corporate Governance Report, the Company has a Corporate Social Responsibility Committee, the details of which are covered in **Annexure-II** to this Report.

14. Risk Management

Pursuant to the requirements of Regulation 21 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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, and evaluate business risks and challenges across the Company, both at the corporate level as also separately for each business division. The Company has a robust process for managing the top risks, overseen by the RMC. As part of this process, the Company has identified the risks with the highest impact and then assigned a likely probability of occurrence. Mitigation plans for each risk have also been put in place and are reviewed by the Management every six months before presenting to the RMC. The RMC has set out a review process to report to the Board on the progress of the initiatives for the major risks of each of the businesses. The Company has also engaged a reputed firm to design an enterprise level Business Continuity Plan including Disaster Recovery scenario, considering the increasing size and complexity of the various businesses of the Company.

15. Related Party Transactions

There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interests of the Company at large. All Related Party Transactions are placed before the Audit Committee for approval of Independent Directors of the Company and the Board for approval, if required. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are verified by the Internal Auditor and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval, if applicable, on a quarterly basis. The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors have any pecuniary relationships or transactions except to the extent of sitting fees and commission paid to the Directors and to Mr. Bhaskar Bhat to whom the Company pays monthly pension as approved by the Board of Directors consequent upon his retirement as Managing Director of the Company in the month of September 2019. The details of the transactions with related parties during the year under review are provided in the accompanying financial statements. There were no transactions during the year under review which would require to be reported in Form AOC-2.

16. Subsidiaries/Joint Venture/Associate Company

As on 31st March 2022, the Company had the following subsidiaries/Associate/Joint Venture:

Sl. No.	Name of the Subsidiary/ Associate/Joint Venture	Relationship
1	Favre Leuba AG, Switzerland (FLAG)	Subsidiary
2	Titan Watch Company Limited, Hong Kong	Step-down Subsidiary
3	Titan Engineering & Automation Limited (TEAL)	Subsidiary
4	CaratLane Trading Private Limited (CaratLane)	Subsidiary
5	Green Infra Wind Power Theni Limited	Associate
6	Titan Holdings International FZCO, Dubai	Subsidiary
7	Titan Global Retail LLC, Dubai	Step-down Subsidiary
8	Titan Commodity Trading Limited	Subsidiary
9	TCL North America Inc. (from 15th April 2021)	Subsidiary
10	TEAL USA Inc. (from 15th April 2021)	Step-down Subsidiary
11	StudioC Inc., USA	Step-down Subsidiary

During the Financial Year 2021-22, Favre Leuba AG had registered a turnover of CHF 0.23 million i.e., ₹ 2 crore against the previous year's figures of CHF 1.04 million, i.e., ₹ 8 crore and loss of CHF 1.25 million, i.e., ₹ 28 crore (previous year: CHF 7.34 million, i.e., ₹ 58 crore). During the Financial Year 2021-22, the Company has invested CHF 1 million (₹ 8 crore) in Favre Leuba AG as share application money.

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

During the Financial Year 2021-22, TEAL generated an income of ₹ 378 crore against the previous year's figures of ₹ 354 crore, an increase of 7% and the profit before tax was at ₹ 21 crore against the previous year's figures of ₹ 40 crore.

CaratLane is engaged in the business of manufacturing and retailing of jewellery products and has a significant online presence. During the last year, CaratLane's performance was very good with strong double-digit growths recorded in retail sales, with great emphasis on omnichannel selling. CaratLane added 21 stores in the year to take the store count to 138. During the Financial Year 2021-22, CaratLane registered a turnover of ₹ 1,256 crore (previous year: ₹ 716 crore) and recorded profit before taxes of ₹ 39 crore as against the previous year's figures of ₹ 2 crore.

Titan Holdings International FZCO (Titan Holdings) was formed as a Free Zone Company with a view to carry out business activities and invest in the share capital of any other companies/entities either as a joint venture partner or as its wholly-owned subsidiary company for carrying out business activities. Titan Holdings incurred a loss of AED 0.87 million (₹ 2 crore) against the previous year's loss of AED 0.60 million (₹ 1 crore).

During the Financial Year 2021-22, Titan Global Retail LLC registered a turnover of AED 55.14 million (₹ 112 crore) (previous year AED 19.20 million – ₹ 39 crore) and incurred a loss of AED 11.53 million (₹ 23 crore) against the previous year's loss of AED 2.47 million (₹ 5 crore).

During the Financial Year 2021-22, Titan Commodity Trading Limited (TCTL) commenced operations of hedging of gold for Titan. TCTL registered an income of ₹ 5.21 crore and a profit before tax of ₹ 0.95 crore.

TCL North America Inc., was incorporated during the year as a wholly-owned subsidiary. However, the company has not started any operations as of 31st March 2022.

TEAL USA Inc., was incorporated during the year as a wholly-owned subsidiary of Titan Engineering & Automation Limited. However, the company has not started any operations as of 31st March 2022.

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 the Financial Year 2021-22.

The annual accounts of these subsidiary companies/JV companies were consolidated with the accounts of the Company for the Financial Year 2021-22.

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 per the Annual Action Plan, 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 the 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 year under review. A report on CSR pursuant to Section 135 of the Act and Rules made thereunder is attached in **Annexure-II**.

19. Annual Return

The Annual Return as required under Section 92 and Section 134 the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at - *https://www.titancompany.in/sites/default/files/MGT-7.pdf*.

20. 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 concerns. 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*.

21. 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.

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

In a continuous effort to sustain the respectful and safe work culture at the Company, various means to prevent, prohibit and redress concerns are adopted by the Company.

The Ethics Committee and the Committee on Prevention of Sexual Harassment (POSH) work closely with the Board Ethics Committee and obtains inputs and feedback for improvement from time to time.

Besides the core committee on POSH (having senior-level representation from across the Company), 16 locational committees have been formed to ensure both spread and coverage of the implementation of the requirements of the POSH Act, 2013.

The Policy acknowledges the virtual workplaces that are a norm and all stakeholders are ensured a safe working environment in such remote conditions as well. Titan has also included the collaborations by partnering with associated companies (manpower agencies, consultants) in granting recourse to aggrieved persons by forming joint Internal Complaints Committee to look into such matters. An elaboration of the penalties that could be applicable as per the Disciplinary Procedure and Policies manual and related processes has also been updated.

The Company shares best governance practices with its business associates to influence and impact more work communities. In an effort to encourage business associates to adopt the Policy for their own enterprises, masterclasses are conducted highlighting the importance of compliance and the consequences of good governance.

The virtual communication cascades by using innovative radio plays to heighten awareness on this subject continues to be conducted regularly across the diverse ecosystems of the Company (manufacturing, retail and offices, vendors and partners) covering a total of 50 sessions involving 6,226 stakeholders across the board.

During the year under reporting, the Company received 7 complaints on sexual harassment, all were disposed-off with appropriate action taken as on 31st March 2022.

23. 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).

24. 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 2022.

25. Business Responsibility Report

As stipulated under the SEBI LODR, the Business Responsibility Report (BRR) describing the initiatives undertaken by the Company from an environment, social and governance perspective is attached and forms part of this Annual Report.

26. Directors and Key Managerial Personnel

Mr. Ashwani Puri, Mr. B Santhanam, Mr. Pradyumna Vyas, Dr. Mohanasankar Sivaprakasam Ms. Sindhu Gangadharan and Mr. Sandeep Singhal were the Independent Directors during the entire Financial Year 2021-22.

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

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 ensuing Annual General Meeting and has offered himself for re-appointment.

During the course of the year under review, Tamilnadu Industrial Development Corporation Limited (TIDCO) had withdrawn the nominations of Mr. Arun Roy and Mr. N Muruganandam as its nominee directors and had nominated Ms. Jayashree Muralidharan and Mr. S Krishnan in their place.

The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Mr. N Muruganandam and Mr. Arun Roy during their tenure as members of the Board.

Members' attention is drawn to Item No. 4 of the Notice for the re-appointment of Mr. N N Tata as a Director of the Company, liable to retire by rotation, Item No. 6 of the Notice for the appointment of Mr. S Krishnan as a Director of the Company, liable to retire by rotation, and Item No.7 of the Notice for the appointment of Ms. Jayashree Muralidharan as a Director of the Company, liable to retire by rotation.

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

27. Details of Key Managerial Personnel who were appointed or have resigned during the year

Pursuant to the provisions of Section 203 of the Act, Mr. C K Venkataraman – Managing Director, Mr. Ashok Sonthalia – Chief Financial Officer and Mr. Dinesh Shetty – General Counsel & Company Secretary are the Key Managerial Personnel of the Company. Mr. S Subramaniam retired from the services of the Company at the close of business hours on 30th June 2021 and Mr. Ashok Sonthalia took over as the Chief Financial Officer effective 1st July 2021.

28. Directors' Responsibility Statement

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

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

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

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

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

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

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

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

29. 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 from each Director. Based on the questionnaire, the performance of every Director was evaluated by the BNRC and presentation was made to the Board and an action plan was drawn accordingly.

The overall recommendations based on the evaluation were discussed by the Board and individual feedback from Directors was taken on record. The discussion quality was robust, well intended and led to clear direction and decision. Based on the outcome of the evaluation, assessment and feedback of the Directors, the Board and the Management have agreed on various action points that would be implemented as per the agreed timelines. It was noted that the Board Committees function professionally and smoothly, and besides the Board Committees' terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees. Progress on recommendations from last year and the current year's recommendations were discussed. Apart from the other key matters, the aspects of succession planning and committee composition were also discussed.

30. 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. On an overall basis, the Independent Directors were highly satisfied with the functioning of the Board and its various Committees and the high level of commitment and engagement. Apart from this, the Independent Directors also appreciated the commitment and contributions of the Chairman and Vice Chairman of the Board in dealing with the Board matters as well as key strategic matters. 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 the performance of the Board as a whole, the performance of the non-independent directors and the performance of the Chairman of the Board. The Board also suggested certain areas which require more focused attention from the Management of the Company in the current financial year.

31. 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 forms part of the Corporate Governance Report.

The remuneration to the Non-Executive and Senior Management Employees consists of various components as explained here.

Non – Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses, for participation in the Board/Committee meetings and Commission.

Senior Management Employees

The remuneration is divided into two components viz; fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive.

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

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

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

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

33. Other Disclosures

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

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

Sl. No.	Name of the director	Ratio (times)	% change
A]	**Director's remuneration**		
1	Chairman[1]	5.90	NA
2	Mr. Arun Roy[1]	2.40	NA
3	Ms. Kakarla Usha[1]	0.84	NA
4	Ms. Jayashree Muralidharan[1]	5.67	NA
5	Mr. Pankaj Kumar Bansal[1]	6.08	NA
6	Mr. N N Tata[2]	2.78	NA
7	Mr. Bhaskar Bhat	8.44	152.16
8	Mr. Ashwani Puri	12.25	154.31
9	Mr. B Santhanam	10.57	137.62
10	Mr. Pradyumna Vyas	7.54	166.50
11	Dr. Mohanasankar Sivaprakasam	9.76	146.88
12	Ms. Sindhu Gangadharan[1]	7.94	NA
13	Mr. Sandeep Singhal[1]	9.00	NA
14	Mr. C K Venkataraman	125.16	48.55
B]	**Key Managerial Personnel**		
15	Mr. S Subramaniam[3]	-	-
16	Mr. Ashok Sonthalia[3]	-	-
16	Mr. Dinesh Shetty	-	15%

[1] The % change in remuneration is not comparable as the said directors held the position for a part of the year either in 2020-21 or in 2021-22.

[2] In line with the internal guidelines, no payment is made towards commission to Mr. N N Tata, Non–Executive Director of the Company during the period for which he was in full-time employment with other Tata Group companies i.e., till November 2021.

[3] Employed for part of the year and hence not applicable.

The remuneration includes the Commission for the year under reporting and payable in Financial Year 2022-23 post the ensuing Annual General Meeting.

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

7%

iii) The number of permanent employees on the rolls of Company: 7,263

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 for the Financial Year 2021-22 was 7% 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 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 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 is measured through the annual appraisal process. The Company affirms that remuneration is as per the Remuneration Policy of the Company.

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

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

35. Auditors

a) Statutory Auditors

B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 33rd Annual General Meeting till the conclusion of the ensuing 38th Annual General Meeting.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., BSR has been recommended for the reappointment as statutory auditors of the Company for a term of five years, from the conclusion of the ensuing Annual General Meeting, till the Annual General Meeting to be held in the calendar year 2027, at such remuneration mutually agreed and approved by the Board.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and that the firm satisfies the criteria specified in Section 141 of the Act read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

b) Secretarial Audit

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

c) Cost Audit

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

36. General Disclosure

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

(a) issue of equity shares with differential rights as to dividend, voting or otherwise;

(b) issue of shares (including sweat equity shares) to employees of the Company under any scheme;

(c) raising of funds through preferential allotment or qualified institutions placement;

(d) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(e) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; and

(f) instance of one-time settlement with any bank or financial institution.

37. Auditor's Report and Secretarial Auditor's Report

The Auditors' Report on the financial statements of the Company for the financial year ended 31st March 2022 is unmodified, i.e., it does not contain any qualification, reservation, or adverse remark. The Auditor's Report is enclosed with the financial statements forming part of the Annual Report.

There are no disqualifications, reservations, adverse remarks, or disclaimers in the 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

Tamilnadu Industrial Development Corporation Limited and Tata Sons Private Limited holds 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.

The details of the transactions with related parties during Financial Year 2021-22 are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

Acknowledgements

Your Directors wish to place on record their appreciation for the commitment extended by the employees of the Company and its subsidiaries during the year, especially during the second and third wave of COVID-19 related disruptions. Further, the Directors also wish to place on record the support which the Company has received from its promoters, shareholders, bankers, business associates, vendors and customers of the Company.

On behalf of the Board of Directors,

S Krishnan
Chairman

C K Venkataraman
Managing Director

3rd May 2022
Bengaluru

Annexure - I

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

Technology Adoption, Adaptation and Innovation

Watches & Wearables Division

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

- Skeletonization of Quartz Movements to facilitate customers to have a unique glance of the working of internal watch mechanisms. This has been realized through innovative process routing - A combination of Laser cutting, Stamping methods and colour plating of Movement parts.
- Development of Multi-Axis Machining Center with a unique combination of several independent machining techniques for the manufacturing of Watch Cases, a first of its kind in the Watch Industry.
- Implementation of Pulsed Electro Chemical Machining technique (PECM) for the manufacturing of Stainless Steel (SS) Watch Cases that eliminates the need for multiple routings and process lead-time.
- Development of Metal Masking for PVD (Physical Vapor Deposition) bi-colour plating. This technique helps in achieving precise bi-colour plating on watch cases.
- Automation of Watch Case Back cover component has been achieved with a unique combination of several manufacturing techniques, leading to multiple machines operated by a single operator. This initiative helps in a smart way of utilizing the human resources for effective and efficient operations management.
- W&W R&D team uses the Simulation software for Movement Mechanism design & validation that helps to digitally prototype the new Movement mechanisms.

Jewellery Division

Key Technology Adoption

The Jewellery division has pioneered & implemented several new technologies in the Industry like

- Newly developed 22kt hard gold to make **lighter yet robust jewellery** in the backdrop of rising gold price and enhanced value to customers.
- Developed & Commissioned **Pick to light (PTL) automation systems** in Regional Warehouses to reduce lead time for storing, retrieving products and shipping to boutiques.
- **4X Yield improvement** in Kada bangles of 18kt and 22kt by direct casting of granules instead of the conventional process of alloying, rolling, and blanking.
- Several other projects & advancements such as **3D Scanner, Industry 4.0 in Upstream operations**, One-touch CAD inspection, and 3D resin printer auto-support deployed in the Production area resulted in a significant improvement in Productivity & safety.
- Significant progress in the development of **Diamond clarity grading system** (part of 4C) with Artificial Intelligence/Machine Learning enabled technology for grading of diamonds based on clarity.

Innovation

The Jewellery ISCM continued to drive the **innovation culture** among all employees. The innovation champions/ evangelists across all the functions also monitor the projects along with the right team members. The **Online TEI portal** continues to attract the employees to give more Kaizens and suggestions in view of solving the current business challenges. The jewellery division has conducted the **National Kaizen mela & National Innovation Day celebrations** where more than 1000 kaizen projects & 20+ innovation teams have been showcased.

EyeCare Division

EyeCare manufacturing division has successfully implemented innovations, and adopted technologies in the following areas leading to higher productivity, safety, cycle time reduction, quality improvement and water conservation:

- IOT based water management platform was implemented at the EyeCare factory which provided the real-time record of water consumption, Usage analytics, Detect Leakages & Shut off remotely.
- By upgrading to HMI with PLC over Numerical control in the spin coating process, the efficiency is improved.
- Manual inspection of lens stamping is upgraded through a camera vision system.
- Elimination of standalone chiller by using AC chilled water through plate heat exchanger to take care of the differential temperature need.
- Energy optimization of Air Handling Unit through variable frequency drive – Motor speed is controlled based on the demand and optimization of shop floor temperature.

Conservation of Energy & Fuel:

Watches & Wearables

The Watches & Wearables Division has successfully implemented various green energy initiatives, and energy & fuel conservation projects in the areas of utility at its manufacturing facility and during the Financial Year 2021-22, these conservation initiatives have resulted in significant savings in power and fuel cost.

The key initiatives were:

- Sourcing of wind power to an extent of 8.6 million units and the onsite generation of 0.24 million units from rooftop solar system contributed to 81 % of green power substitution in the overall energy consumption.
- Two electrical boilers have been installed at Canteen for cooking applications to help reduce the diesel consumption of 40,000 Litres/annum.
- Operational establishment of ATFD (Agitated Thin Film Dryer) at the effluent treatment plant resulted in reduction of 20,000 litres of diesel consumption.

The Watch manufacturing plant at Hosur has been awarded with:

- Green Tech Energy conservation award 2021 – Winner
- CII Industrial waste management competition 2021 – Best innovative technology for reuse

Jewellery Division

a. Steps taken for Conservation of Energy

Towards the journey of achieving 100% Renewable Energy, below mentioned projects have been initiated:

- Hosur Jewellery Manufacturing plant has implemented and commissioned a **2MW** solar plant. More than **1 million units** have been generated till date.
- Pant Nagar Jewellery plant is in the process of implementing **380 KWp** roof top solar plant

b. Sustainability

Jewellery ISCM has been driving sustainability initiatives successfully under the implementation of **"JSM" (Jewellery Sustainability Mission)**.

Under the move towards the Water Positive initiative – Hosur Jewellery plant has commissioned **40 Lakh litres Rain Water Harvesting Cistern**. Through this cistern, the Division has collected and reused around **70 lakh litres** of rainwater during Financial Year 2021-22.

Hosur Jewellery plant has developed **Miyawaki Forest & Oxygen park with 1500+ trees** for reducing carbon footprint and also increasing the green cover.

EyeCare Division

Conservation of Energy:

EyeCare manufacturing Division has successfully implemented various energy conservation projects as mentioned below:

- solar power project on rooftop has been initiated with 361KW capacity under lease model. Installation had been done in Financial Year 2021-22 and there was an energy generation of 3.22 Lakh units from August 2021 till March 2022 thereby reducing the carbon footprint by 33 tons.

- Initiatives and projects implemented such as Elimination of stand-alone chiller, automation of AHU, VFD installation, Lux and Motion sensors for all lighting circuits and by adapting green energy (Rooftop solar plant) in the EyeCare factory resulted in a 37% reduction in energy consumption and carbon footprint.

- Several water conservation projects under the theme of 3R(Reduce/Reuse/Recycle) were adopted such as reducing canteen water consumption by spray nozzles, recycling and reusing of process/RO rejection water, and installation of waterless urinals, STP treated water to toilet flushing. There was a reduction of 36% of water consumption in Financial Year 2021-22.

- With respect to waste reduction and waste management, 400 sq.ft room was built using waste plastic, lens cutting waste 3,000 kg & 500 Alumax Can materials inside factory premises.

- Acetate sheets which were otherwise residual waste, were converted into moulded frames.

Expenditure on Research & Development

(₹ in crore)

		Year Ended 31.3.2022	Year Ended 31.3.2021
a)	Capital	0.58	1.89
b)	Recurring	20.14	19.74
c)	Total	20.72	21.63
d)	Total R & D expenditure as percentage of turnover	0.08%	0.10%

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned ₹ 262 crore in foreign exchange and spent ₹ 671 crore.

On behalf of the Board of Directors,

S Krishnan
Chairman

C K Venkataraman
Managing Director

3rd May 2022
Bengaluru

Annexure - II

Annual Report on CSR – 2021-22

Since its 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. It has also been engaging with the community in areas which derive mutual benefit and creating sustainable business entities. An example being, the Women Empowerment program "MEADOWS".

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 and areas around the same.

During the Financial Year 2021-22, the CSR programs have reached out to over 4.52 lakh individuals. These include the impact that has been created through interventions pertaining to the COVID-19 pandemic.

Highlights for the year have been:

a) Very encouraging and positive response by the partners and community members, who supported the Company's programs to be put back on track.

b) Aggressive movement forward in all skilling programs to ensure maximum job opportunities.

c) Expanding the concept of vision care centres into two more locations in Tamil Nadu. Also supported a full-fledged mobile Eye care vehicle for another NGO in Bihar.

d) Introduction of two new implementing partners for crafts revival.

e) Completion and hand over of all water and sanitation projects in Uttarakhand as per plan.

f) Support provided to Tamil Nadu Chief Minister's Disaster Relief Fund towards COVID-19 and other direct support interventions.

All other programs will continue as per plan.

As with internal progress monitoring and tracking impact, the reach has been classified into the following three categories and the same is monitored:

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

b) those which are a resultant of primary reach and that create deep impact (example: A Teacher trained); and

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

In line with the requirements of the Companies Act, 2013, the Impact Assessment Reports for all projects of the Financial Year 2020-21 that had spends in excess of ₹ 1 crore during that year have been undertaken and can be accessed at *https://www.titancompany.in/corporate-social-responsibility*.

Your Company's volunteering program (launched as Titan Footprints) has been successfully operating in all locations over the years. During the Financial Year 2021-22, the Company clocked more than 6,400 person-hours of volunteering involving many employees across the Company either in its CSR projects or in other local causes.

From the Financial Year 2022-23, your Company will spend considerable time and resources in taking forward its strategic plans including re-designing/scaling up existing projects, and on working towards creating a deeper impact across all its chosen areas as part of the CSR Policy. This will strengthen and enhance its partner management and engagement processes besides the creation of strong processes.

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

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

3rd May 2022
Bengaluru

Annexure to Annexure II

1 Brief outline on CSR Policy of the Company

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

2 Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Pradyumna Vyas	Non-Executive, Independent	3	3
2	Dr. Mohanasankar Sivaprakasam	Non-Executive, Independent	3	3
3	Ms. Jayashree Muralitharan	Non-Executive, Non-Independent	3	2
4	Mr. C K Venkataraman	Managing Director	3	3

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

CSR Committee Composition:

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

CSR Policy:

https://www.titancompany.in/sites/default/files/10.%20CSR%20Policy%20-%20Titan.pdf

CSR Projects:

https://www.titancompany.in/sites/all/themes/titancorporate/assets/Excerpts-of-CSR-Projects-for-FY-2022-23.pdf

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

The details of Impact Assessment of CSR projects can be accessed at:

https://www.titancompany.in/corporate-social-responsibility

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2020-2021	0	0
2	2019-2020	0	0
3	2018-2019	0	0
	TOTAL	**0**	**0**

6 Average net profit of the company as per section 135(5) ₹ 1,750.35 crore

7 (a) Two percent of average net profit of the company as per section 135(5) ₹ 35.01 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. 0

(c) Amount required to be set off for the financial year,if any 0

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 35.01 crore

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provison to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	0	Not Applicable	Not Applicable	0	Not Applicable

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

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

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1	Titan Kanya - Academic support Centre in Government Schools	ii	No	Tamil Nadu	Krishnagiri and Tiruvannamalai	3.21	No	K C Mahindra Education Trust	CSR00000511
2	Titan Kanya - Education support for disadvantaged Girls (upto learning level 5)	ii	No	Uttarakhand, Uttar Pradesh, West Bengal	Kanpur Dehat, Kanpur Nagar, Kheri, Mirzapur, Pryagraj, Saharanpur, Shahjahanpur, Dehradu, Hardwar, Tehri Garhwal, Udham Singh Nagara, Uttarkashi, Murshidabad, South 24 Parganas	4.01	No	IIMPACT	CSR00002935
3	Multi thematic approach (Health/ Education/Livelihoods)	i,ii	No	Tamil Nadu	Cuddalore	2.62	No	CARE India	CSR00000786
4	Multi thematic approach (Health/ Education/Livelihoods)	i,ii	No	Karnataka	Yadgir	1.21	No	Kalike	CSR00003346
5	Science education in Kanya schools	ii	No	Tamil Nadu	Krishnagiri	0.40	No	Agastya International Foundation	CSR00003442
6	Teacher Training Program for Govt. School teachers	ii	No	Tamil Nadu	Krishnagiri, Tiruvannamalai	0.74	No	Agastya International Foundation	CSR00003442
7	Support towards creating Civic awareness among children - Hosur, Tamil Nadu	ii	No	Tamil Nadu	Krishnagiri	0.15	No	Children's Movement for Civic Awareness	CSR00000784
8	Scholarship for needy and meritorious students	ii	No	Tamil Nadu, Uttarakhand	Krishnagiri, Udham Singh Nagar	0.66	Yes	Direct implementation	Not Applicable
9	Education & scholarship support for Tribal children and youth	ii	No	Karnataka	Mysore	0.46	No	Swami Vivekananda Youth Movement (SVYM)	CSR00002215
10	Scholarship for Tribal Children - Hosur, Tamil Nadu	ii	No	Tamil Nadu	Krishnagiri	0.02	No	Sri Ramakrishna Seva Ashrama	CSR00007056
11	Skill development at Titan LeAP skilling Center (Hub & Spoke Model)	ii	No	Tamil Nadu	Chennai, Salem, Virudhunagar, Madurai, Tirunelveli, Vellore, Tiruvannamalai, Kanchipuram, Tirupattur, Kanyakumari, Coimbatore	2.21	No	Naandi Foundation	CSR00001184
12	Skilling and livelihood development for tribal youth - Mysore, Karnataka	ii	No	Karnataka	Mysore	0.11	No	Swami Vivekananda Youth Movement	CSR00002215
13	Employability skill development for Engineering students	ii	No	Tamil Nadu	Chennai, Salem, Virudhunagar, Madurai, Tirunelveli, Vellore, Tiruvannamalai, Kanchipuram, Tirupattur, Kanyakumari, Coimbatore	0.69	No	Naandi Foundation	CSR00001184

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
14	Employability skill development For Govt ITI students	ii	No	Tamil Nadu	Kallakurichi, Tanjavur, Ariyalur, Perambulur, Coimbatore, Nilgiris, Cuddalore, Dharmapuri, Erode, Karur, Tiruvannamalai, Tiruppur	0.33	No	Naandi Foundation	CSR00001184
15	Skilling for mothers of spastic children & for teachers	ii	No	Karnataka	Bangalore Urban & Rural	0.15	No	Spastics Society of Karnataka	CSR00003311
16	Rehabilitation/Skilling/Placement of less privileged disabled youth & capacity building	ii	No	Karnataka	Bangalore, Udupi, Gadag, Belgaum,	1.15	No	Association of People with Disability	CSR00001544
17	Livelihood and entrepreneurship development for women	ii, x	No	Tamil Nadu	Tiruvannamalai	0.67	No	Reviving Green Revolution Cell	CSR00000933
18	Adoption and support to Government Tribal ITIs	ii	No	Tamil Nadu	Namakkal, Salem, Tiruvannamalai, Coimbatore, Nilgiris	0.27	Yes	Direct Implementation	Not Applicable
19	Building entrepreneurship skills for traficked women	ii	No	West Bengal	Murshidabad	0.08	No	Anudip Foundation	CSR00000060
20	Project Kashika - Supporting women artisans in the traditional crafts of Zardozi and Meenakari from Varanasi	v	No	Uttar Pradesh	Varanasi	0.10	No	Human Welfare Organization	CSR00003997
21	Support for women weavers across Karnataka	v	No	Karnataka	Shimoga	0.04	No	Kavi Kavya Trust (Charkha)	CSR00004520
22	Project Tarasha - an initiative training and facilitating craftpreneurs and craft groups to reach market directly by creating their own micro websites	v	No	Pan India	Various Districts	0.20	No	SVP Philanthrophy Foundation	CSR00001672
23	Project Chethana - Training women in making banana fibre products and providing sustainable livelihoods through the initiative	v	No	Karnataka	Uttarakannada	0.05	No	Foundation for Innovation & Social Entrepreneurship	CSR00021530
24	Project K.N.I.T (Knitting New Initiatives for Transformation) - To strengthen women knitters in Kilmora into an enterprise unit through the execution of a sustainable livelihoods and business strategy	v	No	Uttarakhand	Various Districts	0.15	No	All India Artisans & Craftworkers Welfare Association	CSR00000620
25	Program recognizing design thinking in product design that enable social change	i, ii & iv	No	Pan India	Various Districts	0.50	No	Foundation for Innovation & Social Entrepreneurship	CSR00003944

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Cr)	Mode of implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
26	Design Impact Movement - A platform advocating Design Thinking for Social Impact through various offerings like masterclasses, opportunity statements, webinars, workshops et al. The platform seeks to inspire youth to engage in solution design for social needs and presently has 20k+ sign-ups.	i, ii & iv	No	Pan India	Various Districts	0.29	No	Research and Extension Association for Conservation of Horticulture and Agro-Forestry (REACHA)	CSR00000086
27	Integrated Village Development Program	i,ii,iv,x	No	Uttarakhand	Tehri Garhwal	0.40	No	Himmotthan Society	CSR00000081
28	Watershed program	i,ii,iv	No	Uttarakhand	Tehri Garhwal	0.80	No	Himmotthan Society	CSR00000081
29	Watershed programs for livelihood	i,ii,iv	No	Tamil Nadu	Cuddalore	0.85	No	National Agro Foundation	CSR00000610
30	Happy Eyes Program - Includes support for comprehensive Eye Care (for screening, glasses, cataract surgeries), support for vision centers and operational expenses of Mobile rural vision screening program	i	No	Karnataka, Tamil Nadu	Kolar, Chamarajnagar, Ramanagara, Shimoga, Chitradurga, Davangere, Bangalore Rural, Haveri, Cuddalore, Mandya, Coimbatore,Tirupattur, Ramanagara, Bangalore Rural & Urban and Salem	1.37	No	Sri Kanchi Kamakoti Medical Trust (Sankara Eye Foundation)	CSR00003159
31	Happy Eyes Program - comprehensive Eye Care including support for Cataract and glasses for less privileged	i	No	Bihar	Various Districts	1.00	No	Yugrishi Shriram Sharma Acharya Charitable Trust	CSR00000858
32	Happy Eyes Program - support for cataract surgeries & early intervention	i	No	Telangana	Hyderabad	0.60	No	Hyderabad Eye Institute	CSR00001698
33	Neighbourhood initiatives as a responsible Corporate citizen	i,ii,iii,iv	No	Pan India	Various Districts	1.76	No	Various agencies	Not Applicable
34	COVID-19 response across the country	i	No	Tamil Nadu, Karnataka, Uttarakhand, Sikkim, Maharashtra and Delhi	Various Districts	7.72	No	Tata Education Development Trust and other agencies	CSR00003775 and others
		Total				**34.99**			

(d)	**Amount spent in Administrative Overheads**	0.18
(e)	**Amount spent on Impact Assessment, if applicable**	0.25
	Total amount spent for the Financial Year (8b+8c+8d+8e)	
(g)	**Excess amount for set off, if any**	**0**

Sl. No.	Particular	Amount (in ₹ Cr)
(i)	Two percent of average net profit of the company as per section 135(5)	35.01
(ii)	Total amount spent for the Financial Year	35.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.41
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Cr)	Amount spent in the reporting Financial Year (in ₹ Cr)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ Cr)
				Name of the Fund	Amount (in ₹ Cr)	Date of transfer	
1	2020-2021	0	0	Not Applicable		Not Applicable	0
2	2019-2020	0	0	Not Applicable		Not Applicable	0
3	2018-2019	0	0	Not Applicable		Not Applicable	0
	TOTAL						

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

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

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

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

Sd/-
C K Venkataraman
Managing Director

Sd/-
Pradyumna Vyas
Chairman, Board CSR Committee

3rd May 2022
Bengaluru

Annexure - III

DIVIDEND DISTRIBUTION POLICY

SCOPE AND PURPOSE

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

OBJECTIVE

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

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 29th April 2021.

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.

Dividend Range:

Subject to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also take into account optimal shareholder return. The Company would endeavour to target a total dividend pay-out ratio in the range of 25% to 40% of the Annual Standalone Profits After Tax (PAT) of the Company.

Parameters adopted with regard to various classes of shares:

Presently, the Authorised Share Capital of the Company is divided into equity share of ₹ 1 each and Preference shares of ₹ 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 - IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended March 31, 2022

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2022 (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 (Not Applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);

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

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

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

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

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

(vi) Other Laws Applicable to the Company namely:

a. Industries (Development & Regulation) Act, 1951

b. The Factories Act, 1948

c. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959

d. The Apprentices Act, 1961

e. The Employees Provident Fund & Miscellaneous Provisions Act, 1952

f. The Employees State Insurance Act, 1948

g. The Workmen's Compensation Act, 1923

h. The Maternity Benefits Act, 1961

i. The Payment of Gratuity Act, 1972

j. The Payment of Bonus Act, 1965

k. The Industrial Disputes Act, 1947

l. The Trade Unions Act, 1926

m. The Payment of Wages Act, 1936

n. The Minimum Wages Act, 1948

o. The Child Labour (Regulation & Abolition) Act, 1970

p. The Contract Labour (Regulation & Abolition) Act, 1970

q. The Industrial Employment (Standing Orders) Act, 1946

r. Equal Remuneration Act, 1976

s. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979

t. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

u. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996

v. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013

w. Dangerous Machines (Regulation) Act, 1983

x. Indian Boilers Act, 1923

y. The Karnataka Shops & Establishments Act, 1961

z. The Industrial Establishments (National and Festival Holidays) Act, 1963

aa. The Labour Welfare Fund Act, 1965

bb. The Karnataka Daily Wage Employees Welfare Act, 2012

cc. The Environment Protection Act, 1986

dd. The Water (Prevention & Control of Pollution) Act, 1974

ee. The Water (Prevention & Control of Pollution) Cess Act, 1977

ff. The Air (Prevention & Control of Pollution) Act, 1981

gg. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

hh. Manufacture, Storage and import of Hazardous Chemicals Rules, 1989

ii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

jj. The Competition Act, 2002

kk. The Indian Contract Act, 1872

ll. The Sales of Goods Act, 1930

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

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

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

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

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

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

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

We further report that:

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

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

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

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

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

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN Number: F007260D000258885
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: 3rd May 2022

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

‘Annexure’

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN Number: F007260D000258885
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: 3rd May 2022

Management Discussion and Analysis

Performance during the year 2021-22

The Company delivered a solid all-round performance in the Financial Year 2021-22 despite the pandemic-related disruptions during parts of the year. The Company's multiple capabilities ensured a stupendous financial performance despite having less than eleven months of normal operations in the year. Some of the key factors that helped deliver an exceptional sales and financial performance for the year are:

- The ability to push many levers for growth in the Jewellery segment and the continued formalisation of the jewellery industry
- The journey of premiumisation in the Watches & Wearables segment saw disproportionately good performance by premium brands like Titan
- Rapid store expansion in the EyeCare segment coupled with launch of innovative products and correct-selling
- A slew of digital initiatives that helped the Company leapfrog in overall digital influence with online selling of the Company's products picking up in foreign countries
- The continued deep commitment of all Titanians and all retail, distribution and vendor partners and their employees

As a result of all these, all the businesses exceeded their targets and also laid the foundations for a very good Financial Year 2022-23.

WATCHES & WEARABLES DIVISION

The year 2021-22 saw a creditable performance with a 48% growth in net Unit Cost Price terms and 46% in Net Sales Value terms over Financial Year 2020-21. Despite the external challenges created by the two waves of COVID-19 that impacted consumer sentiment in April/May 2021 and then in January 2022, the watches business witnessed a smart recovery. As consumption and retail saw a bounce back during the festive quarter and during February 2022, the Watches & Wearables Division (W&W Division) witnessed good retail growth across on ground and online channels. The employees, especially in the stores and factories, showed remarkable grit and resilience and overall, the team worked in a cohesive and agile manner to bring business back.

The journey of premiumisation which had started several years back continued to give good results as seen in the disproportionately good performance of premium brands like Titan; International Brands like Tommy Hilfiger, as also, premium channels like Titan World and Helios. The W&W Division has improved its market share in Large Format Stores like Shoppers Stop and Lifestyle in the past year.

The digitisation focus also continued in Financial Year 2021-22 following the big boost seen during the pandemic. The online sales of the W&W Division were at 19% of the total sales. E-commerce channels – both external marketplace and brand e-commerce, continued to build traction exceptionally well, riding on the continued digital wave. The W&W Division brands are in the top 5 among the big marketplace e-commerce platforms. The omnichannel strategy has now been firmly established and giving good business results.

Transformation journeys have been undertaken in the two main on-ground channels – the Titan World (earlier called World of Titan) and the Multi-Brand Retail channels. The expectations of today's consumer with respect to brands and merchandise available, the look and feel of the stores, the technological capability, the sales staff capability and customer experience have risen sharply in the last few years. These higher expectations have made the W&W Division work with franchisees and multi-brand retailers to significantly upgrade the retail experience. Apart from the renovations, the W&W Division also undertook massive expansions in both Titan World and Helios store chains in the last year.

Brand Titan has led the way in the W&W Division with disproportionate traction on the back of design-differentiated products and compelling marketing campaigns. The highlights were the "Minimals" and "Mechanicals" launches in the second and third quarter of the Financial Year 2021-22. Brand Fastrack came up with an exciting new brand proposition called "You do You" based on the insight that Gen Z consumers want to authentically express themselves in everything they do. Collections like "Stunners" and "Urban Bounce" have captured their imagination and were very successful in the market. In brand Sonata, the W&W Division saw exciting new products based on innovations like Sonata Unveil. Sonata has adopted a "Winning in Many India's" strategy of marketing communication, focused deeply on states like Tamil Nadu and Maharashtra for maximum impact.

The manufacturing ecosystem showed resilience and agility to respond to changing demands across quarters regarding capacity. At the same time, the Make in India initiative has gathered significant momentum in the last year with many components being indigenised.

Entry of new brands that can disrupt the market, price cuts by existing and new players to capture market share and delay in launch of new products due to the restricted vendor base remain some of the key risks, but the W&W Division is well equipped to address these if they were to arise.

Wearables

The category saw significant growth in the year and the W&W Division launched 3 major products - Titan Smart, Titan Smart Pro and Fastrack Reflex Vox. All three were launched in the second half of the year and have seen superlative market response. Technical features like AMOLED screen and Alexa which are in consumer demand have been incorporated along with great design and marketing.

The pipeline of wearable products for the coming few quarters is packed with exciting products from both brands. The W&W Division is also planning more products in the rapidly exploding hearables or audio accessories space.

JEWELLERY DIVISION

The Financial Year 2021-22 was a volatile one: disruptions due to lockdown on account of the Delta variant in the first quarter, a rapid demand recovery in the second quarter, a massive surge in sentiment during the festive third quarter and another round of disruptions in the fourth quarter on account of the Omicron variant in January 2022 followed by a sharp increase in gold prices in second half of February onwards owing to the geopolitical conditions, impacting consumer sentiment.

Amidst this volatility, the Jewellery Division clocked in a very healthy 35% growth over the previous year as well as the pre-pandemic year making further market share gains in an industry that is witnessing continued formalisation. Growth in the more profitable studded category was significantly higher, leading to better gross margins and higher overall profitability. All the engines of growth have been firing well, including the newly developed one of Digital (Online commerce & omnichannel) and the deeper regionalisation thrust in the recent years. All brands of the Jewellery Division have seen very handsome growths.

The outlook in the coming year is positive which shall hopefully see a disruption-free first quarter that has Akshaya Tritiya and a strong wedding season after two years of pandemic led lockdowns. High growths were seen in Golden Harvest enrolments and new buyers have also corroborated this view.

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

The breakthrough momentum seen in Zoya and Mia by Tanishq brands also looks promising and both are expected to scale greater heights in the next few years.

CaratLane has sustained a superlative growth in Financial Year 2021-22 in the top line and bottom line. The powerful omnichannel approach, very high technology capability, innovative product lines and the new-age employee culture have combined exceptionally well.

The Company continued to give high importance to achieve responsible sourcing.

International Business

The International Business Jewellery Division followed through on the success of the first Tanishq Dubai store in Meena Bazaar with a second store in Al Barsha. Both stores were very successful, with discerning customers continuing to recommend the excellent products and collections, the exquisite ambience and the superlative customer experience. In a market that was significantly tourist traffic driven, Tanishq has reset customer experience standards. The expansion into more stores in the UAE and the GCC countries will continue. The Jewellery Division through the Company's subsidiary, is also looking forward to opening its first Tanishq store in the USA during the Financial Year 2022-23. The Indian diaspora jewellery opportunity is very large to make this a meaningful part of the entire international business portfolio in the near future.

EYECARE DIVISION

The year started with the onset of the second wave of the pandemic and paralysed the operations to a large extent. Many stores were closed across the nation till the end of the first quarter. The momentum picked up significantly at the start of quarter two and thereafter the EyeCare Division rose very strongly with a complete transformation. The growth reached the pre-pandemic levels compared to the Financial Year 2020-21.

Product Innovation continued to be the core for the EyeCare Division. Some noteworthy innovations the EyeCare Division undertook during the year were as follows:

- Indigenously designed Smart Wearable **"Titan EYEX"** through the Design Excellence Centre which received great customer reviews
- Launched **"ClearSightZ Lenses"** with 8 in 1 features. Its key feature of Zero Residual colour makes it unique. Overall ClearSight range has become a significant part of our lens portfolio
- Introduced **"GenXT"** Lenses made for millennials who have higher exposure to Digital screens and **"Office Pro"** Lenses apt for office usage

The EyeCare Division recorded a growth of 43%, retail grew by 27%, distribution channels by 147% and E-Commerce by 48% in the Financial Year 2021-22. This was due to the significant thrust on expansion through the Ecolite model

under which the EyeCare Division added 180 new stores and closed 20, taking the total store count to 760. The EyeCare Division also opened the first Fastrack prescription EyeCare store to address the growing youth segment.

The EyeCare Division's commitment to "Eyecare" has led it to focus on "Correct Selling" – a process of dispensing the appropriate solution at the right price. This approach aims at allowing the customer to make well-informed purchase decisions, thereby creating a strong price-value equation.

The EyeCare Division supply chain scaled up during the year with Lens production crossing one million for the first time. Frame production too peaked at 4,00,000 units.

The opportunity for the EyeCare Division is immense, where ~40% of the Indian population needs vision correction, however, only one third have adopted a solution. Lack of awareness is a big factor. This provides a great opportunity to serve many more new customers.

As the world is moving towards normalcy, time and energy is being spent in areas such as marketing investment to create brand awareness, accelerating store count with an aim to reach 1,000 stores by Financial Year 2022-23, continued product innovation and scaling up of in-house production and indigenisation.

FRAGRANCES & FASHION ACCESSORIES DIVISION

The Fragrances & Fashion Accessories Division's (F&FA Division) customer value proposition to offer the most desirable fragrances at affordable pricing continues to evoke good response from customers. The Fragrance Business recovered very well during the last financial year, clocking a revenue recovery of 83% (vs. Financial Year 2019-20) and a growth of 50% over Financial Year 2020-21. E-commerce sales registered 60% growth on account of shifting consumer preferences. While Department stores clocked 81% growth over Financial Year 2020-21, recovery has been 65% over Financial Year 2019-20.

SKINN has extended its reach with its "Feel your best" campaign. The approach has been to democratise usage of fragrances in India and make them part of everyday dressing and grooming rituals. The brand continues to build credibility and advocacy through consistent, meaningful associations with influencers, celebrities and master perfumers. SKINN Brand has led the category by being #1 Rank across department chains.

Fine Fragrances continue to remain a big opportunity with category penetration being in low teens and the category is expected to grow at a minimum of 10% CAGR over next 5 years. The Masstige segment in fine fragrances contributes 25% to overall category in department stores and is expected to grow to 1.5 times next year. SKINN brand being the leader in this segment is likely to leverage it the most as compared to other players.

The key task for the F&FA Division is to work on developing the market for fine fragrances given the consumer sentiment of "looking good and feeling good", driven by growing aspirations of the millions of youth, armed with higher disposable income.

The current volatile environment created due to COVID-19 and, various geopolitical issues which impacted supply chain is likely to increase the Cost of Goods Sold in the short term.

Women's Bags

Fastrack Girls Bags registered a healthy growth trend having served 1,00,000+ customers. The brand in this category expanded its footprint across the top three Department chains and presence of exclusive lines in two of the largest online platforms. The AW21(Autumn-Winter) and SS21(Spring-Summer) collections launched during the year were well received in the market. The **"Wear your Attitude"** campaign along with the trendy, fashionable designs pitched women's bags as a wearable fashion accessory to the target audience highlighting the brand vision.

The category is expected to grow at minimum 12% CAGR over the next 5 years. The consumer opportunity is very large as they are under-served in terms of style, design and purchase preferences.

In this category, ~ 65% of the consumers prefer to buy organised brands through online and department stores due to availability and options. Fastrack Girls bags also reflected the same trend with good off-takes in online sales and department stores.

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INDIAN DRESS WEAR DIVISION

Sarees comprised around 40% of the women's ethnic wear market. The industry is highly fragmented and unorganised with an informal supply chain. Authenticity of material and transparency in prices are very weak, despite being a highly penetrated category. Online play and social media too are becoming very active for this category with social commerce gaining ground. Wedding-related purchase accounts for ~40% of the business and sarees continue to be a key part of the trousseau. The industry is recovering from the aftermaths of COVID-19 and is expecting a strong wedding season in the year ahead.

The Indian Dress Wear Division (IDW Division) took major strides forward in all the areas of its business in the Financial Year 2021-22 despite disruptions due to COVID-19 in the first and the fourth quarter. Overall Financial Year 2021-22 sales grew by 55%. Taneira is emerging as the brand of choice for Indian women for ethnic wear. With the best of India under one roof, the IDW Division brings unique ensembles with traditional authentic weaves in contemporary form that celebrate the diverse textiles and craftsmanship from across the country. The carefully curated products with exclusive designs cater to all kinds of occasions such as festivals, weddings and special occasions. The brand also successfully piloted new categories in kurta and kurta sets. The brand has created an intimate yet relaxed browsing experience in the stores providing for an easy and elevated shopping experience.

During the last Financial Year, the IDW Division scaled up its operations with 6 new stores taking the total footprint to 20 stores. Self-browse retail format continued to be the core of the retail formats enhancing customer experience. Over 54 Trunks and Pop-ups were also held across India.

Taneira debuted on Lakme Fashion Week with its signature collection - "The Fusion Edit" that focused on coming together of multiple crafts from various parts of the country, making every product a true masterpiece. Another key campaign was Taneira Essentials – it cued the starting price points across fabrics and saree as a comfortable fashionable garment for everyday wear.

With a solid plan for expansion set afoot for Financial Year 2022-23, the year saw many initiatives to strengthen the supply chain. To establish a closer connect with the weaving community, the existing sourcing centres at Varanasi, Kanchipuram and Indore were upgraded and Jaipur sourcing centre was established. The brand has taken up the responsible task of transforming weavers' ecosystem by supporting them with technical expertise and improving their working conditions. The brand is working with weaving societies and major weavers to upgrade the weaving facilities by setting up a clean factory set up with proper ventilation and other facilities in Varanasi and Chapa (Chhattisgarh). This will enable the next generation of weavers to continue to work in a clean work atmosphere with dignity and earn respectfully.

The risks to the category would emerge from the increasing input costs of raw materials like silk and cotton, traditional weaving communities moving to other professions and the perception of sarees being seen as a traditional apparel not preferred by the youth.

The IDW Division will continue to focus on retail expansion and building same store growth, sharpening its customer value proposition, expanding reach through its e-commerce channel, building design centricity and modernising artisan and weavers' ecosystems.

DESIGN EXCELLENCE CENTRE

The Design Excellence Centre (DEC) is the design arm of the Company, which caters to the design needs of the entire organisation across categories – Watches, Jewellery, EyeCare, and Fragrances & Fashion 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 strengths of the 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, watches and eyewear 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.

Winning the Global Red Dot award for EyeCare design 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 across businesses pushed the boundary of design and brought in differentiated looks, techniques and innovation.

CYBER SECURITY

Cyber Security has become critical with the increased adoption of Digital across all businesses of the Company. The Company has been investing in the upgradation of the Cyber Security resources and infrastructure as part of a multi-year Board monitored program. The Company has adopted the NIST Cyber Security Framework and has deployed tools, technologies and processes across the Identify, Protect, Detect, Respond and Recover spectrum of solutions. A range of solutions from state-of-the-art anti-malware EDR solution to various intrusion detection and prevention systems protect the Company's digital assets both in the data centre and cloud deployments. A security operations centre monitors the infrastructure round-the-clock with robust response processes in place to deal with any incidents. The Company carries out continuous risk review and control upgradation based on the latest threat intelligence and breach and attack simulation exercises.

The Company has increased its focus on data protection, data privacy and third party risk and has rolled out solutions to enhance customer data and privacy protection. The Company has been rated by the external agency BitSight with an Advanced Maturity Score through the year and is in the top 10 percent of consumer goods industry.

PEOPLE

The Company had 7,263 employees on rolls of which 1,961 were women as on 31st March 2022 and recruited 483 new employees. The Company also had an attrition of 547 employees. Of the total head-count, 3,066 employees were engaged in manufacturing, 3,185 in retail and 1,037 in corporate and support functions. Of the total base, 130 employees are differently abled.

Diversity in Titan begins right at the top; the Company is currently at par with some of the best companies to work for women with 15% gender diversity in its Top Management and 34% gender diversity at the entry levels. While the Company is at par at the Entry and Top management levels, the efforts at this point are focused towards increasing the gender diversity at mid-management levels. The Company has also been successful in maintaining a pay equity for both genders across levels ensuring that it builds an equitable workplace. The women's share of high performance and promotions are very close to the men's share in the organisation, with more number of women moving to higher band roles as compared to men in the Financial Year 2020-21.

The Company is committed to embed Diversity, Equity and Inclusion across everything, focusing on three core areas - increasing gender representation across managerial levels, strengthening diversity enabling processes and building a culture of inclusivity, with an immediate goal to increase the number of 'Women in Retail and Sales'.

Starting this calendar year, the Company launched a set of new inclusive policies – Travel, Non-Metro Posting Benefits, enabling women in the Company to choose the fastest and safest options for travel and stay for business travels and Parental Support, the objective of which was to create a gender-neutral policy and give fathers opportunity to actively partner in the journey of parenting and to be inclusive to all mediums of becoming a parent (Adoption and Surrogacy) for single or married parent or same sex partners and truly create a policy that is contemporary and meets the needs of today.

On 8th March, Women's Day, the Company launched its very first women's network – NoW (Network of Women). This network is aimed towards providing a platform for women across cities, businesses and functions, to share ideas, aspirations, experiences, dilemmas and to also help the Company create more inclusive, more equitable and more diversified teams all around.

TELL ME 2021

The Tell Me is a benchmark process through which employees get a chance to communicate directly with the Managing Director of the Company. Tell Me has a legacy of 15+ years and has proved to be an honest representation of the Voice of the Employee.

The 2021 version of Tell Me was pivoted to experiment with a different format of meeting small homogenous cohorts of employees across different locations and businesses of the Company and the Chief People Officer was included as an active listener, along with the Managing Director.

The Managing Director and the Chief People Officer met 50 groups covering 500+ employees over 70+ hours, across the length and breadth of the Company. The format of the session was kept simple; it was purely a listening session. The qualitative inputs from the employees have been taken into cognizance.

Capability Building

The Company continued to invest in leadership development programs across the 4 tiers namely Top Management Development (TMD), Senior Management Development (SMD), Emerging Leaders Program (ELP) and Young Leaders Program (YLP). In addition, the Company also introduced a new program called Sales Excellence Program (SEP) which focussed on building a talent pipeline for sales management roles.

The Company further strengthened its capability-building platform TitanU with 500+ modules on core engineering topics. Several blended developmental journeys through TitanU were launched, which encompass Digital Learning, Virtual and Classroom Instructor-led Learning and project work.

Employee Relations

The Company continues to build on its relations with the unionised employees with the mantra of trust, transparency and togetherness.

Voluntary Retirement Scheme 2022

With the idea of enabling employees desirous of exploring alternate interests, pursue entrepreneurship, focus on personal health, take care of family or pursue other vocations, Voluntary Retirement Scheme 2022 was announced on 4th March 2022. About 90 employees across the Company availed the Scheme.

RISKS AND OPPORTUNITIES

While the opportunities are covered in each of the business divisions above, the geopolitical risks and cyber security risks at the Company level and any regulatory changes particularly in the jewellery industry are the key risks identified. The Company is geared up to face any geopolitical risks that may potentially disrupt the supply chain operations of the Company.

Further, since the Company has now expanded in the international markets, any local regulatory changes in the respective markets may impact its operations.

The Company, as part of its risk mitigation measures, has identified appropriate action points in consultation with the Risk Management Committee.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

During the year, the Company has reviewed its Internal Financial Control (IFC) systems and has continually contributed to the 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, 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 an adequate Internal Financial Controls system, operating effectively as at 31st March 2022.

There is an active internal audit function carried out partly by the internal resources and the balance activity outsourced to chartered accountant firms. As part of the efforts to evaluate the effectiveness of internal control systems, the internal audit department reviews control measures on a periodic basis and recommends improvements, wherever appropriate. The Internal Audit department is staffed by qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as adequacy and effectiveness of the internal control measures.

SEGMENT WISE PERFORMANCE

(₹ in crore)

Segment Results	Year Ended 31st March 2022 (Audited)	Year Ended 31st March 2021 (Audited)
Net Sales/Income from Operations		
Watches	2,309	1,580
Jewellery	24,313	18,631
EyeCare	517	375
Others	154	98
Corporate (Unallocated)	163	99
Total	**27,456**	**20,783**

(₹ in crore)

Segment Results	Year Ended 31st March 2022 (Audited)	Year Ended 31st March 2021 (Audited)
Profit/(Loss) from segments before finance costs and taxes		
Watches	108	(65)
Jewellery	3,027	1,686
EyeCare	50	23
Others	(36)	(45)
Total	**3,149**	**1,599**
Less: Finance costs	195	181
Corporate (unallocated)	(22)	(185)
Profit before taxes	**2,932**	**1,233**

(₹ in crore)

Segment Net Assets	Year Ended 31st March 2022 (Audited)	Year Ended 31st March 2021 (Audited)
Watches	1,351	1,254
Jewellery	4,998	1,516
EyeCare	194	193
Others	117	80
Corporate (unallocated)	2,713	4,510
Total	**9,373**	**7,553**

HOW THE COMPANY FARED

Some of the key financial indicators are as below:

	FY 2021-22	FY 2020-21	FY 2019-20
Sales to Net fixed assets (No. of times)	25	20	18
Sales to Debtors (No. of times)	55	71	93
Sales to Inventory (No. of times)	2	3	3
Retained Earnings - Rupees in crore	6,104	4,279	3,758

	FY 2021-22	FY 2020-21	FY 2019-20
Return on Capital Employed (EBIT)	38%	22%	35%
Return on Net Worth	26%	12%	23%
Interest Coverage Ratio*	1,049	57	143
Current Ratio	2	2	2
Debt Equity Ratio	0.2	0.2	0.1
Operating Profit Margin %*	10.8%	6.7%	10.5%
Net Profit Margin	**8.0%**	**4.3%**	**7.6%**

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 2021-22	FY 2020-21	% change
Interest Coverage Ratio	1,049	57	1,740
Operating Profit Margin	10.8%	6.7%	62
Net Profit Margin	**8.0%**	**4.3%**	**86**

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 2021-22	FY 2020-21	% change
Return on Net Worth	26%	12%	117

**Note: The performance of the Divisions were better during Financial Year 2021-22 as compared to Financial Year 2020-21. This was due to lower store closures in the Financial Year 2021-22. Hence, this has resulted in an increase in the profit before tax by 138%, which in turn impacted the respective ratios having a variance of more than 25%.*

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Companies Act, 2013.

OUTLOOK FOR FINANCIAL YEAR 2022-23

At an overall level, the circumstances of Financial Year 2022-23 appear better than Financial Year 2021-22 with less uncertainty.

- The return to normalcy of the economic conditions would bode well for the Company's customers (the Middle Class and the Upper Middle Class) with virtually all companies increasing the pace of hiring and giving out raises to their employees, with its cascading effects on other segments of the population
- Given the Company operates in the industries having low formalisation, the opportunity for the Jewellery Division in particular is huge considering the increasing per capita growth in income in India in the next five years
- The focus of the Company in the international markets is expected to increase the top line considerably
- The emerging businesses of the Company have rapid plans of expansion and should see increase in the retail footprint of the Company

The Management is approaching the Financial Year 2022-23 with a new vigour and is confident that it will be able to overcome all the challenges that come its way.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which it operates, changes in the Government regulations, tax laws and other statutes, any epidemic or pandemic, natural calamities over which we do not have any direct/ indirect control.

Ratios given in notes as part of Financials differ from ratios given in Discussion & Analysis as the ratios in Financials are computed purely based on formulas given in the Guidance Note issued by the ICAI.

The figures in the Management Discussion and Analysis are commentaries by the Businesses and are basis business metrics which may differ from the Financials in the Annual Report.

Corporate Governance Report

The report on Corporate Governance is pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR"). The Company has complied with the applicable requirements of the SEBI LODR and amendments thereto.

1. CORPORATE GOVERNANCE PHILOSOPHY

The 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 make sound decisions, thus maximising long-term stakeholder value without compromising on integrity, societal obligations, environment and regulatory compliances. Effective corporate governance practices constitute the strong foundation, on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos.

The Company's Corporate Governance philosophy has been further strengthened through the Tata Code of Conduct and the Company's Codes of Fair Disclosure and Conduct. The Tata Code of Conduct, which articulates the values, ethics and business principles, serves as a guide to the Company, its directors and employees and is supplemented with an appropriate mechanism to report any concerns pertaining to non-adherence to the said Codes. Overall, the Company's Corporate Governance practices are a reflection of its value system encompassing its culture, policies, and relationships with its stakeholders.

As a Company with a strong sense of values and commitment, your Company understands that Corporate Governance is not just a destination, but also a journey to constantly improve sustainable value creation. The Company has over the years, followed the best practices of Corporate Governance. The Company's overall governance framework, systems and processes reflect and support its Mission, Vision and Values. The Vision of the Company: **"To create elevating experiences for the people we touch and significantly impact the world we work in"** underpins the Corporate Governance philosophy.

2. BOARD OF DIRECTORS

Titan is promoted by the Tamilnadu Industrial Development Corporation Limited ("TIDCO") and the Tata Group. As on 31st March 2022, the Company had 12 Directors, comprising 11 Non-Executive Directors and 1 Executive Director. The profiles of Directors can be accessed on the Company's website at *https://www.titancompany.in/investors/investor-information/board-of-directors*.

The composition of the Board of Directors as at 31st March 2022 was as follows:

Category	Name of Director	No. of Directors
Nominee Directors of TIDCO		
(Non-Executive, Non-Independent)	Mr. S Krishnan[1] Mr. Pankaj Kumar Bansal[2] Ms. Jayashree Muralidharan[3]	3
Nominee Directors of Tata Group		
(Non-Executive, Non-Independent)	Mr. N N Tata Mr. Bhaskar Bhat	2
(Executive, Non-Independent)	Mr. C K Venkataraman	1
Independent Directors		
	Mr. Ashwani Puri Mr. B Santhanam Mr. Pradyumna Vyas Dr. Mohanasankar Sivaprakasam Ms. Sindhu Gangadharan Mr. Sandeep Singhal	6
Total		**12**

[1] Mr. S Krishnan, IAS, nominee of TIDCO was nominated as Chairman of the Board and was appointed effective 10th December 2021, in place of Mr. N. Muruganandam, who resigned from the Board effective 10th December 2021.

[2] Mr. Pankaj Kumar Bansal, IAS, nominee of TIDCO was appointed on the Board effective 16th June 2021 and his appointment was approved by the shareholders at the 37th Annual General Meeting of the Company held on 2nd August 2021.

[3] Ms. Jayashree Muralidharan, IAS, nominee of TIDCO was appointed on the Board effective 11th August 2021.

During the year, the Company had a Non-Executive Chairman, nominees of the Promoter, and half of the total strength of the Board of Directors were independent. The composition of the Board is in conformity with Regulation 17 of the SEBI LODR read with Section 149 of the Companies Act, 2013 (the "Act").

The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors, other than payment of sitting fees and payment of commission, as applicable, except for the post-retirement benefits being paid to Mr. Bhaskar Bhat, as approved by the Board, consequent upon his retirement as Managing Director on 30th September 2019. The Company reimburses the out-of-pocket expenses, if any, incurred by the Directors for attending meetings of the Company.

As on the date of this report, none of the Directors serve as a Director or as an Independent Director in more than 7 listed entities, and the Managing Director does not serve as an Independent Director on any listed company. Further, none of the Independent Directors serve as a Non-Independent Director of any company on the board of which any of our Non-Independent Directors is an Independent Director. During FY 2021-22, none of the Directors acted as a Member in more than 10 committees or as a Chairperson in more than 5 committees (committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI LODR) across all listed entities where they serve as a Director.

The Board of Directors met nine times during FY 2021-22. The Board meetings were held on 29th April, 28th June, 16th July, 4th August and 27th October in 2021 and 4th January, 3rd February, 25th February and 14th-15th March in 2022.

The information as required in terms of SEBI LODR is being regularly placed before the Board. The Board also reviews the declaration made by the Managing Director of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

The attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic public companies as at 31st March 2022 are as indicated below:

Name of Director	No. of Board Meetings attended during the year 2021-22	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]	2	No	Not Applicable			
Mr. V Arun Roy[2]	1	No	Not Applicable			
Ms. Kakarla Usha[3]	0	NA	Not Applicable			
Mr. S Krishnan[4]	4	NA	7	3	Nil	Nil
Ms. Jayashree Muralidharan[4]	4	NA	1	7	Nil	1
Mr. Pankaj Kumar Bansal[5]	8	No	2	6	1	2
Mr. N N Tata	9	Yes	4	4	1	2
Mr. Bhaskar Bhat	9	Yes	1	4	Nil	4
Mr. Ashwani Puri	9	Yes	Nil	3	3	Nil
Mr. B Santhanam	8	Yes	Nil	3	1	4
Mr. Pradyumna Vyas	9	Yes	Nil	5	1	2
Dr. Mohanasankar Sivaprakasam	9	Yes	Nil	1	Nil	1
Ms. Sindhu Gangadharan	8	Yes	Nil	1	Nil	1
Mr. Sandeep Singhal	9	Yes	Nil	1	Nil	1
Mr. C K Venkataraman	9	Yes	Nil	3	Nil	2

excludes Committees other than Audit and Stakeholders Relationship Committee.

[1] *Mr. N Muruganandam ceased to be a Director effective 10th December 2021.*

[2] *Mr. Arun Roy ceased to be a Director effective 11th August 2021.*

[3] *Ms. Kakarla Usha ceased to be a Director effective 16th June 2021.*

[4] *Mr. S Krishnan and Ms. Jayashree Muralidharan were appointed on the Board effective 10th December 2021 and 11th August 2021, respectively.*

[5] *Mr. Pankaj Kumar Bansal was appointed on the Board effective 16th June 2021.*

During the year, Mr. N Muruganandam, Mr. Arun Roy and Ms. Kakarla Usha ceased to be Directors upon withdrawal of nominations by TIDCO, effective 10th December 2021, 11th August 2021 and 16th June 2021, respectively. Mr. Ashwani Puri was re-appointed for a second term as an Independent Director by the shareholders of the Company at the 37th Annual General Meeting for a term upto 5th May 2026.

The names of other listed entities where the person is a director and category of directorship as on 31st March 2022 are as follows:

Sl No	Name of Director	Name of listed entities where the person is a director	Category of directorship
1	Mr. S Krishnan	Tamilnadu Newsprint and Papers Limited	Non-Executive, Non-Independent Director, Chairman
		Tamilnadu Petroproducts Limited	Non-Executive, Non-Independent Director, Chairman
2	Mr. Pankaj Kumar Bansal	Southern Petrochemical Industries Corporation Limited	Non-Executive, Non-Independent Director
		Tamilnadu Petroproducts Limited	Non-Executive, Non-Independent Director
3	Ms. Jayashree Muralidharan	Nil	NA
4	Mr. N N Tata	Kansai Nerolac Paints Limited	Non-Executive, Independent Director
		Trent Limited	Non-Executive, Non-Independent Director, Chairman
		Voltas Limited	Non-Executive, Non-Independent Director, Chairman
		Tata Investments Corporation Limited	Non- Executive, Non Independent Director, Chairman
		Tata Steel Limited	Non-Executive, Non-Independent Director
5	Mr. Bhaskar Bhat	Trent Limited	Non-Executive, Non-Independent Director
		Rallis India Limited	Non-Executive, Non-Independent Director, Chairman
		Bosch Limited	Non-Executive, Independent Director
6	Mr. Ashwani Puri	Coforge Limited	Non-Executive, Independent Director
7	Mr. B Santhanam	Saint-Gobain Sekurit India Limited	Non-Executive, Non-Independent Director
		Grindwell Norton Limited	Executive, Managing Director
8	Mr. Pradyumna Vyas	Dynamatic Technologies Limited	Non-Executive, Independent Director
		Kirloskar Brothers Limited	Non-Executive, Independent Director
9	Dr. Mohanasankar Sivaprakasam	Nil	NA
10	Ms. Sindhu Gangadharan	Nil	NA
11	Mr. Sandeep Singhal	Nil	NA
12	Mr. C. K. Venkataraman	Nil	NA

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

The Board confirms that the Independent Directors 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 and Management as of 31st March 2022.

In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, declarations on compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time, regarding the requirement relating to the enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors.

Number of shares and convertible instruments held by Non-Executive Directors:

Details of shares of the Company held by Non-Executive Directors as on 31st March 2022 are as below:

Name of Director	Number of Shares
Mr. S Krishnan	Nil
Mr. Pankaj Kumar Bansal	Nil
Ms. Jayashree Muralidharan	Nil
Mr. N N Tata	46,900
Mr. Bhaskar Bhat	80,960
Mr. Ashwani Puri	Nil
Mr. B Santhanam	Nil
Mr. Pradyumna Vyas	Nil
Dr. Mohanasankar Sivaprakasam	Nil
Ms. Sindhu Gangadharan	Nil
Mr. Sandeep Singhal	24

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

The details of familiarisation programmes for Independent Directors can be accessed at:

https://www.titancompany.in/sites/default/files/Familiarisation%20Programme%20-%202021-22.pdf.

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 the 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, building 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, the 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 advisories.

vi. **Manufacturing expertise-** Understanding various facets of manufacturing and operations, insight in innovation, ability to foresee and identify potential challenges, expertise in strategizing to obtain sustainable advantage.

vii. **Design and Aesthetics-** Expertise in design, ability to apply design thinking to various products, keen understanding of design development and related processes and aesthetic excellence.

viii. **Technological Expertise-** Expertise in Healthcare related technology, biomedical instrumentation, medical devices and diagnostics, insight in innovation and ability to bring in affordable healthcare technologies and healthcare delivery models. Expertise or experience in the information technology business, technology consulting and operations, areas of integration and innovation technologies, digital, cloud and cyber security, technology domain and knowledge of technology trends.

The Core Skills identified to each of the Directors of the Company are as follows:

Name of Director	Core Skills
Mr. S Krishnan	People Management and Leadership, Business Strategy
Mr. Pankaj Kumar Bansal	People Management and Leadership
Ms. Jayashree Muralidharan	People Management and Leadership
Mr. N N Tata	Business Strategy, Sales and Marketing.
Mr. Bhaskar Bhat	Manufacturing expertise, People Management and Leadership, Business Strategy, Sales and Marketing, Mergers and Acquisitions.
Mr. Ashwani Puri	Financial Expertise, Governance and Risk Management, Mergers and Acquisitions.
Mr. B Santhanam	Financial Expertise, People Management and Leadership, Manufacturing expertise, Business Strategy, Sales and Marketing, Governance and Risk Management.
Mr. Pradyumna Vyas	Design and Aesthetics.
Dr. Mohanasankar Sivaprakasam	Technological Expertise - Expertise in healthcare-related technology
Ms. Sindhu Gangadharan	Technological Expertise – Information Technology related and People Management and Leadership.
Mr. Sandeep Singhal	Business Strategy, Mergers and Acquisitions, Governance & Risk Management and Technological Expertise.
Mr. C K Venkataraman	People Management and Leadership, Business Strategy, Sales and Marketing.

CODE OF CONDUCT

Whilst the 'Tata Code of Conduct' is applicable to all Whole-time Directors and by definition to the Managing Director and the employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's website. All the Board members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended 31st March 2022. 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*.

BOARD EVALUATION CRITERIA

During the year, the Board Nomination and Remuneration Committee (BNRC) along with 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 the relationship between the Board and Management, contribution to decisions of the Board, guidance/support to Management outside Board/ Committee meetings.

The overall recommendations based on the evaluation were discussed by the Board and individual feedback from Directors was taken on record. The discussion quality was robust, well-intended and led to clear direction and decision. Based on the outcome of the evaluation, assessment and feedback of the Directors, the Board and the Management have agreed on various action points that would be implemented as per the agreed timelines. It was noted that the Board Committees function professionally and smoothly and besides the Board Committees' terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees. Progress on recommendations from last year and the current year's recommendations were discussed. Apart from the other key matters, the aspects of succession planning and committee composition were also discussed.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company (Annual ID Meeting) without the presence of the Executive Directors and the Management representatives was held on 15th March 2022, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI LODR. The Independent Directors expressed their satisfaction with the desired level of the governance of the Board and the consistent improvement in scores pertaining to various aspects of the Board meetings as captured in the Board Effectiveness Review exercise. At the said meeting, the Independent Directors:

(a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

(b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors;

(c) assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The Independent Directors were highly satisfied with the overall functioning of the Board and its various Committees and the high level of commitment and engagement. Apart from this, the Independent Directors also appreciated the commitment and contributions of the Chairman and Vice-Chairman of the Board in dealing with the Board matters as well as key strategic matters. Post the Annual ID Meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the BNRC with the Board covering the performance of the Board as a whole, the performance of the Non-Independent Directors and the performance of the Chairman of the Board. The Board also suggested certain areas which require more focused attention from the Management of the Company in the current Financial Year.

INSIDER TRADING CODE

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time, the Board of Directors of the Company had adopted the Codes of Fair Disclosure and Conduct ("the Code") which in turn contains the Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure Practices. This Code is applicable to all Directors, Promoters, such identified Designated Persons and their Immediate Relatives and other Connected Persons who are expected to have Unpublished Price Sensitive Information relating to the Company. The Chief Financial Officer of the Company is the Compliance Officer under the Code.

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 include the following:

a) To investigate any activity within its terms of reference;

b) to seek information from any employee;

c) to obtain outside legal or other professional advice;

d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

e) to have full access to information contained in the books of accounts and the Company's facilities and personnel.

Terms of reference of the Audit Committee:

The terms of reference of the Audit Committee is in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI LODR which inter alia includes overseeing the Company's financial reporting process and disclosure of its financial information to ensure correctness, sufficiency and credibility, reviewing the accounting policies, practices and standards, and the changes if any, and the reasons for such changes, reviewing with the Management the quarterly financial statements and Auditor's Report thereon before submission to the Board, review the effect of regulatory and accounting initiatives as well as off-balance-sheet structures on the financial statements, scrutinize inter-corporate loans and investments made by the Company, reviewing the utilization of loans, advances and investment by the holding company in the subsidiaries, review and monitor the auditor's independence and performance, and effectiveness of audit process, oversight of compliance with PIT Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively, as per the Code and PIT Regulations for Prohibition of Insider Trading, review Management Discussion and Analysis of financial condition and results of operations in the Annual Report, review with the Management the performance of statutory and internal auditors, review of the risk and control environment and framework operating in the unlisted subsidiaries, provide approval of payment to statutory auditors for any other services rendered by the statutory auditors, review and suitably reply to the report(s) forwarded by the auditors on the matters involving fraud, review the valuation of undertakings or assets of the Company. Further, the Independent Directors of the Committee to approve/review the Related Party Transactions (RPT) including examination of nature, basis and terms of the contracts/transactions to be entered into by the Company.

Additionally, the Audit Committee of the Board also oversees financial reporting controls and process for subsidiaries and compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") for the Company and its subsidiaries.

Mr. Ashwani Puri, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 2nd August 2021.

As at the year-end, the Audit Committee of the Board comprised of seven members, five 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 FY 2021-22. The Audit Committee meetings were held on 28th April, 3rd August and 26th October in 2021 and on 2nd February and 1st March in 2022.

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 5 meetings
Mr. Ashwani Puri, Chairman (Non-Executive) (Independent)	5
Mr. V Arun Roy[1] (Non-Executive) (Non-Independent)	1
Mr. B Santhanam (Non-Executive) (Independent)	5
Dr. Mohanasankar Sivaprakasam (Non-Executive) (Independent)	5
Ms. Sindhu Gangadharan (Non-Executive) (Independent)	4
Mr. Bhaskar Bhat (Non-Executive) (Non-Independent)	5

Name of Director & Category	No. of Meetings attended out of 5 meetings
Mr. Pankaj Kumar Bansal[2] (Non-Executive) (Non-Independent)	3
Mr. Sandeep Singhal[3] (Non-Executive) (Independent)	2

[1] *Consequent upon his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.*

[2] *Mr. Pankaj Kumar Bansal was appointed on the Board Audit Committee effective from 11th August 2021.*

[3] *Mr. Sandeep Singhal was appointed on the Audit Committee effective from 27th October 2021.*

The Managing Director, the Chief Financial Officer, the Chief Executive Officers of the Watches & Wearables Division, Jewellery Division, EyeCare Division, the Chief People 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. NOMINATION AND REMUNERATION COMMITTEE

The constitution of the 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 BNRC inter alia include recommending to the Board of Directors the selection and appointment or reappointment of Independent Directors ("IDs") in the Board and its Committees which shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee is also responsible for devising a policy on Board diversity and recommend to the Board appointment of Key Managerial Personnel ("KMP") and Senior Management Team in-charge of respective business divisions of the Company as defined by the Committee. The Committee also supports the Board and IDs in evaluating the performance of the Board, its committees and individual directors which include "Formulation of criteria for evaluation of Independent Directors and the Board". It also decides whether to extend or continue the terms of appointment of the IDs on the basis of the report of performance evaluation of IDs, which includes overseeing the performance review process of the KMPs and the executive team of the Company, recommending to the Board the remuneration policy for Directors, Executive team/KMPs as well as the rest of the employees, identifying and recommending to the Board, including their remuneration, the appointment and removal of persons for the positions/offices one level below the Chief Executive Officer/Managing Director/whole-time director/manager (including chief executive officer/manager, in case chief executive officer/manager is not a part of the Board), specifically including the position of the Company Secretary and the Chief Financial Officer.

The 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 FY 2021-22 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 two times during FY 2021-22. The Committee meetings were held on 29th April and 26th October in 2021.

The following Directors are the members of the Nomination and Remuneration Committee and their attendance in the meetings held during FY 2021-22:

Name of Director & Category	No. of Meetings attended out of 2 meetings
Mr. B Santhanam, Chairman (Non-Executive) (Independent)	2
Mr. N N Tata (Non-Executive) (Non-Independent)	2
Ms. Kakarla Usha[1] (Non-Executive) (Non-Independent)	0
Ms. Sindhu Gangadharan (Non-Executive) (Independent)	1
Mr. Pankaj Kumar Bansal[2] (Non-Executive) (Non-Independent)	1
Mr. Sandeep Singhal[3] (Non-Executive) (Independent)	NA
Mr. Pradyumna Vyas[3] (Non-Executive) (Independent)	NA

[1] *Consequent upon her resignation effective 16th June 2021, Ms. Kakarla Usha ceased to be a member of the Committee.*

[2] *Mr. Pankaj Kumar Bansal was appointed on the Board Nomination and Remuneration Committee effective from 16th June 2021.*

[3] *Mr. Sandeep Singhal and Mr. Pradyumna Vyas were appointed on the Board Nomination and Remuneration Committee effective from 27th October 2021.*

5. REMUNERATION OF DIRECTORS

MANAGING DIRECTOR

The Company has during the year paid remuneration to its Managing Director by way of salary, perquisites and commission within the limits approved by the Shareholders. The Board of Directors on the recommendation of the Board Nomination and Remuneration Committee approves the annual increment (effective April each year). The Commission is based on the performance matrix taking into account the overall performance of the Company and the Managing Director 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.

Details of the remuneration to the Managing Director during FY 2021-22 are as under:

(in ₹)

Name	Salary	Perquisites & Allowance	Commission**
Mr. C K Venkataraman	1,27,20,000	2,11,99,549	7,00,00,000

*** For FY 2021-22, based on the recommendation of the Board Nomination & Remuneration Committee and as approved by the Board, the commission for the Managing Director is payable in FY 2022-23 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 an increase in the salary of the Managing Director based on results relating to the Company's financial performance, market performance and a few other performance-related parameters.

The broad terms of agreement of appointment of Mr. C K Venkataraman, Managing Director, are as under:

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

Salary: Up to a maximum of ₹ 20,00,000/- per month with authority to the Board to fix the salary within the maximum amount from time to time.

Perquisites: As agreed to in the Appointment Agreement within the overall ceiling of 140% of the basic salary or such ceiling as may be determined by the Board Nomination and 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.

Severance Fees: Nil

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS

The remuneration paid/payable to Non-Executive Directors for FY 2021-22 had been computed pursuant to Sections 197 and 198 of the Act.

The Commission payable to Non-Executive Directors is as per the approval obtained from the Shareholders at the Annual General Meeting held on 11th August 2020 and is within the limits specified under the Act. The remuneration by way of Commission to the Non-Executive Directors is decided by the Board of Directors primarily based on attendance at the meetings of the Board and the Committees thereof and Chairmanships held by the Directors in various Committees.

During FY 2021-22, the Company has paid Sitting Fees to Non-Executive Directors detailed below and proposes to pay commission as shown below:

Sl No	Name of the Director	Sitting fee (In ₹)	Commission** (In ₹)
1.	Mr. N Muruganandam/ Mr. S Krishnan – Chairman (nominated by TIDCO)	3,00,000	46,00,000
2.	Mr. V Arun Roy (nominated by TIDCO)	90,000	19,00,000
3.	Ms. Kakarla Usha (nominated by TIDCO)	Nil	7,00,000
4.	Mr. Pankaj Kumar Bansal (nominated by TIDCO)	5,50,000	45,00,000
5.	Ms. Jayashree Muralidharan (nominated by TIDCO)	3,10,000	44,00,000
6.	Mr. N N Tata^	5,10,000	18,00,000
7.	Mr. Bhaskar Bhat	7,10,000	63,00,000
8.	Mr. Ashwani Puri	7,70,000	94,00,000
9.	Mr. B Santhanam	6,80,000	81,00,000
10.	Mr. Pradyumna Vyas	5,60,000	57,00,000

Sl No	Name of the Director	Sitting fee (In ₹)	Commission** (In ₹)
11.	Dr. Mohanasankar Sivaprakasam	8,00,000	73,00,000
12.	Ms. Sindhu Gangadharan	5,90,000	60,00,000
13.	Mr. Sandeep Singhal	6,70,000	68,00,000

*** Gross amount, subject to tax and payable in FY 2022-23.*

^ In line with the internal guidelines, no payment is made towards commission to Mr. N N Tata, Non–Executive Director of the Company during the period for which he was in full-time employment with other Tata Group companies, viz. till November 2021.

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 is being paid directly to TIDCO.

The Company does not pay any salary, benefits, bonuses, stock options, etc., to the Non-Executive Directors other than to Mr. Bhaskar Bhat to whom the Company pays a monthly pension as approved by the Board of Directors consequent upon his retirement as Managing Director of the Company.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Section 178(5) of the Act prescribes that a company that 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 Stakeholders Relationship Committee ("Committee" or "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 one time during FY 2021-22. The meeting was held on 27th October 2021.

The following Directors are the members of the Stakeholders Relationship Committee and their attendance in the meeting held during FY 2021-22:

Name of Director & Category	No. of Meeting attended out of 1 meeting
Mr. B Santhanam, Chairman (Non-Executive) (Independent)	1
Mr. Bhaskar Bhat (Non-Executive) (Non-Independent)	1
Mr. C K Venkataraman (Executive, Non-Independent)	1
Mr. V Arun Roy [1] (Non-Executive) (Non-Independent)	NA
Ms. Jayashree Muralidharan [2] (Non-Executive) (Non-Independent)	1

[1] Consequent to his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.

[2] Ms. Jayashree Muralidharan was appointed on the Stakeholders Relationship Committee effective from 11th August 2021.

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

Number of complaints from shareholders during the year ended 31st March 2022

The status of Investor Complaints as on 31st March 2022 as reported under Regulation 13(3) of the SEBI LODR is as under:

Complaints outstanding as on 1st April 2021	1
Complaints received during the year ended 31st March 2022	24
Complaints resolved during the year ended 31st March 2022	23
Complaints not solved to the satisfaction of shareholders during the year ended 31st March 2022	0
Complaints pending as on 31st March 2022 *	2

** The above-mentioned figures include complaints received through SCORES as well as other Regulatory Bodies. ATR for the complaint received from the Complainant through SCORES was uploaded on 23rd March 2022 and the same was pending for review by SEBI.*

The position of queries/other correspondence received and attended to during FY 2021-22 in respect of equity shares apart from those received through SCORES are given below:

	Received	Resolved	Pending
For non-receipt of interest/dividend warrants	930	911	19
Loss of shares	694	680	14
Signature Cases	1,002	938	64
ECS/Mandate Requests	403	387	16
Change of address requests	370	359	11
Transmission of securities	152	152	0
Document Registration	324	324	0
Exchange/Sub-division of old shares/Conversion	15	15	0
Split/Consolidation/Renewal/Duplicate issue of shares	0	0	0
Name/Status correction	49	49	0
General Inquiries	0	0	0
Transfer of securities	9	9	0
Nomination requests	62	36	26
Depository System	15	15	0
Dematerialisation of securities	26	24	2
Correspondence related to legal matters	48	47	1
Securities/Warrants enclosure letters	0	0	0
Change of address queries	0	0	0
Annual Report	73	73	0
Verification of Holdings	57	56	1

7. RISK MANAGEMENT COMMITTEE

The Board of Directors had constituted Risk Management Committee ("Committee" or "RMC") to identify elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks. The RMC on a timely basis informed members of the Board of Directors about risk assessment and mitigation procedures.

The terms of reference of the RMC is in line with the regulatory requirements mandated by Regulation 21 and Part D of Schedule II of the SEBI LODR which inter alia includes formulation of detailed Risk Management Policy, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems; periodically review the Risk Management Policy; to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; appointment, removal and terms of remuneration of the Chief Risk Officer (if any); review of the enterprise wise cyber security risks and of IT information both from operations and customer data perspective & technology risks; evaluating and vetting the strategic risks embedded in the Annual Operating Plan; nurture a healthy and independent risk management function in the Company and to carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

The Committee met two times during FY 2021-22. The meetings were held on 26th October 2021 and 2nd March 2022.

The following Directors are the members of the Risk Management Committee and their attendance in the meeting held during FY 2021-22:

Name of Director & Category	No. of Meetings attended out of 2 meetings
Mr. Ashwani Puri, Chairman (Non-Executive) (Independent)	2
Mr. Arun Roy[1] (Non-Executive) (Non-Independent)	NA
Dr. Mohanasankar Sivaprakasam (Non-Executive) (Independent)	2
Mr. Sandeep Singhal (Non-Executive) (Independent)	2

Name of Director & Category	No. of Meetings attended out of 2 meetings
Ms. Jayashree Muralidharan[2] (Non-Executive) (Non-Independent)	0
Mr. C K Venkataraman (Executive, Non-Independent)	2

[1] *Consequent to his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.*

[2] *Ms. Jayashree Muralidharan was appointed on the Risk Management Committee effective from 11th August 2021.*

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("Committee" or "CSR") oversees, inter alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which includes formulating and recommending to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act; recommending the amount of expenditure to be incurred; Annual Action Plan and monitoring the CSR Policy of the Company.

The Committee met three times during FY 2021-22. The meetings were held on 28th April 2021, 2nd February 2022 and 25th February 2022.

The following Directors are the members of the Corporate Social Responsibility Committee and their attendance in the meeting held during FY 2021-22:

Name of Director & Category	No. of Meetings attended out of 3 meetings
Mr. Pradyumna Vyas, Chairman (Non-Executive) (Independent)	3
Mr. Arun Roy[1] (Non-Executive) (Non-Independent)	0
Dr. Mohanasankar Sivaprakasam (Non-Executive) (Independent)	3
Ms. Jayashree Muralidharan[2] (Non-Executive) (Non-Independent)	2
Mr. C K Venkataraman (Executive, Non-Independent)	3

[1] *Consequent to his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.*

[2] *Ms. Jayashree Muralidharan was appointed on the Corporate Social Responsibility Committee effective from 11th August 2021.*

9. 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
2018-19	At the Registered Office of the Company located at 3, SIPCOT Industrial Complex, Hosur 635 126	6th August 2019	2:30 p.m.	i) Re-appointment of Ms. Hema Ravichandar as an Independent Director. ii) Re-appointment of Ms. Ireena Vittal as an Independent Director.
2019-20	Video Conference/Other Audio Visual Means	11th August 2020	2:30 p.m.	None
2020-21		2nd August 2021	2:30 p.m.	Re-appointment of Mr. Ashwani Puri as an Independent Director.

b) No Extraordinary General Meeting of the shareholders was held during FY 2021-22.

c) No Postal Ballot was conducted during FY 2021-22.

d) As of the date of the Report, no special resolutions are proposed to be conducted through postal ballot.

e) Procedure for Postal Ballot – In compliance with Schedule V Part C of the SEBI LODR and Sections 108, 110 and other applicable provisions of the Act read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of National Securities Depositories Limited ("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 the 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 the voting period. Members desiring to exercise their vote by electronic mode are requested to vote before the 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, if any, would be 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.

10. MEANS OF COMMUNICATION

Whether half-yearly reports are sent to each household of shareholder?	To benefit the shareholders, after the results were approved by the Board of Directors, the Company voluntarily sent quarterly financial results through email to those Shareholders whose email addresses are registered with the Company/Depositories.
Website, where results are displayed	The results are displayed on *www.titancompany.in*.
Whether it also displays official news releases	Yes
Website for investor complaints	The Company has created an exclusive ID *investor@titan.co.in* for this purpose. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
Presentations to institutional investors or analysts	Presentations made during the year to institutional investors are displayed on *www.titancompany.in*
Newspaper in which results are normally published	The quarterly results were published in the Business Standard and Dina Thanthi. The audited financial results for the year ended 31st March 2022 were published in Business Standard and Dina Thanthi.
Annual Reports and Annual General Meetings	The Annual Report for FY 2021-22 including the Audited Financial Statements for the year ended 31st March 2022, is being sent by email to those members whose email addresses are registered with the Company/Depository Participants(s). For those members, who have not registered their email address, hard copies of the Notice of the 38th AGM and the Annual Report are being sent at their registered address in the permitted mode. The Annual Report and the Notice of the AGM is also available on the Company's website at *www.titancompany.in*.

11. GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	Tuesday, 26th July 2022, 10:30 a.m. through Video Conferencing("VC")/Other Audio Visual Means("OVAM")
Financial Year	1st April 2021 to 31st March 2022
Book Closure Date	12th July 2022 to 26th July 2022 (both days inclusive)
Dividend payment date	On or after 29th July 2022 (within the statutory time limit of 30 days) subject to shareholders' approval at the Annual General Meeting
Registered Office	No. 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 2022.
Share Registrar and Transfer Agents	TSR Consultants Private Limited, C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 mail: *csg-unit@tcplindia.co.in* Website: *www.tcplindia.co.in* Tel No: 022-66568484, Fax No: 022-66568494
Company Secretary & Contact Address	Mr. Dinesh Shetty, General Counsel & Company Secretary E-mail: *investor@titan.co.in* Tel No: 080-67046600/67046646

For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches of TSR Consultants Private Limited:-

TSR Consultants Private Limited
C/o. Mr. D. Nagendra Rao
"Vaghdevi" 543/A, 7th Main
3rd Cross, Hanumanthnagar
Bengaluru – 560019
Tel: 080-26509004
Email: *tcplbang@tcplindia.co.in*
Contact Person: Mr. Shivanand M

TSR Consultants Private Limited
C/o Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No NH-2, C-1 Block,
LSC, Near Savitri Market, Janakpuri, New Delhi – 110058
Tel: 011 – 49411030
Email: *tcpldel@tcplindia.co.in*
Contact Person: Mr. Vishal Kumar

TSR Consultants Private Limited
C/o Link Intime India Private Limited
Amarnath Business Centre-1 (ABC-1),
Beside Gala Business Centre
Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge,
Ahmedabad – 380006 Telefax: 079 - 26465179,
Email: *csg-unit@tcplindia.co.in*
Contact Person: Ms. Preeti Madhu

TSR Consultants Private Limited
C/o Link Intime India Private Limited,
Vaishno Chamber, Flat No. 502 & 503, 5th Floor, 6,
Brabourne Road, Kolkata – 700001
Tel: 033 - 40081986
Email: *tcplcal@tcplindia.co.in*
Contact Person: Mr. Tapas Sarkar

TSR Consultants Private Limited
Bungalow No.1, 'E' Road, Northern Town, Bistupur,
Jamshedpur – 831 001
Tel: 0657 – 2426616
Fax: 0657 – 2426937
Email: *tcpljsr@tcplindia.co.in*
Contact Person: Mr. Subrato Das

SHARE TRANSFER SYSTEM

Transfer of shares in physical form has been delegated by the Board to certain officials of the Registrar and Transfer Agents, to facilitate speedy service to the Shareholders. Shares sent for transfer in physical form are registered by the Registrar and Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. NSDL and Central Depository Services (India) Limited (CDSL) within 15 days.

An Independent Practising Company Secretary reviews and furnishes the quarterly Reconciliation Reports and half-yearly physical transfer related reports which are submitted to the Stock Exchanges.

STOCK CODE

Equity Shares - Physical form - BSE Ltd. (BSE) : 500114

National Stock Exchange of India Ltd. (NSE) : TITAN

Equity Shares - Demat form - NSDL/CDSL : ISIN No. INE280A01028

The Aggregate Non-promoter/Public Shareholding of the Company as at 31st March 2022 is as shown below:

Number of Shares : 41,81,84,240

Percentage to total holding : 47.10%

STOCK PERFORMANCE

Month	BSE		NSE		Index Close Price	
	High	Low	High	Low	Sensex	Nifty
Apr-21	1,617.90	1,452.00	1,618.00	1,451.60	48,782.36	14,631.10
May-21	1,614.00	1,400.65	1,614.00	1,400.05	51,937.44	15,582.80
Jun-21	1,800.00	1,564.60	1,792.95	1,564.20	52,482.71	15,721.50
Jul-21	1,782.95	1,661.85	1,783.40	1,662.50	52,586.84	15,763.05
Aug-21	1,924.60	1,726.25	1,925.00	1,725.00	57,552.39	17,132.20
Sep-21	2,185.00	1,915.55	2,185.00	1,915.00	59,126.36	17,618.15
Oct-21	2,678.10	2,122.35	2,677.90	2,122.65	59,306.93	17,671.65
Nov-21	2,572.50	2,230.30	2,572.70	2,231.40	57,064.87	16,983.20
Dec-21	2,533.50	2,205.00	2,535.00	2,205.00	58,253.82	17,354.05
Jan-22	2,687.30	2,260.40	2,687.25	2,260.00	58,014.17	17,339.85
Feb-22	2,561.95	2,352.75	2,563.65	2,351.25	56,247.28	16,793.90
Mar-22	2,767.55	2,320.95	2,768.00	2,325.60	58,568.51	17,464.75

DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2022

No. of Equity Shares Held	No. of Shareholders*	Percentage	No. of Shares	Percentage
1-5,000	5,99,769	99.36	6,23,46,306	7.02
5,001-20,000	2,808	0.47	2,54,39,011	2.87
20,001-30,000	239	0.04	59,20,545	0.67
30,001-40,000	128	0.02	44,91,052	0.51
40,001-50,000	74	0.01	33,23,718	0.37
50,001-1,00,000	197	0.03	1,42,86,660	1.61
1,00,001- 10,00,000	356	0.06	10,87,34,321	12.25
10,00,001 and above	68	0.01	66,32,44,547	74.71
TOTAL	**6,03,639**	**100**	**88,77,86,160**	**100**

**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 2022

Category	No. of Shareholders*	No. of Shares Held	% of Shareholding
Tamilnadu Industrial Development Corporation Limited	1	24,74,76,720	27.87
Tata Group Companies	11	22,21,25,200	25.02
FFI/FIIs/OCBs	920	16,33,74,549	18.40
Bodies Corporate	3,788	1,76,38,630	1.99
Institutional Investors	1	5,000	0.00
Mutual Funds	235	4,04,64,215	4.56
Banks	17	10,53,609	0.12
Others	5,98,666	19,56,48,237	22.04
Total	**6,03,639**	**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 2022, 99.04% 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. Further, effective 1st April 2019, SEBI has amended Regulation 40 of the SEBI LODR, which deals with the 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, Hosur, Coimbatore and Sikkim

Jewellery : Hosur, Pantnagar and Sikkim

EyeCare : Chikkaballapur, Kolkata and Noida

ADDRESSES FOR CORRESPONDENCE

Registered Office : No.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 FY 2021-22 for all debt instruments or fixed deposit programmes or any scheme or proposal of the Company involving mobilization of funds in India or abroad.

(a) Rating assigned for Bank Loan Facilities & Commercial Paper by Brickworks on 26th April 2021

Instrument	Previous Rates Amount in ₹ crore	Current Amount Rated in ₹ crore	Rating Action
Proposed Commercial Paper	1,500	1,500	[BWR] A1+ Reaffirmed
Cash Credit (Proposed)	1,000	550	[BWR] AAA/Stable Reaffirmed
Working Capital Demand Loan	-	450	[BWR] A1+ Assigned
Gold Metal Loan/Gold on Loan	2,735	3,935	[BWR] A1+ Reaffirmed
Gold Metal Loan/Gold on Loan (Proposed)	1,265	65	
Total	**6,500**	**6,500**	

(b) Ratings Update from ICRA on 25th June 2021

Instrument	Previous Rates Amount in ₹ crore	Current Amount Rated in ₹ crore	Rating Action
Fixed Deposit Program*	2,500	3,000	MAAA (Stable) assigned
Fund Based	1,700	1,700	[ICRA]AAA(Stable) / [ICRA]A1+ assigned
Commercial Paper	1,500	1,500	[ICRA]A1+ assigned

(c) Rating assigned for Bank Loan Facilities by CRISIL on 16th July 2021

Current facilities	Amount (₹ crore)	Rating	Previous facilities	Amount (₹ crore)	Rating
Facility			Facility		
Cash Credit Limit **	2,400	CRISIL AAA/Stable	Cash Credit Limit*	2,400	CRISIL AAA/Stable
Letter of Credit ***	450	CRISIL A1+	Letter of Credit**	450	CRISIL A1+
Total	**2,850**	--	**Total**	**2,850**	--

** Pertains to the Company's Golden Harvest Jewellery Purchase Plan*

***One-way interchangeability to Import letter of credit, foreign letters of credit and Standby letters of credit to the extent of sanctioned limit*

****Interchangeable with standby letter of credit and bank guarantees*

12. DISCLOSURES

(a) Related Party Transactions: During the year under review, besides the transactions reported in Note 33 forming part of the Financial Statements for the year ended 31st March 2022 in the Annual Report, there were no other material related party transactions of the Company with its Promoters, Directors or the Management or their relatives and subsidiaries, associate company and joint venture. These transactions does 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 the normal course of business or not on an arm's length basis.

(b) Disclosure on Materially Significant Related Party Transactions: There were no material related party transactions during the year under review that has a conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee of the Board. Certain transactions, which were repetitive in nature, were approved through omnibus route.

(c) 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/sites/default/files/Related%20Party%20Transactions%20Policy%20-%2014.03.22.pdf*.

(d) 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.

(e) 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.

(f) 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 year ended 31st March 2022, which is annexed hereto.

(g) Details of mandatory requirements and adoption of the non-mandatory requirements: All mandatory requirements of the SEBI LODR have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI LODR, is as under:

- Shareholder Rights: To benefit the Shareholders, after the results were approved by the Board of Directors, the Company voluntarily sent quarterly financial results through email to those Shareholders whose email addresses are registered with the Company/Depositories.
- Modified opinion(s) in Audit Report: The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.
- Reporting of Internal Auditor: The Internal Auditor functionally reports to the Audit Committee.

(h) 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.

(i) 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 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 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.

(j) Subsidiary Companies: The Audit Committee reviews the consolidated financial statements of the Company and the investments made by the unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted Indian subsidiary company. Web link where policy for determining material subsidiaries is available at *https://www.titancompany.in/sites/default/files/Policy%20on%20Determining%20Material%20Subsidiaries.pdf*.

(k) Share Transfer Compliance and Share Capital Reconciliation: Pursuant to Regulation 40 (9) of the SEBI LODR, certificates on a 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.

(l) Compliance of non-mandatory requirements: The information pertaining to compliance of discretionary requirements made, may be referred to Item No.14 below.

(m) Risk Management: The Risk Management of the Company is overseen by the Risk Management Committee 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 ongoing 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.

For better review and oversight the Company has also constituted a Risk Management Committee of the Management and the Management Committee meets regularly to review the risk list, the action timeline status, any change in the profile/probability of any of the risks, need to recognise any new risk, etc. A report of this meeting is shared with the Risk Management Committee of the Board.

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 input 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 on the progress of the initiatives for the major risks of each of the businesses that the Company is into.

The Risk registers of each of the Businesses get updated on a bi-annual basis and are placed for due discussions at Board meetings and the appropriateness of the mitigation measures to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are optimized.

(n) 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 fixed only 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, outright jewellery) or spot gold where the risk is managed by way of taking a sell future position in the commodity exchanges or Forward Contracts with bullion banks (subject to RBI regulation). On a later date when this is sold in the stores, the positions are squared off through Buy Future Contracts. Thus, there is no exposure to gold prices for this portion of gold purchase also. The Mark-to-Market of outstanding Sell Future Contracts is done on a daily basis, based on the gold rate fluctuation.

All the commodity hedging is done in adherence to the "Bullion Risk Management Policy" approved by the Board and the Company has hedging limits in place. The Company's Bullion Risk Management Committee consisting of senior management reviews the position and other actions and meets on a quarterly basis.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a. Total exposure of the listed entity to commodities in (as of 31st March 2022): ₹ 3,922.56 crore

b. Exposure of the listed entity to various commodities:

Type	Commodity Name	Exposure in INR towards the particular Commodity	Exposure in Quantity towards the particular Commodity	% of such exposure Hedged through Commodity Derivatives				
				Domestic Market		International Market		
				OTC	Exchange	OTC	Exchange	Total
Futures	Gold - 1 kg Contract	₹ 3,337.79 crore	6,759 kg		100%			100%
	Silver - 30 kg Contract	₹ 3.56 crore	510 kg		100%			100%
Forward	Sell Forward Contract	₹ 581.21 crore	1,350 kg	100%				100%

The Company's exposure to market risks, credit risks and liquidity risks are detailed in Note 34.3 under "Financial Risk Management Objective" forming part of Notes to the Standalone Financial Statements.

(o) Loans and advances in the nature of loans to firms/companies in which directors are interested: There were no loans given to any companies or firms in which Directors are interested. However, as on 31st March 2022 the Company has made available a corporate guarantee of upto ₹ 40 crore on behalf of its subsidiary CaratLane Trading Private Limited.

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

(q) 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 a compliance certificate from the Practising Company Secretary on Corporate Governance, and the same is attached as an annexure.

(r) Disclosure of non-acceptance of any recommendation of any committee by the Board in the FY 2021-22 and its reason: There was no such instance during FY 2021-22 when the Board had not accepted any recommendation of any Committee of the Board.

(s) 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	191
Taxation matters	24
Audit of consolidated accounts	12
Other services	97
Reimbursement of levies and expenses	21
Total	**345**

t) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: During FY 2021-22, seven sexual harassment complaints were reported, all of which were investigated and dealt with in line with the POSH Policy of the Company and were disposed off appropriately.

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 2021 to 31st March 2022 is as provided below:

Particulars	No. of Shareholders	No. of equity shares (₹ 1 each)
Aggregate number of Shareholders and the Outstanding unclaimed shares in the suspense account lying at the beginning of the year	237	4,57,700
Shareholders who approached listed entity for transfer of shares from suspense account during the year	10	28,060
Shareholders to whom shares were transferred from suspense account during the year	10	28,060
Shareholders whose shares were transferred from suspense account to IEPF	46	77,200

Particulars	No. of Shareholders	No. of equity shares (₹ 1 each)
Aggregate number of Shareholders and the outstanding shares lying in the suspense account at the end of the year	181	3,52,440
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	181	3,52,440

The voting rights on the shares outstanding in the suspense account as on 31st March 2022 shall remain frozen till the rightful owner of such shares claims the shares.

13. NON-COMPIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the SEBI LODR.

14. COMPLIANCE OF DISCRETIONARY REQUIREMENTS

The Company has fulfilled the discretionary requirements relating to the financial statements and the same are unqualified.

15. DISCLOSURE OF COMPLIANCE WITH THE SEBI LODR

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Schedule V - Part C to F of the SEBI LODR.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER REGULATION 17 (8) OF THE SEBI LODR

The Board of Directors,
Titan Company Limited
3, SIPCOT Industrial Complex,
Hosur 635 126

CERTIFICATION TO THE BOARD PURSUANT TO REGULATION 17 (8) OF SEBI LODR

We, C K Venkataraman, Managing Director and Ashok Sonthalia, Chief Financial Officer, hereby certify that in respect of the Financial Year ended on 31st March 2022:

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;

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;

3. 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
3rd May 2022

C K VENKATARAMAN
Managing Director

ASHOK SONTHALIA
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 2022.

for **TITAN COMPANY LIMITED**

Bengaluru
3rd May 2022

C K VENKATARAMAN
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L74999TZ1984PLC001456
Nominal Capital : ₹ 120 crore

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

We have examined all the relevant records of **TITAN COMPANY LIMITED** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended MARCH 31, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanation and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations.

As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with items C and E.

For **V. Sreedharan & Associates**
Company Secretaries

(Pradeep B. Kulkarni)
Partner
F.C.S.7260; C.P.No.7835
UDIN: F007260D000258830

Bengaluru
3rd May 2022

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

We 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal *www.mca.gov.in*) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	NOEL NAVAL TATA	00024713	07/08/2003
2.	BHASKAR BHAT	00148778	01/04/2002
3.	ASHWANI KUMAR PURI	00160662	06/05/2016
4.	SANDEEP SINGHAL	00422796	11/11/2020
5.	SANTHANAM	00494806	10/05/2018
6.	PRADYUMNA RAMESHCHANDRA VYAS	02359563	25/03/2019
7.	JAYASHREE MURALIDHARAN	03048710	11/08/2021
8.	SARANYAN KRISHNAN	03439632	10/12/2021
9.	PANKAJ KUMAR BANSAL	05197128	16/06/2021
10.	VENKATARAMAN KRISHNAMURTHY COIMBATORE	05228157	01/10/2019
11.	MOHANASANKAR	08497296	03/07/2019
12.	SINDHU GANGADHARAN	08572868	08/06/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our 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.

For **V. Sreedharan & Associates**
Company Secretaries

(Pradeep B. Kulkarni)
Partner
F.C.S.7260; C.P.No.7835
UDIN: F007260D000258709

Bengaluru
3rd May 2022

Annexure A

Remuneration Policy

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Titan Company Limited ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV)(B)(1) of the Equity Listing Agreement ("Listing Agreement"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non-executive directors**
  - o Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
  - o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
  - o Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
  - o Overall remuneration should be reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
  - o Overall remuneration practices should be consistent with recognized best practices.
  - o Quantum of sitting fees may be subject to review on a periodic basis, as required.
  - o The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
  - o The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
  - o In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

- **Remuneration for Managing Director ("MD")/ Executive Directors ("ED")/KMP/rest of the employees**

  o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

    ▪ Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)

    ▪ Driven by the role played by the individual,

    ▪ Reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay,

    ▪ Consistent with recognized best practices and

    ▪ Aligned to any regulatory requirements.

  o In terms of remuneration mix or composition,

    ▪ The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.

    ▪ Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

    ▪ In addition to the basic/fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

    ▪ The company provides retirement benefits as applicable.

    ▪ In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

    ▪ In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of an annual incentive remuneration/performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:

    ▪ Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,

    ▪ Industry benchmarks of remuneration,

    ▪ Performance of the individual.

  o The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

- **Remuneration payable to Director for services rendered in other capacity**

  The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

  a) The services rendered are of a professional nature; and

  b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- **Policy implementation**

  The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Shareholder Information

Corporate

The Company was incorporated under the Companies Act, 1956 on 26th July 1984 as Titan Watches Limited. The name of the Company was changed to Titan Industries Limited on 21st September 1993 and to Titan Company Limited on 1st August 2013. The initial public offer was in the year 1987. The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

Split and Bonus Issue

In June 2011, shares of ₹ 10/- each of the Company were sub-divided into shares of ₹ 1/- cum bonus shares in the ratio 1:1. Accordingly, the current face value of the shares is ₹ 1 each.

Transfer to Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 (the "Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government, after completion of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company.

Unclaimed Dividend:

During FY 2021-22, the Company had transferred unclaimed dividends of ₹ 1,40,40,321/- 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 2022 (₹ lakh)	Unclaimed dividend as on 31st March 2022 %	Due for transfer to IEPF
2014-15	31st July 2015	20,419	130.0	0.64%	06th Sept 2022
2015-16	29th March 2016	19,531	146.4	0.75%	28th Apr 2023
2016-17	3rd August 2017	23,082	179.6	0.78%	09th Sept 2024
2017-18	3rd August 2018	33,292	213.0	0.64%	09th Sept 2025
2018-19	6th August 2019	44,389	182.3	0.41%	12th Sept 2026
2019-20	11th August 2020	35,511	123.8	0.35%	17th Sept 2027
2020-21	2nd August 2021	35,511	115.4	0.32%	12th Sept 2028

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 FY 2021-22, the Company had transferred 2,33,477 shares on which the dividend was not claimed for seven consecutive years in accordance with IEPF rules.

Details of shares/shareholders in respect of which dividend had not been claimed, are provided on the website of the Company at *https://www.titancompany.in/investors/corporate-governance/transfer-of-shares-to-iepf*.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the IEPF Rules. No claims shall lie against the Company in respect of unclaimed dividend amounts and shares transferred to the IEPF.

Guidelines for Investors to file a claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF:

1. Shareholders are advised to verify their details like address, bank mandate, PAN, status of outstanding dividend(s), etc. from TSR Consultants Private Limited ("RTA" or "TSR"), Company's Registrar and Transfer Agent, before filing an application with IEPF.

2. Please access the IEPF-5 webform (*https://www.iepf.gov.in/IEPF/refund.html*) for filing the claim for refund. Read the instructions provided on the website/ instruction kit along with the web form carefully before filling the form.

3. After filling the form, submit the duly filled form. On successful submission, 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 IEPF-5 form along with the other documents as mentioned in the IEPF-5 form 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 favor of claimants' 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:
No. 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

38th Annual General Meeting

The details of the 38th Annual General Meeting (AGM) of the Company is as given below:

Date	Tuesday, 26th July 2022, 10:30 a.m.
Venue	Through Video Conferencing("VC")/ Other Audio Visual Means("OVAM")
E- voting dates	Saturday, 23rd July 2022 at 9.00 a.m. (IST) to Monday, 25th July 2022 at 5.00 p.m. (IST)
Book closure date	12th July 2022 to 26th July 2022 (both days inclusive)
Dividend payment date	On or after 29th July 2022
Webcast link	*https://www.evoting.nsdl.com*

Detailed process/procedure for attending the AGM is described in the Notice of the AGM.

Dematerialisation of Shares and Liquidity

The Company has established connectivity with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") through TSR. The International Securities Identification Number ("ISIN") allotted to the Company's shares under the Depository System is INE280A01028.

As on 31st March 2022, 99.04% of the shares were held in dematerialized form and the rest in physical form.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018, amended Regulation 40 of SEBI LODR pursuant to which, after 1st April 2019, transfer of securities cannot be processed unless the securities are held in the dematerialized form with a depository. Hence, the Company's shares are tradable in the electronic form only. The shareholders whose shares are in the physical mode are requested to dematerialize their shares and update their bank accounts and email id's with the respective Depository Participants (DPs) to enable the Company to provide better service.

Shareholders holding more than 1% of the shares

The details of the shareholders (non-promoters) holding more than one percentage of the equity shares as on 31st March 2022 are as follows:

Sl. No	Name of Shareholder	Total holdings	Percentage to capital
1	Jhunjhunwala Rakesh Radheshyam	3,53,10,395	3.98
2	Life Insurance Corporation of India	2,79,59,204	3.15
3	SBI-ETF Nifty 50	1,24,19,225	1.39
4	ICICI Prudential Life Insurance Company Limited	96,28,016	1.08
5	Jhunjhunwala Rekha Rakesh	95,40,575	1.07

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.

3. The Securities and Exchange Board of India has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, and bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at *https://www.titancompany.in/investors/investor-information/other-forms*.

Nomination of Shares

As per the provisions of Section 72 of the Act, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Form No. SH-13. Shareholders holding shares in physical form may submit the same to TSR. Shareholders holding shares in electronic form may submit the same to their respective Depository Participant.

Requirement of PAN

Shareholders holding shares in physical form are mandatorily required to furnish self-attested copy of PAN Card in the following cases:

1. Transferee's and Transferor's PAN Cards for transfer of shares;
2. Legal Heirs'/Nominees' PAN Cards for transmission of shares;
3. Surviving joint holder's PAN for deletion of name of the deceased shareholder;
4. Shareholder's PAN Card for dematerialization of shares;
5. Shareholder's and surety's PAN for issuance of duplicate share certificate; and
6. Shareholder's and Nominee's PAN Card for registration of nomination of shares.

Investor Awareness

The investors can access generally available information about the Company in the given link: *https://www.titancompany.in/*.

The Company is committed towards promoting effective and open communication with all the stakeholders, ensuring consistency and clarity of disclosure at all times. The Company interacts with the investors through a variety of forums including earnings call, investor conferences, etc. The Company also uploads investor presentations on its website.

Shareholders' Satisfaction Survey

During the year, the Company had conducted a Shareholders' Satisfaction Survey to seek feedback on various matters including information shared through the Company's website and on the overall Investor Services rendered by the RTA of the Company. This survey was undertaken by over 1,000 shareholders. All the suggestions received from the Shareholders are being considered wherever possible, and grievances received are being addressed.

Business Responsibility Report 2021-22

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 :** No. 3, SIPCOT Industrial Complex, Hosur, Tamil Nadu - 635 126

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

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

6. **Financial Year reported :** 1st April 2021 to 31st March 2022

7. **Sector(s) that the Company is engaged in (Industrial activity code-wise) :**

NIC Code	Product Description
2652	Watches
3211	Jewellery
32507	EyeCare

8. **List key three products/services that the Company manufactures/provides (as in balance sheet):**
   a. Watches & Wearables
   b. Jewellery
   c. EyeCare

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: 2040 exclusive retail outlets (Company owned and franchisees) and 11 manufacturing and assembly facilities.

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up capital (INR):** ₹ 88.78 crore
2. **Total Turnover (INR):** ₹ 27,210 crore
3. **Total Profit after Taxes (INR):** ₹ 2,180 crore
4. **Total CSR spending as percentage of Profit after Tax (INR):** ₹ 35.42 crore which exceeds 2% of the Average Net Profit of the Company for the last 3 financial years.
5. **List of activities in which spends have been incurred:** Refer Annexure II to the Board's Report

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/companies? **Yes**
2. Do the Subsidiary Company/companies participate in the BR initiatives of the parent company : **No**
3. Does any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (less than 30%, 30-60%, more than 60%)

   Yes. Less than 30%

SECTION D: BR INFORMATION

1. **Details of Director/Director responsible for BR**

   (a) Details of Director/Director responsible for implementation of the BR policy/policies
   1. DIN : 05228157
   2. Name: Mr. C K Venkataraman
   3. Designation : Managing Director

   (b) Details of BR Head
   1. DIN : Not Applicable
   2. Name : Mr. N E Sridhar
   3. Designation : Associate Vice President and Head-Corporate Sustainability

4. Telephone : 080 67046847

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

2. Principle wise (as per National Voluntary Guidelines) BR policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs have adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If Yes, specify. (Refer Note 2)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online (Refer Note 3)	1,2	1,4,6	1	1,3,5	1	1,4	1	1,5	1,6
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy or policies to address the stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Refer Note 4)	Y	Y	Y	Y	Y	Y	Y	Y	Y

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Note 1:

The Company has adopted the Tata Code of Conduct ("the Code") which encompasses within it, ethics, transparency and accountability.

With Integrity and Trust as the pillars on which the Company operates, the Company understands and recognizes the impact it has on the larger ecosystem and hence the Tata Code of Conduct which embodies the policies and principles of respecting and promoting human rights is communicated to all stakeholders for their adherence. In line with the requirements of the Tata Code of Conduct, the Company has developed various internal policies that reinforce the Company's practices towards various stakeholders. The Company, where appropriate, also engages in advocacy and outreach and in policy making and participating in various business forums with specific emphasis on improving transparency in the unorganized sectors.

At the Company, the governance aspects of the Code is overseen at the highest level by a Board Ethics Committee which is chaired by an Independent Director and the internal structure comprises of a Chief Ethics Counsellor and a team of ethics counsellors who oversee and implement the Code across the organisation and the stakeholders.

The internal policies in line with the Code include policies on Prevention of Sexual Harassment, Conflict of Interest, Whistle Blower Policy and Acceptance of Gifts. The ethics team, through its awareness sessions and communication mechanisms enable greater awareness in the Company.

The Company also has an Occupational Health and Safety, as well as a Sustainability Policy and is committed to integrate social and ethical principles into its products that are safe and contribute to sustainability throughout their life cycle. The Company is dedicated towards the well-being of its employees and has policies that not only support employee welfare but also enable their enhanced engagement with the Company. Towards serving the needs of the community, the Company has a CSR Policy and Affirmative Action Policy with various programs driven as part of its CSR activities.

Note 2:

The Code of conduct has been developed by the Tata Group as a result of detailed consultations and research on the best practices adopted and these apply to all the Tata Group companies. Further, the Company is certified ISO 9000 for Quality Management Systems, ISO 14001 for Environment Management Systems, and upgraded recently to ISO 45001 international standards for Occupational Health & Safety. Titan is the first such company in the country to encompass all its locations factories, offices, Company-owned stores and CFAs. The Company's Watches & Wearables Division is certified under ISO 50001 Energy Management System. The Company's corporate office has been certified with a "LEED Platinum Rating".

Note 3:

The following are the various policies:

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

7: Policy on Conflict of Interest

8: Policy on Gifting

9. Policy guidelines against Financial Misdemenour

The above policies can be accessed at *https://www.titancompany.in/investors/corporate-governance/policies*.

Note 4:

All policies applicable to the Company are evaluated internally and updated on an ongoing basis. On a biennial basis, there is an internal survey conducted on the effectiveness of the implementation of the Tata Code of Conduct, and a summary of the outcomes are presented to the Board Ethics Committee. Besides this, annually the Company prepares "Right Way Plans" to reinforce the implementation of the Tata Code of Conduct within the Company and across its stakeholders.

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

Nine Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The Board at its meetings reviews updates on sustainability, CSR, environment, health and safety.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyper link for viewing this report? How frequently is it published?**

Yes, the Company publishes its Business Responsibility Report annually and is available at *https://www.titancompany.in/csr*.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy related to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/JV/Suppliers/Contractors/NGO's others?**

No. The Company's ethics policy as embodied in the Tata Code of Conduct extends to its group/JV/Suppliers/Contractors/NGOs 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 FY 2021-22 the Company had received 21 ethics complaints out of which 17 have been disposed-off with appropriate action taken and the remaining 4 complaints are under review.

For details on investor complaints and resolutions, please refer to "Investor Complaints" in the Corporate Governance Report. For details on Customer Complaints, please refer to Principle 9 under this Section-E.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and opportunities.**

The three product categories, i.e., Watches & Wearables, Jewellery and EyeCare incorporate principles of Environmental Management System (EMS) in their management system practices as part of their operations.

2. **For each product, provide the following details in respect of resource usage (energy water, raw material, etc.):**

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year

Energy:

Energy	Units	Total
Diesel	lakh Litres	6.74
LPG	Kgs	1,19,543.00
Electricity	lakh Units	378.39
Wind energy	lakh Units	112.11
Steam	Kg	40,80,302.01
Hydrogen	m3	16,812
Hydro Fluorocarbons (Freon gas)	Kg	48.00
Solar	lakh Units	35.69

Energy consumed and the sources - FY 2021-22

The Company and its divisions continue to harness energy from renewable sources such as solar and wind, thereby positively impacting the environment and reducing carbon emissions. Apart from this, the pursuit of several initiatives has led to energy savings despite increased levels of operations across all areas. The Jewellery Division of the Company invested in a 2MW solar plant, that would ensure that the factory operates completely from renewable energy sources in the coming years.

Water:

Consolidated - Water Consumed in FY 2021-22

Division	Water Consumed	Water Recycled	% of Water Recycled
Watches & Wearables	87,973	70,001	79.57%
Jewellery	47,719	38,064	79.77%
EyeCare	14,421	13,079	90.69%
Corporate & Offices	1,08,040	17,016	15.75%
Company Retail Stores	27,625	2,762	10.00%
Total	**2,85,778**	**1,40,922**	**49.31%**

Increased focus and significant efforts in conservation, recycling and reuse have not only resulted in reduced water consumption but the level of recycling has increased to above 80% in the ISCM locations. This has been made possible by treating the output water for gardening, usage in toilets and other purposes. Rainwater harvesting has been one of the biggest initiatives to conserve water.

3. Does the Company have procedures in place for sustainable sourcing including transportation? If yes provide details of what percentage has been sourced sustainably:

Each vendor is viewed as a partner in the process of business growth, and also as enablers of mutual long term sustainable growth. The Company believes in investing time and effort in building mutually beneficial relationships. The business responsibility extends to the supply chain partners – the people from where the products are sourced from and the people to whom key processes are outsourced. Vendors are a part of the Company's ecosystem and their relationship with the Company is a reflection of the same.

Each Division of the Company has its own supply chain process. In the Jewellery division, plain gold and a part of studded Jewellery making 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. Moreover, the Company has supported Self-Help Groups (SHGs) of women at Hosur which has grown in strength over the past two decades and supports various manufacturing activities for all the Divisions at Hosur.

The Jewellery Division has implemented a structured process towards its obligation and proactive engagement to enable responsible sourcing across its supply chain. Details of responsible sourcing and policies are covered under the section Supply Chain Management and Responsible Sourcing part of the Integrated Report section.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company's key intent is to help local suppliers scale up and improve their operations, and to ensure sustainable livelihood in the neighbourhood of its operations and also expects to build stronger and long-term ties with them. The local vendors are further supported by:

- Training them on quality and environmental aspects like energy conservation, reduced usage of plastic materials and handling hazardous products.
- Providing the necessary support on implementing safety, through safety training, audits and building capacity.
- Motivating them to get certified to the ISO standards – ISO 9001 and ISO 14001, to improve their processes and also through programs to help them on safety related practices towards a larger goal of ensuring sustainable supply chain practices.

The Karigar Centre initiative in the Jewellery Division and the women's SHG at the plant location in Hosur are classic examples of enabling local vendor development and sourcing.

The vendors are also apprised of 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 used in watch manufacturing is sent to the supplier for recycling. Brass scrap in watch case manufacturing is recycled. The wood packaging is reused and there is an attempt to recycle most of the input materials. Gold, which is one of the key raw materials, is 100% recyclable and Jewellery obtained through the Company's exchange programs are also recycled. The E-waste is segregated at the source and disposed off safely. Currently 44.74% of the Gold used in the division is from Customer returned/exchanged Gold.

The bio-waste from canteens and factories is run through a vermi-compost setup which yields manure and surplus manure is sold to local farmers at subsidized prices.

Waste generation is contained within the limits prescribed by the Central Pollution Control Board (CPCB) and applicable State Pollution Control Boards (SPCBs) across all Divisions.

Principle 3

1. **Please indicate the total number of employees**

   7,263 employees as on 31st March 2022.

2. **Please indicate the total number of employees hired on temporary/contractual and casual basis**

   An indicative number of the employees hired in contractual/temporary basis were approximately 6,521 as on 31st March 2022.

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

   There were 1,961 women employees as on 31st March 2022.

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

   136 employees as on 31st March 2022.

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

   Yes.

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

   15% 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 FY 2021-22, the Company had received Seven complaints of sexual harassment and all of which were disposed off with appropriate action as on 31st March 2022.

8. **What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

   a) Permanent employees

   b) Casual/temporary/contractual employees

   c) Employees with disabilities

   75% of the permanent employees and 95% of the temporary employees were given safety training and retraining. 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 behavioral-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 five years. This has now been extended to all franchisee stores as well.

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

   Titan has been successfully upgraded to ISO 45001 standard on occupational Health and Safety from OHSAS 18001. People are trained on the identification of Hazards and Mitigation of Risk as part of ISO 45001 standard certification.

   Implementation of safety protocol for managing COVID-19 pandemic at manufacturing units, offices, retail stores and vendor units including deep cleaning, disinfection and fumigation of the premises. Periodic reviews on prevention and preparedness to handle COVID-19 related challenges were also undertaken.

Principle 4

1. **Has the Company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged vulnerable and marginalized stakeholders? If so provide details in about 50 words**

   Yes. The CSR and Affirmative Action Policies cover these in detail. The Company has been a strong advocate of diversity and inclusion through its practices.

   The Company's CSR focus is driven by broad themes such as upliftment of the underprivileged girl child, skill development for the underprivileged and support for Indian Arts, Crafts and Heritage. Details of the CSR programs are available in **Annexure-II** of the Board's Report.

The Company identifies a huge opportunity to improve the quality of living of the people through its businesses. Some of the successful and ongoing initiatives include the setting up and running of Self Help Groups through MEADOWS, to augment business-related activities.

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 approach on human rights as embedded in the Tata Code of Conduct extends to the Group/JV, Subsidiaries, contractors and others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   No complaints with respect to human rights were received during the year.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/JV/Suppliers/Contractors/NGO's/others?**

   No, the policy extends to Group/JV/Suppliers/Contractors/NGO's/others, etc.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes give hyper link for webpage etc.**

   Yes, the Company has adopted a Sustainability Policy. Please refer to *https://www.titancompany.in/investors/ corporate-governance/policies*.

3. **Does the Company identify and assess potential environmental risks?**

   Yes, as part of Environmental Management System implementation (ISO 14001) in its operations.

4. **Does the Company have any project related to clean development mechanism? If so provide details thereof, in about 50 words or so. Also if yes, whether any environment compliance report is filed:**

   Not applicable.

5. **Has the Company undertaken any other initiatives on – Clean technology, energy efficiency, renewable energy etc. If Yes please give hyper link for web page:**

   Yes, many programs are in place across the Divisions. The table above on Energy consumption gives an overview of the Company's focus on renewable energy, and other initiatives that towards energy efficiency. Please refer to *https://www.titancompany.in/investors/corporate-governance/policies*.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by the CPCB/SPCB for the financial year being reported?**

   Yes

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year:**

   There were no show cause/legal notices received from CPCB/SPCB as on 31st March 2022.

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, representations were made regarding Jewellery industry practices, dealing with fake and smuggled products especially watches, and setting up of skill standards in Jewellery and watch making.

Principle 8

1. **Does the Company have specified programs/ initiatives/projects in pursuit of the policy related to principle 8? If yes details, thereof**

   Yes. The Company's initiatives and projects support inclusive growth. Please refer to CSR Report in **Annexure-II** to the Board's Report.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures and any other organization:**

   Please refer to the CSR Report which is annexed as **Annexure-II** to the Board's Report in this Annual Report.

3. **Have you done any impact assessment of your initiative?**

   Yes. Please refer to the CSR Report which is annexed as **Annexure-II** to the Board's Report in this Annual Report.

4. **What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken**

   During FY 2021-22, the Company spent ₹ 35.42 crore towards CSR initiatives. Details of the projects are available in **Annexure II** to the Board's Report.

5. **Have you taken steps to ensure this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

   Yes. Each of the projects is having an outcome which is acknowledged by the community. The Company works with associations who have a grass root understanding of the community that makes it successful, both in the short term and long term. For more details, please refer to **Annexure-II** to the Board's Report.

Principle 9

1. **What percentage of the customer complaints/ consumer cases are pending as on end of the financial year?**

Customer Complaint (Products and Services)	Number of Complaints		
	Received	Resolved	Pending as on 31st March 2022
Watch Division % of warranty complaints on sales	1.35%	1.35%	0
EyeCare Division % of warranty complaints on sales	0.65%	0.65%	0
Jewellery Division No. of warranty complaints on sales	0.36%	0.36%	0

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 2022.

4. **Did the Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes. These are carried out across divisions and brands routinely and used for internal improvement purposes.

Independent Auditor's 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 2022, 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 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 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 obtained by us referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition

See note 2(vii) and note 19 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Company's revenue relates to jewelry and watches which involves large number of individual sales contracts having varied contractual terms with retail customers, distributors and franchisees. This increases the risk of misstatement of the timing and amount of revenue recognised to achieve specific performance targets or expectations. The Company and its external stakeholders focus on revenue as a key performance indicator. In view of the above we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard. 2. We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems.

The key audit matter	How the matter was addressed in our audit
	3. We perused selected samples of key contracts with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods. 4. We performed substantive testing of retail sales by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon. 5. We tested selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents. 6. We scrutinised manual journals posted to revenue to identify unusual items.

Inventories

See note 2(xvii) and note 10 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's inventories primarily comprise high value items like jewelry (gold, diamonds, gemstones etc.) and watches. The Company holds inventory at various locations including factories, stores (retail outlets) and third-party locations. There is a significant risk of loss of inventory given the high value and nature of the inventory involved. In view of the above, we have identified confirmation of physical inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. We evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to safeguarding and physical verification of inventories including the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof. 2. We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Company's IT systems including those relating to recording of inventory quantities on occurrence of each sale transaction, including access controls, controls over program changes, interfaces between different systems. 3. For the sampled locations, we attended physical verification of stocks conducted by the Company and performed roll-forward procedures as at the year end, where applicable. We also performed surprise stock counts at selected stores on a sample basis. We also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. 4. For samples selected using statistical sampling, we obtained independent confirmations of inventories held with third parties.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is 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 identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the 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 the 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 made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the 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:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer note 30 to the standalone financial statements.

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

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 40 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Supreet Sachdev
Partner
Membership No. 205385
UDIN:22205385AIHXXL7326

Place: Bengaluru
Date: 3 May 2022

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of Titan Company Limited ('the Company') on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible or both during the year.

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

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by the Management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

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

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

(a) Based on the audit procedures carried out by us and as per the information and explanation given to us, the Company has provided loans or stood guarantees as mentioned below:

₹ in crore

Particulars	Guarantees	Loans
Aggregate amount during the year		
- Subsidiaries*	-	-
- Joint ventures*	-	-
- Associates*	-	-
- Others	215	1,164
Balance outstanding as at balance sheet date		
- Subsidiaries*	-	-
- Joint ventures*	-	-
- Associates*	-	-
- Others	628	462

**as per Companies Act, 2013 ('the Act')*

(b) According to the information and explanations provided to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided and the terms and conditions of the grant of loans are prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanation given to us and on the basis of the examination of the records of the Company, in case of the loans given, the repayment of principal and payment of interest has been stipulated and the repayments of the principal and interest are regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the loans given, investments made,guarantees given and security provided. Further, there are no loans given, investments made, guarantees given and security provided in respect of which provisions of Section 185 of the Act are applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Companies Act, 2013 and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, 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 in this regard.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the products manufactured by the Company.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, Cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022, 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 Sales tax, Service tax, duty of Excise, Value Added tax, Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, Cess and other statutory dues, which have not been deposited by the Company on account of disputes, except for the following:

Statute/Nature of dues	Amount* (In ₹ crore)	Period to which the amount relates	Forum where the dispute in pending
Excise duty (including service tax)	87 (7)	2005-2009	Hon'ble Supreme Court of India
	0.01 (0.01)	2001-2002	Hon'ble High Court of Madras
	10 (0.66)	1987-2012	Custom, Excise and Service Tax Appellate Tribunal
	17 (16)	1998-2010	Appellate Authority upto Commissioner's level
Sales tax/Value added tax	0.87 (0.15)	2000-2001	Hon'ble High Court of Andhra Pradesh
	0.64 (0.35)	2009-2012	Commercial Tax Tribunal
	50 (13)	1998-2018	Appellate Authority upto Commissioner's level
Customs duty	5 (2)	2012-2017	Appellate Authority upto Commissioner's level
GST	1 (0)	2018-19	Appellate Authorities
Income-tax	8 (8)	2002-2003	Hon'ble High Court of Madras
	95 (38)	2005-2014	Income tax Appellate Tribunal
	173 (28)	2000-2019	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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised funds on short term basis which was utilized funds for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.

(f) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not raised loans during the year on pledge of securities held in subsidiaries, joint venture or associate company.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(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)(a)(b)(c) of the Order are 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, the transactions with 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 accounting standards.

(xiv) (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) 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 to its directors and hence, provisions of Section 192 of the Companies Act, 2013, are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation provided to us during the course of the audit, the Group has five registered Core Investment Companies and one unregistered Core Investment Company.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, paragraph 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Supreet Sachdev
Partner
Membership No. 205385
UDIN:22205385AIHXXL7326

Place: Bengaluru
Date: 3 May 2022

Annexure B to the Independent Auditors' report

on the standalone financial statements of Titan Company Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Titan Company Limited ("the Company") as of 31 March 2022 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 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Supreet Sachdev
Partner
Membership No. 205385
UDIN:22205385AIHXXL7326

Place: Bengaluru
Date: 3 May 2022

Standalone Balance Sheet

as at 31st March 2022

₹ in crore

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,012	1,026
(b) Capital work-in-progress	3	60	17
(c) Right-of-use assets	4	877	854
(d) Investment property	5	1	24
(e) Intangible assets	6	35	55
(f) Intangible assets under development		11	8
(g) Financial assets			
(i) Investments	7.1	869	759
(ii) Loans receivable	7.2	40	41
(iii) Other financial assets	7.3	508	283
(h) Deferred tax assets (net)	8	136	105
(i) Income tax assets (net)	8	135	120
(j) Other non-current assets	9	74	67
		3,758	**3,359**
(2) Current assets			
(a) Inventories	10	12,787	7,984
(b) Financial assets			
(i) Investments	11.1	15	2,753
(ii) Trade receivables	11.2	495	291
(iii) Cash and cash equivalents	11.3	117	147
(iv) Bank balances other than (iii) above	11.3	932	365
(v) Loans receivable	11.4	419	73
(vi) Other financial assets	11.5	762	217
(c) Other current assets	12	852	671
		16,379	**12,501**
TOTAL ASSETS		**20,137**	**15,860**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	89	89
(b) Other equity	13.2	9,284	7,464
TOTAL EQUITY		**9,373**	**7,553**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14.1	1,026	971
(b) Provisions	15	179	143
		1,205	**1,114**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	225	-
(ii) Gold on loan	16.2	5,161	4,094
(iii) Lease liabilities	16.3	193	178
(iv) Trade payables			
- Total outstanding dues of micro and small enterprises	16.4	198	158
- Total outstanding dues of creditors other than micro and small enterprises	16.4	857	537
(v) Other financial liabilities	16.5	429	218
(b) Other current liabilities	17	2,386	1,905
(c) Provisions	18	30	23
(d) Current tax liabilities (net)	8	80	80
		9,559	**7,193**
TOTAL EQUITY AND LIABILITIES		**20,137**	**15,860**
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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Standalone Statement of Profit and Loss

for the year ended 31st March 2022

₹ in crore

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
I. Revenue from operations	19	27,210	20,602
II. Other income	20	246	181
III. Total income (I +II)		**27,456**	**20,783**
IV. Expenses:			
Cost of raw materials and components consumed		20,939	13,143
Purchase of stock-in-trade		4,187	2,462
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(4,468)	164
Employee benefits expense	22	1,143	911
Finance costs	23	195	181
Depreciation and amortisation expense	24	347	331
Other expenses	25	2,130	2,221
Total expenses		**24,473**	**19,413**
V. Profit before exceptional item and tax (III - IV)		2,983	1,370
VI. Exceptional items	26	51	137
VII. Profit before tax (V - VI)		**2,932**	**1,233**
VIII. Tax expense:			
Current tax	8	779	351
Deferred tax		(27)	5
Total tax expense		**752**	**356**
IX. Profit for the year (VII-VIII)		**2,180**	**877**
X. Other comprehensive income			
(i) Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of employee defined benefit plans		9	45
- Income-tax on (i) above		(2)	(11)
(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	34.6	(16)	234
- Income-tax on (ii) above		4	(62)
Total other comprehensive income		**(5)**	**206**
XI. Total comprehensive income (IX+X)		**2,175**	**1,083**
XII. Earnings per equity share of ₹ 1:			
{based on profit for the year (IX)}			
Basic	28	24.56	9.88
Diluted		24.56	9.88
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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Standalone Statement of Changes in Equity

as at 31st March 2022

(a) Equity share capital

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	89	89
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Closing balance	**89**	**89**

(b) Other equity

	Reserves and surplus					Items of other comprehensive income (refer note 13.2)		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 1st April 2020	**0**	**1**	**139**	**3,066**	**3,757**	**(160)**	**(67)**	**6,736**
Profit for the year (net of taxes)	-	-	-	-	877	-	-	877
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	172	34	206
Total comprehensive income for the year	**0**	**-**	**-**	**-**	**877**	**172**	**34**	**1,083**
Payment of dividends (refer note 13.3)	-	-	-	-	(355)	-	-	(355)
Balance as at 31st March 2021	**0**	**1**	**139**	**3,066**	**4,279**	**12**	**(33)**	**7,464**
Balance as at 1st April 2021	**0**	**1**	**139**	**3,066**	**4,279**	**12**	**(33)**	**7,464**
Profit for the year (net of taxes)	-	-	-	-	2,180	-	-	2,180
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	(12)	7	(5)
Total comprehensive income for the year	**0**	**-**	**-**	**-**	**2,180**	**(12)**	**7**	**2,175**
Payment of dividends (refer note 13.3)	-	-	-	-	(355)	-	-	(355)
Balance as at 31st March 2022	**0**	**1**	**139**	**3,066**	**6,104**	**-**	**(26)**	**9,284**

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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan	*Chairman*
N N Tata	*Vice Chairman*
Ashwani Puri	*Director*
C K Venkataraman	*Managing Director*
Ashok Sonthalia	*Chief Financial Officer*
Dinesh Shetty	*General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Standalone Statement of Cash Flow

for the year ended 31st March 2022

₹ in crore

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash flow from operating activities			
Net profit before tax		2,932	1,233
Adjustments for :			
- Depreciation and amortisation expense		347	331
- Net unrealised exchange gain		(1)	1
- Loss on sale/disposal/scrapping of property, plant and equipment (net)		3	6
- Provision for doubtful trade receivables (net) and bad trade receivables written off		0	34
- Interest income		(92)	(73)
- Gain on investments carried at fair value through profit and loss		(86)	(34)
- Gain on sale of investment in joint venture		-	(4)
- Dividend Income		(24)	(24)
- Gain on pre-closure of lease contracts		(20)	(12)
- Rent waiver (refer note 29)		(30)	(57)
- Impairment of investment in subsidiary (refer note 26)		-	137
- Finance costs		195	181
Operating profit before working capital changes		**3,224**	**1,719**
Adjustments for :			
- (increase)/decrease in trade receivables		(204)	(78)
- (increase)/decrease in inventories		(4,803)	(243)
- (increase)/decrease in financial assets-loans receivables		(1)	(6)
- (increase)/decrease in other financial assets		(511)	245
- (increase)/decrease in other assets		(185)	(34)
- increase/(decrease) in gold on loan		1,067	2,587
- increase/(decrease) in trade payables		362	187
- increase/(decrease) in other financial liabilities		189	254
- increase/(decrease) in other current liabilities		481	(218)
- increase/(decrease) in provisions		51	(49)
Cash (used)/generated from operating activities before taxes		**(330)**	**4,364**
- Direct taxes paid, net		(796)	(263)
Net cash (used)/generated from operating activities	**A**	**(1,126)**	**4,101**

Standalone Statement of Cash Flow

for the year ended 31st March 2022

₹ in crore

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property		(173)	(111)
Proceeds from sale of property, plant and equipment		6	7
Purchase of investments in subsidiaries and other equity instruments		(169)	(30)
Proceeds from sale of investment in joint venture		-	43
Loan repayment/(given to) received from subsidiary		-	2
Investment in non convertible debentures		(100)	(5)
Inter-corporate deposits placed		(1,094)	(150)
Proceeds from inter-corporate deposits		750	100
Bank deposits (placed)/matured, net		(568)	(60)
Sale/(purchase) of mutual funds, net		2,815	(2,640)
Loan given to Company's franchisees and vendors		(34)	(97)
Proceeds from loan given to Company's franchisees and vendors		34	94
Lease payments received from sub-lease (excluding interest received)		21	19
Dividend received from subsidiary		24	24
Interest received		52	60
Net cash from/(used in) investing activities	**B**	**1,564**	**(2,744)**
C. Cash flow from financing activities			
Proceeds/(repayment) from borrowings, net		225	(626)
Dividends paid (including dividend distribution tax as applicable)		(355)	(355)
Payment of lease liabilities (excluding interest paid)		(143)	(98)
Finance costs paid		(195)	(181)
Net cash used in financing activities	**C**	**(468)**	**(1,260)**
Net cash (used)/generated during the year (A+B+C)		**(30)**	**97**
Cash and cash equivalents (opening balance) (refer note 11.3)		147	50
Add/(Less): Unrealised exchange (gain)/loss		0	0
Cash and cash equivalents (closing balance) (refer note 11.3)		**117**	**147**
Debt reconciliation statement in accordance with Ind AS 7			
Current borrowings			
Opening balance		-	626
Proceeds/(Repayment) from borrowings, net		225	(626)
Closing balance		225	-
Reconciliation of Lease liability			
Opening balance		1,149	1,136
Payments made during the year		(143)	(98)
Non-cash changes		213	111
Closing balance		1,219	1,149
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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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 of India Ltd., (NSE) and BSE Ltd., in India.

The Company is primarily involved in manufacturing and sale of Watches, Jewellery, EyeCare 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 Standards ("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 ₹ crore as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

iv. Use of estimates and judgement

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

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

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31st March 2022 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 15, 18 and 30 – Provisions and contingent liabilities

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for the year ended 31st March 2022

- Note 32 – Measurement of defined benefit obligations: key actuarial assumptions;
- Notes 34.1 and note 34.2 – Fair value measurement of financial instruments.

v. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. All amounts have been rounded-off to the nearest crore, 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

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pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets are classified as other assets. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Customer loyalty programmes

The Company has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative standalone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

b) Service income: Service income is recognised on rendering of services based on the agreements/arrangements with the concerned parties.

c) Dividend and interest income: Dividend income from investments is recognised when the Company's right to receive the payment has been established i.e., either when the dividend is declared or when shareholders approve the dividend in case of equity investments.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of profit and loss.

Other Operating Income:

Indirect tax incentives are recognised when the right to receive the amount as per the terms of scheme is established in respect of industrial promotion scheme applicable to the respective units.

Use of significant judgements in revenue recognition:

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

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each

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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.

Commission income is generally recognised when the related sale is executed as per the terms of the agreement.

The Company has determined that the revenues as disclosed in Note 19 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

viii. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

<u>Company as a Lessee</u>

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.

<u>Company as a Lessor:</u>

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.

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ix. Foreign currencies

In preparing the standalone financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as cash flow hedge (refer note xxi(b)).

x. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with borrowing of funds. The borrowing cost includes interest expense accrued on gold on loan taken from banks. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xi. Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

The Company's contributions to the Superannuation Fund which is managed by a Trust and Pension Fund administered by Regional Provident Fund Commissioner and Company's contribution to National pension Scheme are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

The contribution to the Company's Gratuity Trust and liability towards pension of retired managing directors are provided using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

The contribution to the Company's Provident Fund Trust is made at predetermined rates and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Compensated absences

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

xii. Taxation

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss

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except to the extent 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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

xiii. Property, Plant and Equipment

a) Recognition and measurement:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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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 each financial year and the depreciation period is revised to reflect the changed pattern, if any.

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

b) *Depreciation*

Depreciable amount for assets is the cost of an asset, or other substituted for cost, less its estimated residual value. Depreciation is calculated on the basis of the estimated useful lives using the straight line method and is generally recognised in the statement of profit and loss. Depreciation for assets purchased/ sold during the year is proportionately charged from/upto the date of disposal. Free hold land is not depreciated.

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

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

Based on technical evaluation, 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

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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 there is a change in use 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:

Computer 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 each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangibles under development includes cost of intangible assets under development as at the balance sheet date.

xvi. Impairment

Impairment of financial assets:

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

Impairment of non-financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and 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

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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) or where hedge contracts have been entered into for quantities of gold and accounted for as fair value hedge] 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 and quantities of gold covered under fair value hedge have been entered into is valued at gold prices prevailing on the period closing date.

Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale.

xviii. Provisions and contingencies

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

Product warranty expenses: Product warranty costs are determined based on past experience and provided for in the year of sale.

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Contingent liabilities: A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the financial statements.

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

xix. Investment in subsidiaries, associate and joint venture

Investment in subsidiaries, associate and joint venture is measured at cost less provision for impairment.

xx. Financial instruments

Recognition of financial assets:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

A) Financial Assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

(i) Amortised cost

(ii) Fair value through other comprehensive income (FVOCI)

(iii) Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the group changes its business model for managing financial assets.

i) Financial assets at amortised cost:

A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through

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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.

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.

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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.

The Company has designated amount payable for gold taken on loan from banks on initial recognition as fair value through profit and loss.

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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/ Fair value 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.

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The use of derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, 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. The Company has followed cashflow hedge for hedging contracts taken up to 30 June 2021.

c) *Fair Value Hedge:*

With effect from 1 July 2021, the Company adopted fair value hedge for the derivative contracts entered into and designated derivative contracts or 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. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

The Company designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item i.e. fixed gold inventory due to movement in gold prices. The Company also 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 & Wearables, Jewellery, EyeCare, 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

Notes to the Standalone Financial Statements
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expenditure. Corporate (unallocated) represents other income and expenses which relate to the Company as a whole and are not allocated to segments.

xxiii. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

xxiv. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xxv. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

xxvi. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

xxvii. Recent pronouncements

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

a) *Ind AS 103 – Reference to Conceptual Framework*

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework

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for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use. The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

3. Property, plant and equipment

₹ in crore

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and servers	Furniture and Fixtures	Office equipment	Vehicles	Total
Gross block								
As at 1st April 2020	79	349	574	106	293	60	25	1,486
Additions	-	2	18	23	30	9	4	86
Disposals	-	(0)	(9)	(3)	(29)	(3)	(3)	(47)
As at 31st March 2021	**79**	**351**	**583**	**126**	**294**	**66**	**26**	**1,525**
As at 1st April 2021	79	351	583	126	294	66	26	1,525
Additions*	23	4	36	17	35	15	15	145
Disposals	-	(0)	(9)	(3)	(26)	(4)	(7)	(49)
As at 31st March 2022	**102**	**355**	**610**	**140**	**303**	**77**	**34**	**1,621**
Accumulated depreciation								
As at 1st April 2020	-	33	160	49	116	25	8	391
Depreciation expense	-	9	48	23	44	11	7	142
Disposals	-	-	(6)	(3)	(21)	(2)	(2)	(34)
As at 31st March 2021	**-**	**42**	**202**	**69**	**139**	**34**	**13**	**499**
As at 1st April 2021	-	42	202	69	139	34	13	499
Depreciation expense	-	9	51	26	44	12	7	151
Disposals	-	(0)	(6)	(2)	(22)	(3)	(6)	(40)
As at 31st March 2022	**-**	**51**	**247**	**93**	**161**	**43**	**14**	**609**
Net carrying value								
As at 31st March 2021	**79**	**309**	**381**	**57**	**155**	**32**	**13**	**1,026**
As at 31st March 2022	**102**	**304**	**363**	**47**	**142**	**34**	**20**	**1,012**

** Land amounting to value of ₹ 23 crore which was classified as "Investment Property" in the earlier year has been reclassified to "Property, plant and equipment" in the current year as the Company is using this land for its business purposes.*

The title deeds of all immovable properties are held in the name of the Company.

₹ in crore

Particulars	Capital work-in-progress
As at 1st April 2020	11
Additions	92
Capitalisations	(86)
As at 31st March 2021	**17**
As at 1st April 2021	17
Additions	188
Capitalisations	(145)
As at 31st March 2022	**60**

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

a) Capital-Work-in Progress (CWIP) ageing schedule

₹ in crore

Particulars	As at 31st March 2022				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Projects in progress	56	4	0	-	60
b) Projects temporarily suspended	-	-	-	-	-
	56	**4**	**0**	**-**	**60**

b) Capital-Work-in Progress (CWIP) ageing schedule

₹ in crore

Particulars	As at 31st March 2021				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Projects in progress	17	0	-	-	17
b) Projects temporarily suspended	-	-	-	-	-
	17	**0**	**-**	**-**	**17**

c) Capital-Work-in Progress (CWIP) schedule whose completion is overdue

₹ in crore

Particulars	To be completed in				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Building - Jewellery	16	-	-	-	16
b) Building - Watches	5	-	-	-	5
	21	**-**	**-**	**-**	**21**

Note: Company does not have any overdue projects as of 31 March 2021.

Company does not have any projects where its cost is exceeded its original budget value.

4. Right-of-use assets*

₹ in crore

Particulars	Leasehold land	Buildings	Total
As at 1st April 2020	21	992	1,013
Additions	-	229	229
Modifications/terminations	-	(108)	(108)
As at 31st March 2021	**21**	**1,113**	**1,134**
As at 1st April 2021	21	1,113	1,134
Additions	-	243	243
Modifications/terminations	-	(75)	(75)
As at 31st March 2022	**21**	**1,281**	**1,302**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

Particulars	Leasehold land	Buildings	Total
Accumulated amortisation			
As at 1st April 2020	-	143	143
Amortisation expense	0	161	161
Modifications/terminations	-	(24)	(24)
As at 31st March 2021	**0**	**280**	**280**
As at 1st April 2021	0	280	280
Amortisation expense	0	168	168
Modifications/terminations	-	(24)	(24)
As at 31st March 2022	**1**	**424**	**424**
Net carrying value			
As at 31st March 2021	**21**	**833**	**854**
As at 31st March 2022	**20**	**857**	**877**

**Also, refer note 29*

5 Investment property

₹ in crore

Particulars	Land
As at 1st April 2020	24
Additions	-
Disposals	(-)
As at 31st March 2021	**24**
As at 1st April 2021	24
Additions	-
Disposals (refer note (c))	(23)
As at 31st March 2022	**1**
Net carrying value	
As at 31st March 2021	**24**
As at 31st March 2022	**1**

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

b) Fair market value of land at ₹ 54 crore (Previous year: ₹ 102 crore) have been arrived at on the basis of valuations carried out by registered valuer during the years ended 31st March 2022 and 31st March 2021.

c) Land amounting to value of ₹ 23 crore which was classified as "Investment Property" in the previous year has been reclassified to "Property, plant and equipment" in the current year as the Company is using this land for its business purposes.

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

6. Intangible assets

₹ in crore

Particulars	Trademarks	Intellectual properties	Patents	Computer softwares	Total
Gross block					
As at 1st April 2020	3	6	8	94	111
Additions	-	-	-	19	19
Disposals	-	-	-	-	-
As at 31st March 2021	**3**	**6**	**8**	**113**	**130**
As at 1st April 2021	3	6	8	113	130
Additions	-	-	-	9	9
Disposals	-	-	-	-	-
As at 31st March 2022	**3**	**6**	**8**	**122**	**139**
Accumulated amortisation					
As at 1st April 2020	3	0	0	44	47
Amortisation expense	-	1	2	25	28
Disposals	-	-	-	-	-
As at 31st March 2021	**3**	**1**	**2**	**69**	**75**
As at 1st April 2021	3	1	2	69	75
Amortisation expense	-	1	2	26	29
Disposals	-	-	-	-	-
As at 31st March 2022	**3**	**2**	**4**	**95**	**104**
Net carrying value					
As at 31st March 2021	**-**	**5**	**6**	**44**	**55**
As at 31st March 2022	**-**	**4**	**4**	**27**	**35**

₹ in crore

Particulars	Intangible assets under development
As at 1st April 2020	3
Additions	24
Capitalisations	(19)
As at 31st March 2021	**8**
As at 1st April 2021	8
Additions	12
Capitalisations	(9)
As at 31st March 2022	**11**

a) Intangible assets under development aging schedule

₹ in crore

Particulars	As at 31st March 2022				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Projects in progress	4	6	1	-	11
b) Projects temporarily suspended	-	-	-	-	-
	4	**6**	**1**	**-**	**11**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

b) Intangible assets under development aging schedule

₹ in crore

Particulars	As at 31st March 2021				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Projects in progress	7	1	-	-	8
b) Projects temporarily suspended	-	-	-	-	-
	7	**1**	**-**	**-**	**8**

c) Intangible assets under development schedule whose completion is overdue

₹ in crore

Particulars	To be completed in				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Software upgradation at stores	8	-	-	-	8
	8	**-**	**-**	**-**	**8**

Note: Company does not have any overdue projects as of 31 March 2021.

Company does not have any projects where its cost is exceeded its original budget value.

7 Financial assets

7.1 Investments

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
1) Investment in equity instruments (unquoted)		
(i) In subsidiary companies (at cost unless stated otherwise)		
47,050,000 (Previous year: 47,050,000) fully paid equity shares of ₹ 10 each in Titan Engineering & Automation Limited	235	235
24,036,325 (Previous year: 24,036,325) fully paid equity shares of ₹ 2 each in Caratlane Trading Private Limited	505	505
1 (Previous year: 1) fully paid equity shares of AED 1,000 each in Titan Holdings International FZCO	0	0
1500 (Previous year: Nil) fully paid equity shares of $ 100 each in TCL North America Inc (from 15 April 2021)	1	-
20,00,000 (Previous year: 20,00,000) fully paid equity shares of ₹ 10 each in Titan Commodity Trading Limited	2	2
18,71,897 (Previous year: 18,71,897) fully paid equity shares of CHF 10 each in Favre Leuba AG, Switzerland	257	257
Less: Provision for impairment in value of investment (refer note 26)	(257)	(257)
	-	**-**
	743	**742**
(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}	2	2
	745	**744**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
2) Other investments		
i) Investments in equity instruments - quoted (at fair value through profit or loss)		
1,000 (Previous year: 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	0	0
2,511 (Previous year: 2,511) fully paid equity shares of ₹ 10 each in Tata Steel Limited	0	0
6,638 (Previous year: 6,638) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	1	0
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	0	0
3,000 (Previous year: 3,000) fully paid equity shares of ₹ 1 each in Trent Limited	0	0
	1	**0**
ii) Investments in equity instruments - unquoted (at fair value through profit or loss)		
525,000 (Previous year: 525,000) fully paid equity shares of ₹ 10 each in Innoviti Payment Solutions Private Limited	18	10
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	0	0
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	0	0
	18	**10**
iii) Investments in non-convertible debentures carried at amortised cost - unquoted		
Investment in non convertible debentures	100	5
Investment in Government Securities	5	-
	105	**5**
Aggregate value of investments	**869**	**759**
Aggregate book value of quoted investments	**1**	**0**
Aggregate market value of quoted investments	**1**	**0**
Aggregate book value of unquoted investments	**868**	**759**
Aggregate amount of impairment in value of investments	**257**	**257**

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.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

7.2 Loans receivable

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Employee loans	40	41
	40	**41**

7.3 Other financial assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Lease receivables	216	169
Security deposits	115	105
Other assets	5	5
Share application money paid for investment in subsidiary	197	28
Less: Provision for impairment in value of investment (refer note 26)	(25)	(24)
Share application money paid for investment in subsidiary, net	172	4
	508	**283**

8 Income tax

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

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax assets	142	121
Deferred tax liabilities	(6)	(16)
	136	**105**

₹ in crore

Particulars	As at 1st April 2021	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2022
Deferred tax assets				
Provision for doubtful trade receivables	10	(1)	-	9
Employee benefits	35	4	-	39
Compensation towards Voluntary Retirement of employees	1	12	-	13
Fair value of investments	36	2	-	38
Cash flow hedges	(4)	-	4	-
Lease liabilities (net of Right-of-use assets)	43	-	-	43
Deferred tax liability				
Property, plant and equipment	(16)	10	-	(6)
	105	**27**	**4**	**136**

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

₹ in crore

Particulars	As at 1st April 2020	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2021
Deferred tax assets				
Provision for doubtful trade receivables	1	9	-	10
Employee benefits	40	(5)	-	35
Compensation towards Voluntary Retirement of employees	7	(6)	-	1
Fair value of investments	48	(12)	-	36
Cash flow hedges	58	-	(62)	(4)
Lease liabilities (net of Right-of-use assets)	41	2	-	43
Deferred tax liability				-
Property, plant and equipment	(23)	7	-	(16)
	172	**(5)**	**(62)**	**105**

b) Amounts recognised in statement of profit and loss

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Income tax expenses		
Current tax	779	351
Deferred tax	(27)	5
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	2	11
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(4)	62
Tax expense for the year	**750**	**429**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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 crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit before tax	2,932	1,233
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	738	310
Effect of:		
Expenses that are not deductible in determining taxable profit	18	39
Effect of rebate	(6)	(6)
Tax charge/(credit) on gratuity disclosed in OCI	-	-
Effect of change in income tax rate	-	-
Others	2	13
Income tax expense recognised in the statement of profit and loss	**752**	**356**

d) The following table provides the details of income tax assets and income tax liabilities as of 31st March 2022 and 31st March 2021:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Income tax assets (net)	135	120
Current tax liabilities (net)	80	80
Net current income tax assets at the end of the year	**55**	**40**

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net current income tax assets at the beginning of the year	40	132
Income tax paid	796	263
Current income tax expense	(779)	(351)
Interest income on income-tax refund	-	7
Income tax on other comprehensive income	(2)	(11)
Net current income tax assets at the end of the year	**55**	**40**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

9 Other non-current assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Capital advances	27	24
Balance with revenue authorities	44	40
Other assets (includes deferred lease cost and deferred employee cost)	3	3
	74	**67**

10 Inventories

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials	2,105	1,770
Work-in-progress {refer (a) below}	311	330
Finished goods	8,123	4,433
Stock-in-trade	2,227	1,430
Stores and spares	16	16
Loose tools	5	5
	12,787	**7,984**
Included above, goods-in-transit		
Raw materials	14	5
Stock-in-trade	9	1
	23	**6**
a) Details of inventory of work-in-progress		
Watches	154	134
Jewellery	153	194
Others	4	2
	311	**330**

(i) The cost of inventories recognised as an expense during the year is ₹ 20,658 crore (Previous year: ₹ 15,769 crore).

(ii) The cost of inventories recognised as an expense includes ₹ 1 crore (Previous year: ₹ 0.38 crore) in respect of write down of inventory to net-realisable value.

(iii) The inventory includes Gold purchased on loan from banks amounting to ₹ 5,212 crore (Previous year: ₹ 4,094 crore).

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

11 Financial assets

11.1 Investments

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of units	Amount	No of units	Amount
i) Investments in mutual funds (Unquoted)- {at fair value through profit or loss}				
Name of the fund				
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	-	-	32,17,960	107
Aditya Birla Sun Life Savings Fund - Direct Plan - Growth	-	-	11,89,273	51
Axis Treasury Advantage Fund - Direct Plan- Growth	-	-	2,04,535	51
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	-	-	1,61,81,055	45
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	49,48,401	151
ICICI Prudential Savings Fund - Direct Plan - Growth	-	-	12,10,792	51
Kotak Equity Arbitrage Fund - Direct Plan - Growth	-	-	1,50,04,578	45
Kotak Savings Fund- Direct Plan - Growth	-	-	1,46,55,362	51
SBI Magnum Ultra Short Duration Fund - Direct Plan - Growth	-	-	1,07,564	51
HDFC Money Market Fund - Direct Plan - Growth	-	-	6,10,688	273
Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	-	-	88,02,851	253
L&T Ultra Short Term Fund - Direct Plan - Growth	-	-	1,44,04,766	51
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	1,02,72,122	303
Kotak Money Market Scheme - Direct Plan - Growth	-	-	7,24,493	252
HDFC Ultra Short Term Fund - Direct Plan - Growth	-	-	4,26,13,806	51
Nippon India Money Market Fund - Direct Plan - Growth	-	-	9,39,263	302
IDFC Ultra Short Term Fund - Direct Plan - Growth	-	-	4,22,43,504	51
Aditya Birla Sun Life Low Duration Fund - Direct Plan - Growth	-	-	9,15,643	51
Nippon India Arbitrage Fund - Direct Plan - Growth	-	-	2,08,07,996	45
Tata Arbitrage Fund - Direct Plan - Growth	-	-	3,96,13,175	45
Nippon India Liquid Fund - Direct Plan - Growth	-	-	2,99,520	151
HDFC Low Duration Fund - Direct Plan - Growth	-	-	1,06,60,130	51
SBI Savings Fund - Direct Plan - Growth	-	-	7,34,63,725	251
HDFC Arbitrage Fund - Direct Plan - Growth	-	-	1,30,07,480	20
		-		**2,753**
ii) Investments in non-convertible debentures carried at amortised cost - unquoted				
Investment in non convertible debentures		15		-
		15		**-**
Aggregate value of unquoted investments		**15**		**2,753**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

11.2 Trade receivables

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Considered good- unsecured*	497	294
Less: Allowance for doubtful trade receivables	(2)	(3)
	495	**291**
Credit impaired	1	3
Less: Allowance for doubtful trade receivables	(1)	(3)
	-	-
	495	**291**

** Includes dues from related parties - refer note 33.*

11.2 Trade receivables (continued)

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The Provision matrix at the end of reporting period as follows:

Age of receivables	Expected credit loss (%)			
	Watches	Jewellery	EyeCare	New Category
Within credit period	0%	0%	2%	6%
Less than 1 year	0%	0%	2%	2%
1 to 2 years	30%	0%	20%	32%
2 to 3 years	34%	5%	51%	34%
Over 3 years	100%	27%	100%	45%

Movement in the expected credit loss allowance

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Balance at the beginning of the year	6	7
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(3)	(1)
Balance at the end of the year	**3**	**6**

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

a) Trade Recievables Ageing Schedule from the due date

₹ in crore

Particulars	As at 31st March 2022						
	Not due	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Undisputed Trade receivables – considered good	443	48	3	2	1	0	497
b) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
c) Undisputed Trade Receivables – credit impaired	-	-	0	0	1	0	1
d) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
e) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
f) Disputed Trade Receivables – credit impaired	0	-	-	-	-	0	0
	443	**48**	**3**	**2**	**2**	**0**	**498**
Less: Allowance for doubtful trade receivables							(3)
Trade Receivables - Net							**495**

b) Trade Recievables Ageing Schedule

₹ in crore

Particulars	As at 31st March 2021						
	Not due	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) Undisputed Trade receivables – considered good	269	22	-	1	1	1	294
b) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
c) Undisputed Trade Receivables – credit impaired	-	-	-	3	0	-	3
d) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
e) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
f) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	269	**22**	**-**	**4**	**1**	**1**	**297**
Less: Allowance for doubtful trade receivables							(6)
Trade Receivables - Net							**291**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

11.3 Cash and bank balances

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents		
Cash on hand	10	12
Cheques, drafts on hand	5	8
Balances with banks		
(i) Current account {refer note (a) below}	102	102
(ii) Demand deposit	-	25
Total cash and cash equivalents	**117**	**147**
Other bank balances		
(iii) Earmarked accounts		
- Unclaimed dividend	10	11
- Unclaimed debenture and debenture interest	0	0
(iv) Fixed deposits held as margin money against bank guarantee	706	54
(v) Fixed deposits held as deposit reserve fund {refer note (b) below}	216	300
Total other bank balances	**932**	**365**
	1,049	**512**

Notes:

a) The balance under current account includes funds in transit primarily for credit card receipts yet to be credited to the Company- ₹ 30 crore (Previous year: ₹ 34 crore).

b) This amount represents restricted cash maintained for the golden harvest scheme for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended.

11.4 Loans receivable

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Inter-corporate deposits	539	195
Less: Provision for impairment	(145)	(145)
Inter-corporate deposits, net	394	50
Employee loans	25	23
	419	**73**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

11.5 Other financial assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Refunds due from government authorities	91	128
Margin money for gold future contracts	580	41
Provision for doubtful margin money deposits {refer note (a) below}	(34)	(34)
Margin money for gold future contracts, net	546	7
Derivative instruments other than in designated hedge accounting relationships	1	1
Lease receivables	26	22
Security deposits	21	30
Other assets (mark to market gain on gold future contracts, interest accrued on fixed deposits and ICDs)	77	29
	762	**217**

(a) Based on its assessment of recoverability, the Company has made a provision of ₹ 34 crore against receivables from one of the brokers with whom the Company was transacting. The Company, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

(b) There were no loans and advances given to Promoter, Directors, Key Managerial Persons or other Related Parties during the year ended 31st March 2022 and 31st March 2021.

12 Other current assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured and considered good		
Advances to suppliers	91	82
Prepaid expenses	67	24
Balance with government authorities {refer note (a) below}	586	443
Contract asset {refer note (b) below}	92	97
Gratuity {refer note 32 (b) }	7	18
Other assets (includes deferred lease cost and deferred employee cost)	9	7
	852	**671**

(a) Balance with government authorities includes GST credits of ₹ 546 crore (Previous year: ₹ 429 crore) in respect to GST input credit, transitional credit and deemed credit.

(b) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 17.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

13.1 Share capital

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares (in crore)	Amount	No. of shares (in crore)	Amount
a) Authorised				
Equity share of ₹ 1 each with voting rights	120	120	120	120
Redeemable cumulative preference shares of ₹ 100 each	0.40	40	0.40	40
b) Issued, subscribed and fully paid up				
Equity share of ₹ 1 each with voting rights	89	89	89	89

c) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

d) Reconciliation of the shares outstanding at the beginning and at the end of the year

₹ in crore

Particulars	31st March 2022		31st March 2021	
	No. crore	₹ crore	No. crore	₹ crore
Equity shares with voting rights				
At the beginning of the year				
At the end of the year	89	89	89	89
	89	**89**	**89**	**89**

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

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares held*	% of total holding	No. of shares held*	% of total holding
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88
Tata group				
Tata Sons Private Limited	19	20.85	19	20.85
Tata Investment Corporation Limited	2	2.01	2	2.01
Tata Chemicals Limited	1	1.56	1	1.56
Ewart Investments Limited	0	0.56	0	0.56
Piem Hotels Limited	0	0.06	0	0.06
Total - Tata Group	**22**	**25.04**	**22**	**25.04**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

f) Shares held by promoters

₹ in crore

Promoter	As at 31st March 2022		As at 31st March 2021		% of change
	No. of shares held*	% of total shares	No. of shares held*	% of total shares	
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88	-
Tata Sons Private Limited	19	20.85	19	20.85	-
	44	**48.73**	**44**	**48.73**	**-**

₹ in crore

Promoter	As at 31st March 2021		As at 31st March 2020		% of change
	No. of shares held*	% of total holding	No. of shares held*	% of total holding	
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88	-
Tata Sons Private Limited	19	20.85	19	20.85	-
	44	**48.73**	**44**	**48.73**	**-**

** Number of shares held are in crore*

13.2 Other equity

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Capital reserve	0	0
(Surplus on re-issue of forfeited shares and debentures)		
Capital redemption reserve	1	1
(Reserve created on redemption of capital)		
Securities premium	139	139
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)		
General reserve	3,066	3,066
(Represents appropriation of profit by the Company)		
Retained earnings*	6,104	4,279
(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)		
Other comprehensive income		
- Cash flow hedge reserve	-	12
- Remeasurement of net defined benefit liability/asset	(26)	(33)
(Items of other comprehensive income consist of cash flow hedge reserve and remeasurement of net defined benefit liability/asset)	(26)	(21)
	9,284	**7,464**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

13.3 Distributions made and proposed

The Board of Directors, in its meeting on 29 April 2021, have proposed a final dividend of ₹ 4 per equity share for the financial year ended 31st March 2021. The proposal was approved by shareholders at the Annual General Meeting held on 2 August 2021 and the same was paid during the year ended 31st March 2022. This has resulted in a total outflow of ₹ 355 crore.

The Board of Directors, in its meeting on 03 May 2022, have proposed a final dividend of ₹ 7.50 per equity share for the financial year ended 31st March 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 666 crore.

14 Financial liabilities

14.1 Lease liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Lease liabilities (refer note 29)	1,026	971
	1,026	**971**

15 Provisions

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for compensated absences {refer note: 32 (c)}	132	114
Provision for pension	31	29
Provision for other employee benefits	16	-
	179	**143**

16 Financial liabilities

16.1 Borrowings

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured		
Loan from bank	225	-
	225	**-**

Note: During the current year the loan had a tenure ranging from 15 days to 31 days. The interest rate varied from 4.10% to 4.25% per annum.

During the year the Company does not have any sanctioned borrowing limits that are required to be secured by current assets.

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

16.2 Gold on loan

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Secured #		
Payable to banks*	2,699	1,887
Unsecured		
Payable to banks*	2,462	2,207
	5,161	**4,094**

 # 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 1.58% to 2.05% per annum (Previous year: 1.45% to 2.70%) 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 crore

Particulars	As at 31st March 2022	As at 31st March 2021
Lease liabilities (refer note 29)	193	178
	193	**178**

16.4 Trade payables

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Total outstanding dues of micro and small enterprises {Refer note (a) below}	198	158
Total outstanding dues of other than micro and small enterprises	857	537
	1,055	**695**

Note a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	198	158
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Amount of payment made to the supplier beyond the appointed day during the year*	80	50
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	0	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.	0	0

** The payment was made beyond appointed day due to delay in receipt of invoices. Accordingly, management believes that no interest is payable on the same.*

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

a) Trade Payables Ageing Schedule

₹ in crore

Particulars	As at 31st March 2022				
	Less than 1 Year*	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) MSME	198	-	-	-	198
b) Others	851	2	2	2	857
c) Disputed dues – MSME	-	-	-	-	-
d) Disputed dues - Others	-	-	-	0	0
	1,049	**2**	**2**	**2**	**1,055**

₹ in crore

Particulars	As at 31st March 2021				
	Less than 1 Year*	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
a) MSME	158	-	-	-	158
b) Others	529	5	3	-	537
c) Disputed dues – MSME	-	-	-	-	-
d) Disputed dues - Others	-	-	-	0	0
	687	**5**	**3**	**0**	**695**

** Include not due trade payables*

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

16.5 Other financial liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unclaimed dividends {refer note (a) below}	10	11
Payables on purchase of property, plant and equipment	21	15
Other financial liabilities		
- Employee related	274	163
- Others (includes dealers deposits, earnest money deposit received)	124	29
	429	**218**

Notes:

(a) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 0.15 crore (Previous year: ₹ 0.11 crore) and therefore amounts relating to the same have not been transferred.

17 Other current liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Advance from customers	371	316
Golden harvest scheme (deposit)	1,574	1,075
Liability towards award credits for customers	49	72
Statutory dues (TDS, PF etc.)	43	29
Contract liability {refer note (a) below}	122	130
Other liabilities (gift card liability, book overdraft)	227	283
	2,386	**1,905**

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 crore

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for compensated absences {refer note 32 (c)}	20	18
Provision for warranty {refer note (a) below}	6	5
Provision for other employee benefits	4	-
	30	**23**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

Note (a): Provision for warranty

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	5	8
Provisions made during the year	6	4
Utilisations/reversed during the year	(5)	(7)
Provision at the end of the year	**6**	**5**

19 Revenue from operations

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of products		
Manufactured goods		
Watches	1,810	1,184
Jewellery	18,211	13,825
EyeCare	293	218
	20,314	**15,227**
Traded goods		
Watches	432	341
Jewellery	4,710	3,234
EyeCare	213	143
Others	149	92
	5,504	**3,810**
Total - Sale of products (a)	**25,818**	**19,037**
Income from services provided (b)	**14**	**9**
Other operating revenue		
Indirect tax incentive {refer note (a) below}	43	24
Sale of precious/semi-precious stones	198	51
Sale of gold/platinum {refer note (b) below}	1,121	1,469
Others (includes scrap sales and visual merchandising sales)	16	12
Total - Other operating revenue (c)	**1,378**	**1,556**
Revenue from operations (a+b+c)	**27,210**	**20,602**

a) Represents benefits accrued on account of budgetary support for the existing eligible units under different industrial promotion schemes.

b) Include sale of gold-ingots aggregating ₹ 1,045 crore (Previous year: ₹ 1,355 crore) to various customers dealing in bullion.

c) As per the requirements of Ind AS 115, the Company disaggregates revenue based on line of business, geography (as given in Note 27) and between manufactured and traded goods as given above.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Contracted price	32,011	24,386
Reductions towards variable consideration components	4,801	3,784
Revenue recognised	**27,210**	**20,602**

The reduction towards variable consideration comprises of scheme discounts, incentives, taxes etc.

20 Other income

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest income on financial assets carried at amortised cost	73	50
Interest income on income tax refund	-	7
Gain on investments carried at fair value through profit and loss	86	34
Gain on sale of investment in joint venture	-	4
Interest income on sub-lease	19	16
Miscellaneous income {refer note (a) below}	68	70
	246	**181**

a) Miscellaneous income includes dividend income, gain on preclosure of lease contract and lease concessions (net) as defined in note 29.2(c).

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Closing stock		
Finished goods	8,123	4,433
Work-in-progress	311	330
Stock-in-trade	2,227	1,430
	10,661	**6,193**
Opening stock		
Finished goods	4,433	4,514
Work-in-progress	330	308
Stock-in-trade	1,430	1,535
	6,193	**6,357**
(Increase)/decrease in inventory	**(4,468)**	**164**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

22 Employee benefits expense

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, wages and bonus	1,000	790
Contribution to provident and other funds		
- Gratuity {refer note 32(b)}	18	27
- Provident and other funds {refer note 32(a) (i) and 32 (b)}	45	43
Staff welfare expenses	80	51
	1,143	**911**

23 Finance costs

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest expense on :		
Borrowings#	3	22
Interest on lease liability	105	104
Gold on loan*	87	55
Others	0	0
	195	**181**

 # Includes interest paid for unsecured commercial paper borrowed during the previous year. The interest rate ranges from 3.35% to 4.42% and payable within a period of 3 months.

**Refer note 16.2*

24 Depreciation and amortisation expense

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation of property, plant and equipment (refer note 3)	150	142
Amortisation of intangible assets (refer note 4, 6)	197	189
	347	**331**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

25 Other expenses

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Loose tools, stores and spare parts consumed	44	26
Agency labour	97	86
Power and fuel	38	32
Repairs and maintenance		
- buildings	6	4
- plant and machinery	22	14
Advertising	474	232
Selling and distribution expenses	811	542
Insurance	19	17
Rent	-	-
Rates and taxes	11	10
Travel	19	4
Bad trade receivables and advances written off	3	-
Provision for doubtful trade receivables and doubtful other financial assets {refer note (c) below}	(3)	34
Loss on sale/disposal/scrapping of Property, plant and equipment (net)	3	5
Legal and professional charges {refer note (a) below}	119	95
Expenditure on corporate social responsibility {refer note (b) below}	35	38
Gold price hedge ineffectiveness {refer note (d) below}	0	739
Miscellaneous expenses	425	340
Commission to non-whole-time Directors	7	3
	2,130	**2,221**

Notes:

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
a) Auditors remuneration comprises fees for audit of:		
Statutory account	2	2
Other services including tax audit and out of pocket expenses	1	1
Total	**3**	**3**

b) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: ₹ 35 crore (Previous year: ₹ 38 crore).

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

(ii) Amount spent during the year on:

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
1. Amount required to be spent by the company during the year	35	38
2. Amount of expenditure incurred on:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	35	38
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for short fall	NA	NA
6. Nature of CSR Activities	Health, Education, Skill development, Disaster relief, Wellness and Water, Sanitation and Hygiene, Entrepreneurship.	

(iii) CSR Contribution to Related parties :

₹ in crore

Particulars	FY 2021-22	FY 2020-21
Related Parties	-	-
Unrelated parties	35	38
	35	**38**

c) Based on its assessment of recoverability, during the previous year the Company has made a provision of ₹ 34 crore against receivables from one of the brokers with whom the Company was transacting. The Company, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

d) During the previous year, the Company has recognized a loss of ₹ 739 crore under "Other expenses" as a result of change in the cash flow hedging relationship due to increase in sales compared to the original sales forecast and availment of the moratorium offered on the Gold on Loan (GOL). This had led to preclosures of hedge contracts originally designated against sales in the subsequent month/quarters and redesignation of certain open contracts. Consequently, these hedging contracts have been accounted as ineffective hedges as required under Ind AS 109 – Financial Instruments. If the hedge contracts utilised during the period had been concluded to be effective as per the principles contained in Ind AS 109, these losses would have to be disclosed as a reduction of revenues.

26 Exceptional item

During the year ended 31st March 2022, the Company has announced Voluntary Retirement Scheme (VRS) to its employees. The scheme includes future deferred payouts to its employees. The present value of scheme expenses amounting to ₹ 51 crore are disclosed as exceptional items during the year.

During the previous year ended 31st March 2021, the Company decided to significantly scale down the operations of its wholly owned subsidiary, Favre Leuba AG (FLAG) due to the adverse impact on its operations post the Covid 19 pandemic. Consequent to this, the Company performed an impairment testing of its investments in FLAG and made a provision of ₹ 137 crore towards impairment of investment in subsidiary which is disclosed under exceptional items.

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

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 & Wearables, Jewellery, EyeCare 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

	Revenue		Profit/(loss)	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	2,309	1,580	108	(65)
Jewellery	24,313	18,631	3,027	1,686
EyeCare	517	375	50	23
Others	154	98	(36)	(45)
Corporate (unallocated)	163	99	(22)	(185)
	27,456	**20,783**	**3,127**	**1,414**
Finance costs			195	181
Profit before taxes			**2,932**	**1,233**

There is no inter segment revenue.

c) Profit/(Loss) from segments before exceptional items, finance costs and taxes are as below:

₹ in crore

Segment	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	134	(65)
Jewellery	3,040	1,686
EyeCare	55	23
Others	(35)	(45)
Corporate (unallocated)	(16)	(48)
Total	**3,178**	**1,551**

d) Segment assets and liabilities

₹ in crore

Segment assets	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	2,256	1,932
Jewellery	14,038	8,646
EyeCare	463	414
Others	210	170
Corporate (unallocated)	3,170	4,698
	20,137	**15,860**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

Segment liabilities	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	905	678
Jewellery	9,040	7,130
EyeCare	269	221
Others	93	90
Corporate (unallocated)	457	188
	10,764	**8,307**

e) Other segment information

₹ in crore

Particulars	Depreciation and amortisation	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	96	87
Jewellery	146	127
EyeCare	43	49
Others	15	21
Corporate (unallocated)	47	47
	347	**331**

f) Geographical information

₹ in crore

	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue		
India	27,194	20,672
Others	262	111
Total	**27,456**	**20,783**

₹ in crore

	For the year ended 31st March 2022	For the year ended 31st March 2021
Assets*		
India	20,071	15,835
Others	66	25
Total	**20,137**	**15,860**

**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 the Standalone Financial Statements

for the year ended 31st March 2022

28 Earnings per share

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

₹ in crore

	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit for the year (₹ crore)	2,180	877
Weighted average number of equity shares	88,77,86,160	88,77,86,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	24.56	9.88

29 Leases

29.1 Amounts recognised in balance sheet

₹ in crore

		Note	As at 31st March 2022	As at 31st March 2021
(i)	**Right-of-use assets**	4		
	Buildings		857	833
	Leasehold land		20	21
			877	**854**
(ii)	**Lease liabilities**			
	Non-current	14.1	1,026	971
	Current	16.3	193	178
			1,219	**1,149**
(iii)	**Lease receivables**			
	Non-current	7.3	216	169
	Current	11.5	26	22
			242	**191**

29.2 Amounts recognised in the statement of profit and loss

₹ in crore

		Note	For the year ended 31st March 2022	For the year ended 31st March 2021
(i)	Depreciation and amortisation expense	4		
	Buildings		168	161
	Leasehold land		0	0
			168	**161**
(ii)	Interest expense (included in finance cost)	23	105	104
(iii)	Interest income on sub-lease (included in other income)	20	19	16
(iv)	Expense relating to short-term leases {refer note (c) below)	25	16	26
(v)	Expense relating to variable lease payments {refer note (c) below)	25	7	4
(vi)	Rent concessions received during the year {refer note (c) below)	20	30	57

(a) Short-term leases has been accounted for applying Paragraph 6 of Ind AS 116- Leases and accordingly recognised as expense in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

(b) The total cash outflow for the year ended 31st March 2022 amounts to ₹ 264 crore (Previous year: ₹ 251 crore).

(c) The Company has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

29.3 Additional information on variable lease payment:

During the year ended 31st March 2022, the Company has incurred an amount of ₹ 7 crore (Previous year: ₹ 4 crore) on account of variable lease payments. Variable payment terms ranges from 0.50% to 28% of net sales from a particular store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores and stores in malls. Excess of variable lease payments that depend on sales, over the fixed rental, are recognised in the statement of profit or loss in the period in which the condition that triggers those payments occur.

29.4 Additional information on extension/termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable based on mutual consent of the Company and respective lessors.

30 Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 403 crore (Previous year: ₹ 366 crore) comprising of the following:

a) Goods and Service Tax - ₹ 1 crore (Previous year: Nil)
(relating to mismatch in statutory returns)

b) Sales tax - ₹ 56 crore (Previous year: ₹ 42 crore)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

c) Customs duty - ₹ 5 crore (Previous year: ₹ 5 crore)
(relating to denial of benefit of exemptions)

d) Excise duty - ₹ 134 crore (Previous year: ₹ 134 crore)
(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)

e) Income tax - ₹ 199 crore (Previous year: ₹ 176 crore)
(relating to disallowance of deductions claimed)

f) Others - ₹ 9 crore (Previous year: ₹ 9 crore)
(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.

g) Corporate guarantees - ₹ 634 crore (Previous year: ₹ 413 crore)
(relating to guarantee provided for loans taken by Caratlane Trading Private Limited, Titan Holdings International FZCO, Titan Global Retail LLC and Titan Commodity Trading Limited)

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

The movement of the guarantees is given below:

₹ in crore

	As at 31st March 2022	As at 31st March 2021
Opening balance	413	40
Given during the year	221	373
Withdrawn/revoked during the year	-	-
Closing balance	**634**	**413**

h) Letter of financial support provided to the following:
Caratlane Trading Private Limited
Favre Leuba AG

i) 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 ₹ 149 crore (Previous year: ₹ 61 crore).

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 crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
National pension scheme	2	2
Superannuation fund	8	8
Employee pension fund	11	10
	21	**20**

b) Defined Benefit Plans

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Provident fund*	24	23
Superannuation fund	-	-
	24	**23**

** Contributions are made to the Company's Employees Provident Fund Trust at predetermined rates in accordance with the Fund rules. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such shortfall as an expense.*

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

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 crore

	As at 31st March 2022	As at 31st March 2021
Discount rate (p.a.)	7.20%	6.90%
Salary escalation rate (p.a.)		
- Non-management	7.00%	7.00%
- Management	7.00%	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 crore

Age (Years)	Rates (p.a.)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
21-44	6%	6%
45 and above	2%	2%

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Current service cost	20	23
Past service cost	-	-
Interest on net defined benefit liability/(asset)	(2)	4
(Gains)/losses on settlement	-	-
Total component of defined benefit costs charged to the statement of profit and loss	**18**	**27**

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening amount recognised in other comprehensive income outside the statement of profit and loss	27	72
Remeasurements during the year due to:		
- Changes in financial assumptions	(12)	(13)
- Changes in demographic assumptions	-	-
- Experience adjustments	5	(18)
- Actual return on plan assets less interest on plan assets	(2)	(14)
- Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in other comprehensive income	**18**	**27**

** Other comprehensive income disclosed above is gross of tax.*

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.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Opening net defined benefit liability/(asset)	(18)	67
Expense charged to the statement of profit and loss	18	27
Amount recognised outside the statement of profit and loss	(7)	(45)
Employer contributions	-	(67)
Closing net defined benefit liability/(asset)	**(7)**	**(18)**

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

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Opening defined benefit obligation	324	322
Current service cost	19	23
Past service cost	-	-
Interest on defined benefit obligation	22	21
Remeasurement due to		
- Actuarial gains and losses arising from changes in demographic assumptions	-	-
- Actuarial gains and losses arising from changes in financial assumptions	(9)	(13)
- Actuarial gains and losses arising from experience adjustments	5	(18)
Benefits paid	(15)	(11)
Impact of liability settled	-	-
Closing defined benefit obligation	**346**	**324**

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

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

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Opening fair value of plan assets	342	255
Employer contributions	-	67
Interest on plan assets	23	17
Remeasurements due to actuarial return on plan assets less interest on plan assets	2	14
Benefits paid	(15)	(11)
Closing fair value of plan assets	**352**	**342**

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 crore

	As at 31st March 2022		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	331	362	343
Defined benefit obligation on minus 50 basis points	362	331	350

₹ in crore

	As at 31st March 2021		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	309	339	322
Defined benefit obligation on minus 50 basis points	339	309	329

Maturity profile of defined benefit obligation

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
With in year 1	18	19
1 year to 2 years	20	15
2 years to 3 years	18	19
3 years to 4 years	29	18
4 years to 5 years	35	26
Over 5 years	612	585

The Company is expected to contribute ₹ 18 crore to the gratuity fund next year.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

A split of plan asset between various asset classes is as below:

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	177	-	149	-
Other debt instruments	134	-	164	-
Entity's own equity instruments	26	-	19	-
Others	-	16	-	10
	337	**16**	**332**	**10**

c) Unfunded

The defined benefit obligation pertaining which are provided for but not funded are as under:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Compensated absences		
Non-current	132	114
Current	20	18
	152	**132**

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

33 Related parties

i) Relationships

a)	Promoters	Tamilnadu Industrial Development Corporation Limited	
		Tata Sons Private Limited	
b)	Subsidiaries	Titan Engineering & Automation Limited	
		Caratlane Trading Private Limited	
		Favre Leuba AG (Switzerland)	
		Titan Watch Company Hongkong Limited (100% subsidiary of Favre Leuba AG)	
		Titan Holdings International FZCO	
		Titan Global Retail L.L.C	
		Titan Commodity Trading Limited (from 10 August 2020)	
		StudioC Inc (11 February 2021) (Subsidiary of Caratlane Trading Private Limited)	
		TCL North America Inc. (from 15 April 2021)	
		TEAL USA Inc. (from 15 April 2021) (Subsidiary of Titan Engineering & Automation Limited)	
c)	Joint venture	Montblanc India Retail Private Limited (up to 12 March 2021)	
d)	Associate	Green Infra Wind Power Theni Limited	
e)	Key management personnel	Mr. C K Venkataraman, Managing Director	
		Mr. Ashok Sonthalia, Chief Financial Officer (from 1 July 2021)	
		Mr. Dinesh Shetty, General Counsel and Company Secretary	
		Mr. S.Subramaniam, Chief Financial Officer (up to 30 June 2021)	
		Non - executive Directors	
		Mr. N N Tata	
		Mr. Bhaskar Bhat	
		Mr. Ashwani Puri	
		Mr. B Santhanam	
		Mr. Pradyumna Rameshchandra Vyas	
		Dr. Mohanasankar Sivaprakasam	
		Ms. Sindhu Gangadharan (from 8 June 2020)	
		Mr. Sandeep Singhal (from 11 November 2020)	
		Mrs. Jayashree Muralidharan (from 11 Aug 2021)	
		Mr. Pankaj Kumar Bansal (from 16 June 2021)	
		Mr. N. Muruganandam (Chairman) (up to 10 December 2021)	
		Mr. V Arun Roy (upto 11 August 2021)	
		Mrs. Kakarla Usha (upto 16 June 2021)	
f)	Group entities (Wherever there are transactions)	Tata Capital Financial Services Limited	Tata Consultancy Services Limited
		Tata Capital Housing Finance Limited	Tata Housing Development Company Limited
		Infiniti Retail Limited	Smart Value Homes (Peenya Project) Private Limited
		Kriday Realty Private Limited	Tata Capital Limited
		Tata International Limited	Tata Sky Limited
		Tata Limited	Promont Hilltop Private Limited
		Tata AIG General Insurance Company Limited	Tata Interactive Systems AG
		Tata Industries Limited	Tata Advanced Material Limited
		Tata Value Homes Limited	Tata Autocomp Systems Limited
		Ardent Properties Private Limited	Tata Teleservices Limited
		Tata AIA Life Insurance Company Limited	Sector 113 Gatevida Developers Private Limited
		Tata Teleservices (Maharashtra) Limited	Tata Electronics Private Limited
		Tata Cleantech Capital Limited	Trent Hypermarket Private Limited
		Tata Realty and Infrastructure Limited	Stryder Cycle Private Limited
		AirAsia (India) Limited	Supermarket Grocery Supplies Private Limited
		Tata West Asia FZE	Tata Communications Limited
		Tata Unistore Limited	
g)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

ii) Related party transactions during the year:

₹ in crore

	Relationship	For the year ended 31st March 2022	For the year ended 31st March 2021
Cost of materials and components consumed			
Titan Engineering & Automation Limited	Subsidiary	0	0
Caratlane Trading Private Limited	Subsidiary	-	8
Favre Leuba AG	Subsidiary	1	0
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	0	0
Other Purchases			
Supermarket Grocery Supplies Private Limited	Group entity	0	-
Purchases of services (other expenses)			
Tata Sons Private Limited	Promoter	0	0
Tata Consultancy Services Limited	Group entity	9	20
Tata AIG General Insurance Company Limited	Group entity	-	0
Tata Communications Limited	Group entity	6	-
Caratlane Trading Private Limited	Subsidiary	-	1
Others	Group entity	3	2
Revenue from operations			
Tata Sons Private Limited	Promoter	0	0
Caratlane Trading Private Limited	Subsidiary	2	9
Titan Global Retail LLC	Subsidiary	155	56
Titan Engineering & Automation Limited	Subsidiary	1	-
Tata Sky Limited	Group entity	2	-
Tata Consultancy Services Limited	Group entity	4	21
Infiniti Retail Limited	Group entity	2	-
Stryder Cycle Private Limited	Group entity	1	-
Others	Group entities	3	3
Other income (Dividend income)			
Titan Engineering & Automation Limited	Subsidiary	24	24
Rent			
Tata Sons Private Limited	Promoter	0	0
Others		0	-
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	2	3
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	99	99
Tata Sons Private Limited	Promoter	74	74

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

	Relationship	For the year ended 31st March 2022	For the year ended 31st March 2021
Key managerial personnel compensation			
Commission and sitting fees	Promoter	2	1
Commission and sitting fees	KMP	6	6
Managerial remuneration	KMP	20	12
Pension paid	Director	1	1
Miscellaneous expense			
Tata Sons Private Limited (Royalty)	Promoter	41	31
Others	Group entity	0	-
Miscellaneous income (Royalty)			
Caratlane Trading Private Limited	Subsidiary	2	-
Reimbursement towards rendering of services/expenses			
Tata Sons Private Limited	Promoter	0	0
Tata Consultancy Services Limited	Group entity	0	1
Titan Holdings International FZCO	Subsidiary	-	1
Caratlane Trading Private Limited	Subsidiary	1	1
Favre Leuba AG	Subsidiary	-	1
Titan Commodity Trading Limited	Subsidiary	1	-
Others		1	1
Recovery towards rendering of services/expenses			
Titan Engineering & Automation Limited	Subsidiary	4	3
Caratlane Trading Private Limited	Subsidiary	2	1
Titan Commodity Trading Limited	Subsidiary	0	0
Montblanc India Retail Private Limited	Joint venture	-	1
Tata Electronics Private Limited	Group entity	0	3
Others		-	0
Inter-corporate deposit placed			
Tata Value Homes Limited	Group entity	50	50
Tata Capital Financial Services	Group entity	400	-
Inter-corporate deposit redeemed			
Tata Value Homes Limited	Group entity	50	50
Tata Capital Financial Services	Group entity	400	-
Interest and Corporate guarantee commission income			
Tata Capital Financial Services	Group entity	0	-
Trent Hypermarket Private Limited	Group entity	-	-
Tata Value Homes Limited	Group entity	1	3
Titan Commodity Trading Limited	Subsidiary	2	-
Caratlane Trading Private Limited	Subsidiary	0	0
Titan Global Retail LLC	Subsidiary	1	0
Titan Holdings International FZCO	Subsidiary	0	0
Others	Subsidiary	0	-

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

	Relationship	For the year ended 31st March 2022	For the year ended 31st March 2021
Brokerage charges paid			
Titan Commodity Trading Limited	Subsidiary	4	-
Bank gurantee commission reimbursed			
Titan Commodity Trading Limited	Subsidiary	2	-
Subscription to share capital			
Favre Leuba AG	Subsidiary	8	28
Titan Commodity Trading Limited	Subsidiary	-	2
TCL North America Inc	Subsidiary	161	-
Loan repaid by subsidiary			
Titan Holdings International FZCO	Subsidiary	-	2
Contribution to Trust funds			
Titan Watches Provident Fund	Others	90	84
Titan Watches Super Annuation Fund	Others	8	8
Titan Industries Gratuity Fund	Others	-	67

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

₹ in crore

	Relationship	As at 31st March 2022	As at 31st March 2021
Outstanding - net receivables/(payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	(2)	-
Tata Sons Private Limited	Promoter	(34)	(28)
Caratlane Trading Private Limited	Subsidiary	3	(2)
Tata Capital Financial Services Limited	Group entity	0	0
Tata Consultancy Services Limited	Group entity	1	(1)
C K Venkataraman	KMP	(7)	(4)
Others		(5)	(3)
Caratlane Trading Private Limited	Subsidiary		1
Favre Leuba AG	Subsidiary	0	1
Titan Engineering & Automation Limited	Subsidiary	0	0
Titan Commodity Trading Limited	Subsidiary	466	-
Titan Holdings International FZCO	Subsidiary	-	-
Titan Global Retail LLC	Subsidiary	59	15
Tata Consultancy Services Limited	Group entity	-	0
Tata Housing Development Company Limited	Group entity	-	0
Others	Group entities	1	1

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

	Relationship	As at 31st March 2022	As at 31st March 2021
Corporate Guarantees			
Caratlane Trading Private Limited	Subsidiary	40	40
Titan Holdings International FZCO	Subsidiary	66	66
Titan Global Retail LLC	Subsidiary	228	7
Titan Commodity Trading Limited	Subsidiary	300	300

Note:

a) Entities controlled or promoted by Tamilnadu Industrial Development Corporation Limited are not considered as related party since, the same is a Government-related entity.

b) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

c) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.

34 Financial instruments

34.1 Categories of financial instruments

Financial assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	19	2,763
Total financial assets measured at FVTPL (a)	**19**	**2,763**
Measured at amortised cost		
- Trade receivables	495	291
- Cash and cash equivalents	117	147
- Bank balances other than cash and cash equivalents	932	365
- Inter-corporate deposits	394	50
- Security deposits	136	135
- Employee loans	65	64
- Lease receivable	242	191
- Investment in non-convertible debentures	115	5
- Investment in government securities	5	-
- Other financial assets	719	173
Total financial assets measured at amortised cost (b)	**3,220**	**1,421**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Derivative instruments other than in designated hedge accounting relationships (d)	**1**	**1**
Total financial assets (a + b + c +d)	**3,240**	**4,185**

Above financial assets exclude share application money pending allotment amounting to ₹ 172 crore.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

Financial liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Measured at fair value through profit or loss (FVTPL)		
- Gold on loan	5,161	4,094
Total financial liabilities measured at FVTPL (a)	**5,161**	**4,094**
Measured at amortised cost		
- Borrowings	225	-
- Trade payables	1,055	695
- Lease liability	1,219	1,149
- Other financial liabilities	429	218
Total financial liabilities measured at amortised cost (b)	**2,928**	**2,062**
Total financial liabilities (a + b)	**8,089**	**6,156**

34.2 (i) Fair value hierarchy

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

₹ in crore

Particulars	As at 31st March 2022			
	Level 1	Level 2	Level 3	Total
a) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	1	-	-	1
- Other unquoted investments	-	-	18	18
- Derivative instruments other than in designated hedge accounting relationships	-	1	-	1
Total financial assets	**1**	**1**	**18**	**20**
Financial liabilities				
- Gold on loan	5,161	-	-	5,161
Total financial liabilities	**5,161**	**-**	**-**	**5,161**

₹ in crore

Particulars	As at 31st March 2021			
	Level 1	Level 2	Level 3	Total
b) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	-	2,753	-	2,753
- Other unquoted investments	-	-	10	10
- Derivative instruments other than in designated hedge accounting relationships	-	1	-	1
Total financial assets	**-**	**2,754**	**10**	**2,764**
Financial liabilities				
- Gold on loan	4,094	-	-	4,094
Total financial liabilities	**4,094**	**-**	**-**	**4,094**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

(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.

34.3 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.

34.4 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.

34.5 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.

Notes to the Standalone Financial Statements
for the year ended 31st March 2022

Liquidity risk tables

The following table below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities for:

- all non-derivative financial liabilities, and
- derivative financial liabilities, that are net settled.

The tables have been drawn on an undiscounted basis based on the earliest date on which the Company can be required to pay.

₹ in crore

Contractual maturities of financial liabilities	As at 31st March 2022			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Non-derivatives				
Gold on loan	1,851	3,310	-	5,161
Borrowings	225	-	-	225
Trade payables	1,050	2	3	1,055
Lease liability	68	125	1,026	1,219
Other financial liabilities	429	-	-	429
Total non-derivative liabilities	**3,622**	**3,437**	**1,029**	**8,089**

₹ in crore

Contractual maturities of financial liabilities	As at 31st March 2021			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Non-derivatives				
Gold on loan	1,819	2,275	-	4,094
Borrowings	-	-	-	-
Trade payables	695	-	-	695
Lease liability	49	129	971	1,149
Other financial liabilities	218	-	-	218
Total non-derivative liabilities	**2,781**	**2,404**	**971**	**6,156**

34.6 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, the Company enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts and forward foreign exchange contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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 following table gives details of contracts as at the end of the reporting period:

Hedges Sell forward/future contracts:

Particulars	Nature of hedge	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount (₹ in crore)
31st March 2022	Fair Value	**4,848**	**8,109**	**3,919**
31st March 2021	Cash Flow	4,494	2,382	1,071

Cash flow hedge

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 line item in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

During the year, the aggregate amount of gains under forward/future contracts which were recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve were reclassified to the statement of profit and loss. Details of movements in cash flow hedging reserve is as follows:

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Balance at beginning of the year (net of taxes)	**12**	**(160)**
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(15)	(112)
Deferred tax on fair value of effective portion of cash flow hedges	-	30
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	(1)	346
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	4	(91)
Movement in cash flow hedges	**(16)**	**234**
Deferred tax on movement in cash flow hedge	**4**	**(62)**
Balance at end of the year (net of taxes)	**-**	**12**

Fair value hedge

The Company designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in gold prices. Changes in the fair value of hedging instruments and hedged items

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. Therefore, there will be no impact of the fluctuation in the price of the gold on the Company's profit for the period.

The table below shows the position of hedging instruments and hedged items as on the balance sheet date:

Commodity Price Risk	Carrying value of		Maturity date	Impact of fair value hedge	Balance Sheet Disclosure
	Hedged item	Hedging Instrument			
Hedged item - fixed Gold	4,161	-	2 to 6 months	243	Inventories
Hedging Instrument - Derivatives	-	243	2 to 6 months	(243)	Other Financial Assets/Liabilities

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 34.6 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 ₹ 1.68 crore 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.

34.7 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 40 forward exchange contracts in USD 6 crore equivalent to ₹ 456 crore as at 31st March 2022 (Previous year: ₹ 29 crore).

In addition to the above, the Company has 5 Option contract in USD 1.16 crore equivalent to ₹ 89.91 crore (Previous year : 6 Option contracts in USD 2 crore equivalent to ₹ 137 crore).

35 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.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

36 Impact of COVID-19 (Global pandemic):

The Company has considered the possible effects that may result from the global pandemic relating to COVID-19 on the standalone financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on current estimates expects that the carrying amount of it's assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

(i) Revenue from operations:

While the Company believes strongly that it has a portfolio of business segments which will encourage healthy growth and gained market share from target customers, the impact on future revenue streams could come majorly from the following –

- customers postponing their discretionary spend due to change in priorities
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility

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

(ii) Leases:

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

(iii) Credit Risk:

Financial instruments carried at fair value as at 31st March 2022 is ₹ 19 crore and financial instruments carried at amortised cost as at 31st March 2022 is ₹ 3220 crore. A portion of the financial assets are classified as Level 1 having fair value of ₹ 1 crore as at 31st March 2022. 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 ₹ 1049 crore as at 31st March 2022 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 ₹ 495 crore as at 31st March 2022 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 ₹ 92 crore as at 31st March 2022 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 3 crore as at 31st March 2022 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.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

37 Details of Inter-corporate deposits given and investments made during the year:

₹ in crore

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2021	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2022
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	-	-	-	-	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	-	-	-	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	5.20%	1 Year	-	150	-	-	150
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	4.50%	7 Days	-	150	150	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	4.25%	7 Days	-	100	100	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	4.75%	7 Days	-	150	150	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	5.00%	7 Days	-	100	100	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	5.00%	7 Days	-	100	100	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	4.40%	9 months	-	50	-	-	50
Bajaj Finance Limited	Others	Unsecured	Trade deposits	5.50%	7 Days	-	50	50	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	4.90%	1 Year	-	50	-	-	50
Tata Value Homes Limited	Group entity	Unsecured	Trade deposits	6.00%	3 months	-	50	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.50%	9 months	50	-	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.90%	15 months	-	50	-	-	50
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	14	-	-	14
						50	**1,094**	**750**	**-**	**394**

₹ in crore

Particulars	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2021	Loans given during the year	Loans recovered during the year	As at 31st March 2022
Loan to company franchisees and vendors*	Franchisees & Vendors	Unsecured	Business support	4.00%	12 months	3	34	34	3

** During the year the Company has given loans to its franchisees and vendors to support them during the pandemic crisis.*

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

Name of the entity	Nature of relationship	Purpose	As at 1st April 2021	Investment made during the year	Investment sold/impaired during the year	As at 31st March 2022
Investments						
Investment in equity instruments (including application money paid for investment in subsidiary)(unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	235	-	-	235
Caratlane Trading Private Limited	Subsidiary	Strategic investment	505	-	-	505
Favre Leuba AG	Subsidiary	Strategic investment	4	8	-	12
Titan Holdings International FZCO	Subsidiary	Strategic investment	0	-	-	0
Titan Commodity Trading Private Limited	Subsidiary	Strategic investment	2	-	-	2
TCL North America Inc.	Subsidiary	Strategic investment	-	161	-	161
Green Infra Wind Power Theni Limited	Associate	Strategic investment	2	-	-	2
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	0	-	0
Tata Steel Limited*	Others	Wealth creation	0	0	-	0
Tata Consumer Products Limited* (formerly known as Tata Global Beverages Limited)	Others	Wealth creation	0	0	-	1
Tata Chemicals Limited*	Others	Wealth creation	0	0	-	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	10	8	-	18
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
Investments in non-convertible debentures carried at amortised cost - unquoted						
Investment in non convertible debentures	Others	Wealth creation	5	175	65	115
Investment in Government Securities	Others	Wealth creation	-	5	-	5
			763	**358**	**65**	**1,056**

** 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 crore

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2021
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Value Homes Limited	Group entity	Unsecured	Trade deposits	7.50%	9 months	-	50	50	-	-
Tata Projects Limited	Others	Unsecured	Trade deposits	7.30%	8 months	-	50	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.50%	9 months	-	50	-	-	50
						145	**150**	**100**	**145**	**50**

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

₹ in crore

Particulars	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Loans given during the year	Loans recovered during the year	As at 31st March 2021
Loan to company franchisees and vendors*	Franchisees & Vendors	Unsecured	Business support	4.00%	12 months	-	97	94	3

* *During the year the Company has given loans to its franchisees and vendors to support them during the pandemic crisis.*

₹ in crore

Name of the entity	Nature of relationship	Purpose	As at 1st April 2020	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2021
Investments						
Investment in equity instruments (unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	235	-	-	235
Caratlane Trading Private Limited	Subsidiary	Strategic investment	505	-	-	505
Favre Leuba AG	Subsidiary	Strategic investment	112	28	137	4
Titan Holdings International FZCO	Subsidiary	Strategic investment	0	-	-	-
Titan Commodity Trading Private Limited	Subsidiary	Strategic investment	-	2	-	2
Montblanc India Retail Private Limited	Joint venture	Strategic investment	39	-	39	-
Green Infra Wind Power Theni Limited	Associate	Strategic investment	2	-	-	2
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	-	0	0
Tata Steel Limited*	Others	Wealth creation	0	-	0	0
Tata Consumer Products Limited* (formerly known as Tata Global Beverages Limited)	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	-	0	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	16	-	6	10
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
Investments in non-convertible debentures carried at amortised cost - unquoted						
Investment in non convertible debentures	Others	Wealth creation	-	5	-	5
			909	**35**	**182**	**763**

* The movement is on account of fair valuation as at the year end.

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

38 Financial Ratios

₹ in crore

Particulars	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021
a) Current Ratio	Total current assets	Total current liabilities	1.71	1.74
b) Debt-Equity Ratio	Debt consists borrowings and lease liabilities	Total equity	0.15	0.15
c) Debt Service Coverage Ratio {refer note (a)}	Earnings for debt service = Net Profit after taxes + Non-cash operating expenses + Finance cost + other non cash adjustments	Debt service = Finance cost & Lease Payments + Principal Repayments	10.28	1.67
d) Return on Equity Ratio {refer note (b)}	Profit for the year	Average total equity	25.77%	12.20%
e) Inventory turnover ratio	Cost of goods sold	Average inventory	1.99	2.01
f) Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	69.25	81.55
g) Trade payables turnover ratio	Derived purchases	Average trade payables	29.10	26.58
h) Net capital turnover ratio	Revenue from operations	Working capital (Current Assets - Current Liabilities)	3.99	3.88
i) Net profit ratio {refer note (b)}	Profit for the year	Revenue from operations	8.01%	4.26%
j) Return on Capital employed {refer note (b)}	Profit before tax and finance cost	Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	29.03%	16.37%
k) Return on investment {refer note (c)}	Income generated from invested funds	Average invested funds in treasury investments	7.82%	2.72%

**finance cost includes only interest paid on debt and leases excluding interest expense on gold on loan*

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

a) Increase in cash profits for the year along with decrease in interest payments has resulted as improvement in the ratio.

b) Increase in profits for the year has resulted as improvement in the ratio.

c) Increase income from mutual funds along with increase fair value gain on investments has resulted as improvement in the ratio.

39 Details of transactions with struck off companies during the year:

Name of Struck off Company	Nature of Transactions	Transactions during the year March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with Struck off Company
Wezkoz Consulting Company Pvt Ltd	Payables	0.00	0.00	Vendor
Digimind Embedded Systems	Payables	0.00	0.00	Vendor
Octel Cloud Solutions Pvt Ltd	Payables	0.00	0.00	Vendor

Notes to the Standalone Financial Statements

for the year ended 31st March 2022

Details of transactions with struck off companies during the previous year:

Name of Struck off Company	Nature of Transactions	Transactions during the year March 31, 2021	Balance outstanding as at March 31, 2021	Relationship with Struck off Company
Octel Cloud Solutions Pvt Ltd	Payables	0.00	0.00	Vendor
Digimind Embedded Systems	Payables	0.00	-	Vendor
Sonet Solutions Privte Limited	Payables	0.03	-	Vendor
Milestone Market Research And Event	Payables	0.00	-	Vendor
Zonar Engineering Private Limited	Payables	0.01	-	Vendor
Sree Swarnambika Enterprises P Ltd	Payables	-	0.00	Vendor
Sargam Trading And Services Pvt Ltd	Payables	-	0.01	Vendor

40 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

41 Other statutory information :

i) The Company does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.

ii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

iii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

iv) The Company is not classified as wilful defaulter.

v) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

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

1	Name of the subsidiary	Favre Leuba AG	Titan Watch Company Limited	Titan Holdings International FZCO	Titan Global Retail LLC	TCL North America Inc	Titan Engineering & Automation Limited	TEAL USA Inc	Caratlane Trading Private Limited	StudioC Inc	Titan Commodity Trading Limited
2	Reporting period	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022
3	Reporting currency	CHF	HKD	AED	AED	USD	INR	USD	INR	USD	INR
4	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	1 CHF = ₹ 82.23	1 HKD = ₹ 9.69	1 AED = ₹ 20.66	1 AED = ₹ 20.66	1 USD = ₹ 75.90	Not applicable	1 USD = ₹ 75.90	Not applicable	1 USD = ₹ 75.81	Not applicable
5	Share capital	128	1	0	1	1	47	-	7	-	2
6	Reserves & surplus	(154)	(1)	(4)	(27)	(3)	298	-	111	(7)	0
7	Total assets	20	-	60	128	159	524	-	895	11	503
8	Total liabilities	46	-	63	154	160	179	-	777	18	501
9	Investments	-	-	1	-	152	-	-	1	-	-
10	Turnover	2	-	-	112	-	378	-	1,257	9	5
11	Profit/(loss) before taxation	(28)	-	(2)	(22)	(2)	21	-	48	(8)	1
12	Provision for taxation	0	-	-	-	-	5	-	(51)	0	0
13	Profit after taxation	(28)	-	(2)	(22)	(2)	16	-	99	(8)	1
14	Proposed dividend	-	-	-	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%	100%	72.31%	72.31%	100%

Name of subsidiary which are yet to commence operations:

Sl. No.	Name of the Company
1	Titan Watch Company Hong Kong Limited
2	TEAL USA Inc

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 2022
2	Shares of Associate held by the company on the year end	
	- No.	15,00,000
	- Amount of Investment in Associate (₹ Crore)	2
	- Extent of Holding %	26.79%
3	Description of how there is significant influence	There is a significant influence due to percentage of Share Capital held
4	Reason why the associate is not consolidated	Not applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Crore)	3
6	Profit/(loss) for the year	
	- Considered in Consolidation (₹ Crore)	(0)
	- Not considered in Consolidation (₹ Crore)	-

Name of joint venture which have been sold during the year:

Sl. No.	Name of the Company
1	None

for and on behalf of the Board of Directors

S Krishnan *Chairman*

N N Tata *Vice Chairman*

Ashwani Puri *Director*

C K Venkataraman *Managing Director*

Ashok Sonthalia *Chief Financial Officer*

Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Independent Auditor's Report

To the Members of Titan Company Limited

Report on the Audit of the 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") and its associate, which comprise the consolidated balance sheet as at 31st March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March 2022, of its consolidated profit and other comprehensive loss, 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 and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition

See note 2(ix) and note 20 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of the 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.	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.

The key audit matter	How the matter was addressed in our audit
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.	2. We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems. 3. We perused selected samples of key contracts with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods. 4. We performed substantive testing of retail sales by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon. 5. We tested, selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents. 6. We scrutinised manual journals posted to revenue to identify unusual items.

Inventories

See note 2(xix) and note 10 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's inventories primarily comprise high value items like jewelry (gold, diamonds, gemstones etc.) and watches. The Group holds inventory at various locations including factories, stores (retail outlets) and third-party locations. There is a significant risk of loss of inventory given the high value and nature of the inventory involved. In view of the above, we have identified confirmation of physical inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. We evaluated the design, implementation and tested the operating effectiveness of key controls that the Company 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.

The key audit matter	How the matter was addressed in our audit
	3. For the sampled locations, we attended physical verification of stocks conducted by the Group and performed roll-forward procedures as at the year end, where applicable. We also performed surprise stock counts at selected stores on a sample basis. We also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. 4. For samples selected using statistical sampling, we obtained independent confirmations of inventories held with third parties.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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 identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate 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 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 Board of 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 are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are 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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of 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 associates and joint ventures and joint operations 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 statements/financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of three subsidiaries (including two step down subsidiaries), whose financial statements reflect total assets (before consolidation adjustments) of ₹ 220 crore as at 31st March 2022, total revenues (before consolidation adjustments) of ₹ 120 crore and net cash inflows (before consolidation adjustments) amounting to ₹ 3 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

These subsidiaries (including step down subsidiaries) are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements of four subsidiaries (including two step down subsidiaries), whose financial statements reflect total assets (before consolidation adjustments) of ₹ 682 crore as at 31st March 2022, total revenues (before consolidation adjustments) of ₹ 378 crore and net cash inflows (before consolidation adjustments) amounting to ₹ 15 crore for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 0.13 crore for the year ended 31st March 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors and other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2022 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 and its subsidiary companies and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31st March 2022 on the consolidated financial position of the Group and its associate. Refer note 30 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31st March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies or its associate company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 42 to the financial statements, no funds have been received by the Holding Company or its subsidiary companies and associate company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and associate company and joint venture companies and joint operation companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India is in compliance with Section 123 of the Act.

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

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Supreet Sachdev
Partner
Membership No. 205385
UDIN: 22205385AIHXXU3536

Place: Bengaluru
Date: 3rd May 2022

Annexure A to the Independent Auditor's report

on the consolidated financial statements of Titan Company Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, in respect of the following company incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditors till the date of this audit report:

Name of the entities	CIN	Relationship
Titan Engineering & Automation Limited	U33111TZ2015PLC021232	Subsidiary
Green Infra Wind Power Theni Limited	U40105HR2011PLC070256	Associate

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

Supreet Sachdev
Partner
Membership No. 205385
UDIN: 22205385AIHXXU3536

Place: Bengaluru
Date: 3rd May 2022

Annexure B to the Independent Auditors' report

on the consolidated financial statements of Titan Company Limited for the year ended 31st March 2022

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 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, 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 as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2022, 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.

Other Matters

The internal financial controls with reference to financial statements in so far as it relates to one subsidiary and one associate, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary and associate is not material to the Company.

Our opinion is not modified in respect of this matter.

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

Supreet Sachdev
Partner
Membership No. 205385
UDIN: 22205385AIHXXU3536

Place: Bengaluru
Date: 3rd May 2022

Consolidated Balance Sheet

as at 31st March 2022

₹ in crore

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,218	1,216
(b) Capital work-in-progress	3	69	19
(c) Right-of-use assets	4	973	917
(d) Investment property	5.1	1	24
(e) Goodwill	5.2	123	123
(f) Other intangible assets	6.1	229	243
(g) Intangible assets under development	6.2	16	13
(h) Financial assets			
(i) Investments	7.1	279	19
(ii) Loans receivable	7.2	42	43
(iii) Other financial assets	7.3	382	326
(i) Deferred tax assets (net)	8	187	105
(j) Income tax assets (net)	8	137	121
(k) Other non-current assets	9	84	86
		3,740	**3,255**
(2) Current assets			
(a) Inventories	10	13,609	8,408
(b) Financial assets			
(i) Investments	11.1	15	2,805
(ii) Trade receivables	11.2	565	366
(iii) Cash and cash equivalents	11.3	219	181
(iv) Bank balances other than (iii) above	11.3	1,354	379
(v) Loans receivable	11.4	423	76
(vi) Other financial assets	11.5	291	230
(c) Other current assets	12	978	752
		17,454	**13,197**
TOTAL ASSETS		**21,194**	**16,452**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	89	89
(b) Other equity	13.2	9,214	7,408
Equity attributable to the equity holders of the Company		9,303	7,497
Non-controlling interest		30	5
TOTAL EQUITY		**9,333**	**7,502**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.1	2	9
(ii) Lease liabilities	14.2	1,138	1,059
(iii) Other financial liabilities	14.3	4	3
(b) Provisions	15	198	156
(c) Deferred tax liability (net)	8	6	8
(d) Other non-current liabilities	16	1	1
		1,349	**1,236**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17.1	516	163
(ii) Gold on loan	17.2	5,398	4,210
(iii) Lease liabilities	17.3	221	197
(iv) Trade payables			
- Total outstanding dues of micro and small enterprises	17.4	242	167
- Total outstanding dues of creditors other than micro and small enterprises	17.4	1,052	622
(v) Other financial liabilities	17.5	440	232
(b) Other current liabilities	18	2,523	2,013
(c) Provisions	19	38	30
(d) Current tax liabilities (net)	8	82	80
		10,512	**7,714**
TOTAL EQUITY AND LIABILITIES		**21,194**	**16,452**
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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

₹ in crore

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
I. Revenue from operations	20	28,799	21,644
II. Other income	21	234	186
III. Total income (I +II)		**29,033**	**21,830**
IV. Expenses:			
Cost of materials and components consumed		22,108	13,713
Purchase of stock-in-trade		4,328	2,579
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(4,795)	122
Employee benefits expense	23	1,349	1,065
Finance costs	24	218	203
Depreciation and amortisation expense	25	399	375
Other expenses	26	2,468	2,441
Total expenses		**26,075**	**20,498**
V. Profit before share of profit/(loss) of an associate and a joint venture and exceptional item and tax (III - IV)		2,958	1,332
VI. Share of profit/(loss) of:			
- Associate		0	0
- Joint venture	7.1	-	(5)
VII. Profit before exceptional item and tax (V - VI)		2,958	1,327
VIII. Exceptional items	40	54	-
IX. Profit before tax (VII - VIII)		**2,904**	**1,327**
X. Tax expense:			
Current tax	8	786	360
Deferred tax	8	(80)	(7)
Total tax		**706**	**353**
XI. Profit for the year (IX-X)		**2,198**	**974**
XII. Other comprehensive income			
(i) Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of employee defined benefit plans		9	48
- Income-tax on (i) above		(1)	(12)
(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		(19)	234
- Exchange differences in translating the financial statements of foreign operations		(5)	1
- income-tax on (ii) above		4	(62)
Total other comprehensive income		**(12)**	**209**
XIII. Total comprehensive income (XI + XII)		**2,186**	**1,183**
Profit for the year attributable to:			
- Owners of the Company		2,173	973
- Non-controlling interest		25	1
		2,198	**974**
Other comprehensive income for the year attributable to:			
- Owners of the Company		(12)	209
- Non-controlling interest		(0)	0
		(12)	**209**
Total comprehensive income for the year attributable to:			
- Owners of the Company		2,161	1,182
- Non-controlling interest		25	1
		2,186	**1,183**
XIV. Earnings per equity share of ₹ 1:			
Basic	28	24.49	10.96
Diluted		24.49	10.96
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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Consolidated Statement of Changes in Equity

as at 31st March 2022

(a) Equity share capital

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	89	89
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Closing balance	**89**	**89**

(b) Other equity

Particulars	Reserves and surplus						Items of other comprehensive income (refer note 13.2)				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	Remeasurement of employee defined benefit plans	Foreign currency translation reserve	Cash flow hedge reserve	Total				
Balance as at 1st April 2020	**0**	**1**	**141**	**4**	**3,066**	**3,592**	**(72)**	**9**	**(160)**	**(223)**	**-**	**6,580**	**4**	**6,584**
Profit for the year (net of taxes)	-	-	-	-	-	973	-	-	-	-	-	973	1	974
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	36	1	172	209	-	209	-	209
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on share issued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**973**	**36**	**1**	**172**	**209**	**-**	**1,182**	**1**	**1,183**
Payment of dividends (refer note 13.3)	-	-	-	-	-	(355)	-	-	-	-	-	(355)	-	(355)
Tax on dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	**0**	**1**	**141**	**4**	**3,066**	**4,210**	**(36)**	**10**	**12**	**(14)**	**-**	**7,408**	**5**	**7,413**
Balance as at 1st April 2021	**0**	**1**	**141**	**4**	**3,066**	**4,210**	**(36)**	**10**	**12**	**(14)**	**-**	**7,408**	**5**	**7,413**
Profit for the year (net of taxes)	-	-	-	-	-	2,173	-	-	-	-	-	2,173	25	2,198
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	8	(7)	(15)	(14)	-	(14)	(0)	(14)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation	-	-	0	2	-	-	-	-	-	0	-	2	-	2
Total comprehensive income for the year	**0**	**-**	**-**	**2**	**-**	**2,173**	**8**	**(7)**	**(15)**	**(14)**	**-**	**2,161**	**25**	**2,186**
Payment of dividends (refer note 13.3)	-	-	-	-	-	(355)	-	-	-	-	-	(355)	-	(355)
Balance as at 31st March 2022	**0**	**1**	**141**	**6**	**3,066**	**6,028**	**(28)**	**3**	**(3)**	**(28)**	**-**	**9,214**	**30**	**9,244**

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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Consolidated Statement of Cash Flow

for the year ended 31st March 2022

₹ in crore

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash flow from operating activities			
Net profit before tax		2,904	1,327
Adjustments for :			
- Depreciation and amortisation expense		399	376
- Net unrealised exchange (gain)/loss		(3)	(2)
- Share of profit/(loss) of the associate and joint venture		0	5
- Employee stock compensation expense		2	-
- Loss on sale/disposal/scrapping of property, plant and equipment (net)		3	6
- Provision for doubtful trade receivables (net) and bad trade receivables written off		3	35
- Provision for asset write off of a subsidiary		9	31
- Interest income		(96)	(61)
- Gain on investments carried at fair value through profit and loss		(87)	(35)
- Gain on investment in joint venture		-	(22)
- Gain on pre-closure of lease contracts		(20)	(13)
- Rent waiver		(34)	(61)
- Finance costs		218	203
Operating profit before working capital changes		**3,298**	**1,789**
Adjustments for :			
- (increase)/decrease in trade receivables		(207)	(59)
- (increase)/decrease in inventories		(5,199)	(316)
- (increase)/decrease in financial assets-loans receivable		(3)	(8)
- (increase)/decrease in other financial assets		(29)	237
- (increase)/decrease in other assets		(223)	(62)
- (increase)/decrease in other bank balances		1	0
- increase/(decrease) in gold on loan		1,188	2,625
- increase/(decrease) in trade payables		504	195
- increase/(decrease) in other financial liabilities		179	253
- increase/(decrease) in other liabilities		510	(192)
- increase/(decrease) in provisions		59	(52)
Cash generated from operating activities before taxes		**78**	**4,410**
- Direct taxes paid, net		(802)	(271)
Net cash (used in)/generated from operating activities	**A**	**(724)**	**4,139**
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property		(224)	(146)
Proceeds from sale of property, plant and equipment		8	7
Investment in non convertible debentures		(100)	(5)
Inter-corporate deposits placed		(1,094)	(150)
Proceeds from inter-corporate deposits		750	100
Bank deposits (placed)/matured, net		(975)	(73)
Proceeds from sale of investment in joint venture		-	43
Purchase of investments in other equity instruments		(153)	-
Sale/(purchase) of mutual funds, net		2,870	(2,651)

Consolidated Statement of Cash Flow

for the year ended 31st March 2022

₹ in crore

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
Loan given to Group's franchisees and vendors		(34)	(97)
Proceeds from loan given to Group's franchisees and vendors		34	94
Lease payments received from sub-lease (excluding interest received)		26	28
Interest received		56	49
Net cash generated from/(used in) investing activities	**B**	**1,164**	**(2,801)**
C. Cash flow from financing activities			
Repayment from long term borrowings, net		(7)	(12)
Proceeds/(repayments) from borrowings, net		349	(550)
Dividends paid including dividend distribution tax		(355)	(355)
Payment of lease liabilities excluding interest paid		(172)	(114)
Finance costs paid		(218)	(203)
Net cash used in financing activities	**C**	**(403)**	**(1,234)**
Net increase in cash and cash equivalents during the year (A+B+C)		**37**	**104**
Cash and cash equivalents (opening balance)	11.3	181	75
Add: Unrealised exchange gain		1	2
Cash and cash equivalents (closing balance)	**11.3**	**219**	**181**
Debt reconciliation statement in accordance with Ind AS 7			
Borrowings	17.1		
Opening balance		172	734
Repayment from long term borrowings, net		(7)	(12)
Proceeds/(repayments) from borrowings, net		349	(550)
Foreign Currency Translation Reserve adjustments		4	-
Closing balance		518	172
Reconciliation of Lease liability			
Opening balance		1,256	1,243
Payments made during the year		(172)	(114)
Non-cash changes		275	127
Closing balance		**1,359**	**1,256**
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: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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, jewellery, 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) Valuation of grants under Employees Share Options (ESOPs).

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

iii. Rounding of amounts

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

iv. Use of estimates and judgement

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

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

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31st March 2022 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, 17.3 and 29 – Leases;
- Note 15, 19 and 30 – Provisions and Contingent liabilities;

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

- Note 32 – Measurement of defined benefit obligations: key actuarial assumptions;
- Notes 35.1 and 35.2 – Fair value measurement of financial instruments.

v. Basis of consolidation

The consolidated financial statements relate to Titan Company Limited and entities controlled by the Company. Control is achieved when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect the entity's returns by using its power over the entity.

The consolidated financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profit or losses. These financial statements are prepared by applying uniform accounting policies in use at the Group. The excess of the Company's portion of equity of the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve on consolidation. The excess of cost to the Company of its investment over the Company's portion of equity as at the date of investment is treated as Goodwill on consolidation.

Investment in associate and joint venture are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of consolidated profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Entities controlled by the Company are consolidated from the date the control commences until the date control ceases.

The subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of the company	Country of incorporation	Ownership interest 31st March 2022	Ownership interest 31st March 2021
Titan Engineering & Automation Limited ("TEAL")	India	100%	100%
Favre Leuba AG	Switzerland	100%	100%
Titan Watch Company Hong Kong Limited (100% subsidiary of Favre Leuba AG)	Hong Kong	100%	100%
Caratlane Trading Private Limited	India	72.31%	72.31%
StudioC (from 11th February 2021) (100% subsidiary of Caratlane Trading Private Limited)	United States of America	100%	100%
Titan Holdings International FZCO	Dubai	100%	100%
Titan Global Retail L.L.C (Subsidiary of Titan Holdings International FZCO)	Dubai	100%	100%
Titan Commodity Trading Limited (from 10th August 2020)	India	100%	100%
TCL North America Inc. (from 15th April 2021)	United States of America	100%	100%
TEAL USA Inc. (from 15th April 2021) (Wholly owned subsidiary of Titan Engineering & Automation Limited)	United States of America	100%	100%

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

The associate company which are included in the consolidation and the Company's holdings therein are as under:

Name of the company	Country of incorporation	Ownership interest 31st March 2022	Ownership interest 31st March 2021
Green Infra Wind Power Theni Limited - Associate company	India	26.79%	26.79%

The financial statements of the subsidiary companies and associate company which are included in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2022. 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 crore, 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Other Operating Income:

Indirect tax incentives are recognised when the right to receive the amount as per the terms of scheme is established in respect of industrial promotion scheme applicable to the respective units.

Use of significant judgements in revenue recognition:

a) The Group's contracts with customers could include promises to transfer multiple goods to a customer. The Group assesses the goods promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Commission income is generally recognised when the related sale is executed as per the terms of the agreement.

The Group has determined that the revenues as disclosed in Note 19 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

x. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

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

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

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 currency are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of consolidated profit and loss in the period in which they arise except for exchange differences on transactions designated as cash flow hedge (refer note xxii(b)).

b) Foreign operations:

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing 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.

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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 current tax and deferred tax. It is recognised in the statement of consolidated profit and loss except to the extent 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

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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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

xv. Property, Plant and Equipment

a) Recognition and measurement:

Land and buildings held for use in the production or supply of goods or services, 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 each financial year and the depreciation period is revised to reflect the changed pattern, if any.

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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, 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.

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 there is a change in use 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

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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:

Computer software - License period or 5 years, whichever is lower.

Intellectual properties - 5 years

Patents - 5 years

Brand - Indefinite period.

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

Intangibles under development includes cost of intangible assets under development as at the balance sheet date.

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 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.

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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) or where hedge contracts have been entered into for quantities of gold and accounted for as fair value hedge] 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 and quantities of gold covered under fair value hedge have been entered into is valued at the gold prices prevailing on the period closing date.

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 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

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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 (FVTOCI)

(iii) Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the group changes its business model for managing financial assets.

i) Financial assets at amortised cost:

A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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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.

iii) Investments in equity instruments at FVTPL

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

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

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

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Group has not retained control of the financial asset. When the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Group has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

d) *Foreign exchange gains and losses*

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of consolidated profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of consolidated profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

B) *Financial liabilities: classification, subsequent measurement and derecognition:*

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Other Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to 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.

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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of consolidated profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of consolidated profit and loss.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

xxii. Derivative financial instruments

a) Derivative instruments not designated as Cash flow hedges:

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, future contracts and options.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of consolidated profit and loss immediately unless the derivative is designated 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

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dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading reserve and the ineffective portion is recognised immediately in the statement of consolidated profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of consolidated profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of consolidated profit and loss.

The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions. The Company has followed cashflow hedge for hedging contracts taken upto 30th June 2021.

c) *Fair Value Hedge:*

With effect from 1st July 2021, the Company adopted fair value hedge for the derivative contracts entered into and designated derivative contracts or 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. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

The Group designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item i.e. fixed gold inventory due to movement in gold prices. The Group also 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 & Wearables, Jewellery, EyeCare, Corporate and Others, where 'Others' include Aerospace & Defence, Automation Solutions, Fragrances, Accessories and Indian dress wear. Secondary information is reported geographically.

Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents other income and expenses which relate to the Group as a whole and are not allocated to segments.

xxiv. Consolidated cash flow statement

Consolidated cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or

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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 Group measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes-Merton Model. The expected term of an option is estimated based on the vesting term and contractual life of the option. Expected volatility during the expected term of the option is based on the historical volatility of similar companies. Risk free interest rates are based on the government securities yield in effect at the time of the grant.

The cost of equity settled transactions is recognized, 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. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

xxviii. Recent accounting pronouncements

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

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a) *Ind AS 103 – Reference to Conceptual Framework*

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use. The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

3.1 Property, plant and equipment

₹ in crore

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and servers	Leasehold improvements	Furniture and Fixtures	Office equipments	Vehicles	Total
Gross block									
As at 1st April 2020	85	411	712	119	7	313	70	29	1,746
Additions	-	3	29	28	6	33	11	4	114
Disposals/other adjustment#	-	-	(14)	(5)	-	(37)	(5)	(3)	(64)
As at 31st March 2021	**85**	**414**	**727**	**142**	**13**	**309**	**76**	**30**	**1,796**
As at 1st April 2021	85	414	727	142	13	309	76	30	1,796
Additions*	23	8	53	20	5	40	25	16	190
Disposals/other adjustment	(0)	(0)	(12)	(3)	(1)	(28)	(5)	(8)	(57)
As at 31st March 2022	**108**	**422**	**768**	**159**	**17**	**321**	**96**	**38**	**1,929**
Accumulated depreciation									
As at 1st April 2020	-	40	197	55	4	125	30	9	460
Depreciation expense	-	12	59	26	2	47	13	8	166
Disposals	-	-	(9)	(5)	-	(26)	(4)	(2)	(46)
As at 31st March 2021	**-**	**52**	**247**	**76**	**6**	**146**	**39**	**14**	**580**
As at 1st April 2021	-	52	247	76	6	146	39	14	580
Depreciation expense	-	11	64	29	3	47	15	8	177
Disposals	-	(0)	(9)	(3)	(0)	(23)	(4)	(7)	(46)
As at 31st March 2022	**-**	**63**	**302**	**102**	**9**	**170**	**50**	**15**	**711**
Net carrying value									
As at 31st March 2021	**85**	**362**	**480**	**66**	**7**	**162**	**37**	**15**	**1,216**
As at 31st March 2022	**108**	**359**	**466**	**57**	**8**	**151**	**46**	**23**	**1,218**

** Land amounting to value of ₹ 23 crore which was classified as "Investment Property" in the previous year has been reclassified to "Property, plant and equipment" in the current year as the Company is using this land for its business purposes.*

 # Includes an amount of ₹ 4 crore on provision for write off of assets in a subsidiary.

3.2 Capital work-in-progress

₹ in crore

Particulars	Capital work-in-progress
As at 1st April 2020	11
Additions	107
Capitalisations	(99)
As at 31st March 2021	**19**
As at 1st April 2021	19
Additions	240
Capitalisations	(190)
As at 31st March 2022	**69**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

Capital-Work-in Progress	Amount in CWIP as at 31st March 2022				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	65	4	0	-	69
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress	Amount in CWIP as at 31st March 2021				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	19	0	-	-	19
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) schedule whose completion is overdue as on 31 March 2022

Projects	Amount in CWIP as at 31st March 2021			
	< 1 year	1-2 years	2-3 years	> 3 years
Building - Jewellery	15	-	-	-
Building - Watches	5	-	-	-

Note: Group does not have any projects where its cost is exceeded its original budget value.

4. Right-of-use assets*

₹ in crore

Particulars	Leasehold land	Buildings	Plant and Machinery	Total
As at 1st April 2020	23	1,055	12	1,090
Additions	-	243	-	243
Modifications/terminations/transfer	-	(108)	-	(108)
As at 31st March 2021	**23**	**1,190**	**12**	**1,225**
As at 1st April 2021	23	1,190	12	1,225
Additions	5	300	-	305
Modifications/terminations/transfer	-	(76)	(12)	(88)
As at 31st March 2022	**28**	**1,414**	**-**	**1,442**
Accumulated amortisation				
As at 1st April 2020	1	154	0	155
Amortisation expense	1	174	1	176
Modifications/terminations/transfer	-	(23)	-	(23)
As at 31st March 2021	**2**	**305**	**1**	**308**
As at 1st April 2021	2	305	1	308
Amortisation expense	1	185	-	186
Modifications/terminations/transfer	-	(24)	(1)	(25)
As at 31st March 2022	**3**	**466**	**-**	**469**
Net carrying value				
As at 31st March 2021	**21**	**885**	**10**	**917**
As at 31st March 2022	**25**	**948**	**-**	**973**

**Also, refer note 29*

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

5.1 Investment property

₹ in crore

Particulars	Land
As at 1st April 2020	24
Additions	-
Disposals/transfer	-
As at 31st March 2021	**24**
As at 1st April 2021	24
Additions	-
Disposals/transfer {refer note (c)}	(23)
As at 31st March 2022	**1**
Net carrying value	
As at 31st March 2021	**24**
As at 31st March 2022	**1**

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

b) Fair market value of land at ₹ 54 crore (Previous year: ₹ 102 crore) have been arrived at on the basis of valuations carried out by Chartered Engineer during the years ended 31st March 2022 and 31st March 2021.

c) Land amounting to value of ₹ 23 crore which was classified as "Investment Property" in the previous year has been reclassified to "Property, plant and equipment" in the current year as the Company is using this land for its business purposes.

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

5.2 Goodwill

	₹ in crore
Opening Goodwill as at 1st April 2020	123
Movement during the year	-
Closing Goodwill as at 31st March 2021	**123**
Opening Goodwill as at 1st April 2021	123
Movement during the year	-
Closing Goodwill as at 31st March 2022	**123**

Name of the CGU	Operating Segment
Jewellery business of Titan Company Limited	Jewellery
Caratlane Trading Private Limited	Jewellery
Watches business of Titan Company Limited	Watches
Favre Leuba AG	Watches
EyeCare business of Titan Company Limited	EyeCare
Other business of Titan Company Limited	Other business
Titan Engineering & Automation Limited	Other business
Titan Holdings International FZCO	Other business
Titan Global Retail L.L.C.	Jewellery & Watches
Titan Commodity Trading Limited	Other business

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of such assets. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level/group of CGUs within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. The goodwill as at 31st March 2021 has been entirely allocated to the Caratlane CGU.

The recoverable amount of the Caratlane CGU is determined on the basis of value-in-use (VIU). The VIU of the CGU is determined based on discounted cash flow projections. Key assumptions on which the Company has based its determination of VIU include estimated cash flows, terminal value and discount rates.

Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

a) Terminal value growth rate 5%

b) Discount rate post tax 14.4%

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging applicable to the region at a market interest rate applicable to the respective region.

The cash flow projections include specific estimates for ten years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. Revenue growth has been projected taking into account the average growth levels experienced over the past years and the estimated sales volume and price growth for the coming years. It has been assumed that the sales price would increase in line with forecast inflation over the next ten years.

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's/group of CGU's recoverable amount would fall below its carrying amount.

6.1 Other intangible assets

₹ in crore

Particulars	Trademarks	Intellectual properties	Patents	Computer software	Brand	Total
Owned						
As at 1st April 2020	16	6	8	111	180	321
Additions	-	-	-	24	-	24
Disposals/other adjustment#	(13)	-	-	(1)	-	(14)
As at 31st March 2021	**3**	**6**	**8**	**134**	**180**	**331**
As at 1st April 2021	3	6	8	134	180	331
Additions	-	-	-	22	-	22
Disposals/other adjustment	-	-	-	-	-	-
As at 31st March 2022	**3**	**6**	**8**	**156**	**180**	**353**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

Particulars	Trademarks	Intellectual properties	Patents	Computer software	Brand	Total
Accumulated amortisation						
As at 1st April 2020	3	-	-	52	-	55
Amortisation expense	-	1	2	31	-	34
Disposals/other adjustment	-	-	-	(1)	-	(1)
As at 31st March 2021	**3**	**1**	**2**	**82**	**-**	**88**
As at 1st April 2021	3	1	2	82	-	88
Amortisation expense	-	1	2	33	-	36
Disposals	-	-	-	-	-	-
As at 31st March 2022	**3**	**2**	**4**	**115**	**-**	**124**
Net carrying value						
As at 31st March 2021	**-**	**5**	**7**	**52**	**180**	**243**
As at 31st March 2022	**-**	**4**	**4**	**41**	**180**	**229**

 # Includes an amount of ₹ 13 crore on provision for impairment of assets in a subsidiary.

6.2 Intangible assets under development

₹ in crore

As at 1st April 2020	3
Additions	34
Capitalisations	(24)
As at 31st March 2021	**13**
As at 1st April 2021	8
Additions	30
Capitalisations	(22)
As at 31st March 2022	**16**

a) Intangible assets under development aging schedule

₹ in crore

Particulars	As at 31st March 2022				
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
i) Projects in progress	9	6	1	-	16
ii) Projects temporarily suspended	-	-	-	-	-
	9	**6**	**1**	**-**	**16**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

b) Intangible assets under development aging schedule

₹ in crore

Particulars	As at 31st March 2021				
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
i) Projects in progress	12	1		-	13
ii) Projects temporarily suspended	-	-	-	-	-
	12	**1**	**-**	**-**	**13**

c) Intangible assets under development schedule whose completion is overdue

₹ in crore

Projects	As at 31st March 2021				
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Software upgradation at stores	8	-	-	-	8
	8	**-**	**-**	**-**	**8**

Note: Group does not have any projects where its cost is exceeded its original budget value.

7 Financial assets

7.1 Investments

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
1) Investment in equity instruments - unquoted		
(i) In associate company (at cost unless stated otherwise)		
1,500,000 (Previous year: 1,500,000) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Theni Limited {refer note (b) below}	3	3
	3	**3**
2) Other investments		
i) Investments in equity instruments - quoted (at fair value through profit or loss)		
1,000 (Previous year: 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	0	0
2,511 (Previous year: 2,349) fully paid equity shares of ₹ 10 each in Tata Steel Limited	0	0
6,638 (Previous year: 6,638) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	1	0
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	0	0
3,000 (Previous year: 3000) fully paid equity shares of ₹ 1 each in Trent Limited	0	0
	1	**0**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
ii) Investments in equity instruments - unquoted (at fair value through profit or loss)		
525,000 (Previous year: 525,000) fully paid equity shares of ₹ 10 each in Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)	18	10
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	0	0
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	0	0
40,00,000 (Previous year: Nil) fully paid equity shares of $ 0.001 each in Investment in Great Heights Inc. (from 14-Mar-2022)	152	-
	170	**10**
iii) Investments in non-convertible debentures carried at amortised cost - unquoted		
Investment in non-convertible debentures	100	5
Investment in Government Securities	5	-
	105	**5**
Aggregate value of investments	**279**	**19**
Aggregate book value of quoted investments	**1**	**0**
Aggregate market value of quoted investments	**1**	**0**
Aggregate book value of unquoted investments	**278**	**19**

Notes:

a) The Group has disposed off its entire shareholding in Montblanc India Retail Private Limited to its Joint venture partner on 12 March 2021 at a consideration of ₹ 43 crore exercising put option as per the joint venture agreement. Consequently, the Group has recognised profit on sale of investment amounting to ₹ 22 crore under the head "Other income" during the year ended 31st March 2021.

b) The Company has given an undertaking not to sell or encumber in any manner its investments in Green Infra Wind Power Theni Limited in accordance with the Equity Participation agreement.

7.2 Loans receivable

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Employee loans	42	43
	42	**43**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

7.3 Other financial assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Lease receivables	251	205
Security deposits	126	115
Other assets	5	6
	382	**326**

8 Income tax

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

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax assets	187	105
Deferred tax liabilities	**(6)**	(8)
Net deferred tax asset	**181**	**97**

₹ in crore

Particulars	As at 1st April 2021	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2022
Deferred tax assets				
Provision for doubtful trade receivables	11	(1)	-	10
Employee benefits	38	6	-	44
Compensation towards voluntary retirement of employees	1	13	-	14
Fair value of investments	35	2	-	37
Cash flow hedges	(4)	-	4	-
Lease liabilities (net of Right-of-use assets)	44	0	-	44
Business Loss	-	51	-	51
Sub-total	**124**	**71**	**4**	**199**
Deferred tax liability				
Property, plant and equipment	(27)	10	-	(17)
Others	-	(1)	-	(1)
	(27)	**9**	**-**	**(18)**
	97	**80**	**4**	**181**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

₹ in crore

Particulars	As at 1st April 2020	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2021
Deferred tax assets				
Provision for doubtful trade receivables	2	9	-	11
Employee benefits	44	(6)	-	38
Compensation towards voluntary retirement of employees	7	(6)	-	1
MAT credit entitlement	-	-	-	-
Fair value of investments	34	1	-	35
Cash flow hedges	58	-	(62)	(4)
Lease liabilities (net of Right-of-use assets)	41	3	-	44
Others	-	-	-	-
Sub-total	**186**	**1**	**(62)**	**124**
Deferred tax liability				**-**
Property, plant and equipment	(33)	6	-	(27)
	(33)	**6**	**-**	**(27)**
	153	**7**	**(62)**	**97**

b) Amounts recognised in statement of profit and loss and other comprehensive income.

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Income tax expenses		
Current tax	786	360
Deferred tax	(80)	(7)
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	1	12
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(4)	62
Tax expense for the year	**703**	**427**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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 crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit before tax	2,904	1,332
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	731	335
Effect of:		
Expenses that are not deductible in determining taxable profit	17	4
Effect of concessions	(6)	(6)
Unrecognised deferred tax for losses of subsidiaries	(38)	20
Others	2	-
Income tax expense recognised in the statement of profit and loss	**706**	**353**

**From the Assessment Year 2020-21 relevant to the previous year 2019-20, the Company elected to exercise the option permitted under section 115BAA(1) of the Income-tax Act, 1961 after satisfying the conditions contained in section 115BAA(2) as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognized provision for income tax for the year ended 31st March 2020 and computed deferred tax based on the rate prescribed in the said section. From the Assessment Year 2021-22, one of the subsidiary namely 'Titan Enginnering & Automation Ltd' opted to exercise option permitted under section 115BAA for the financial year ended 31st March 2021.*

d) The following table provides the details of income tax assets and income tax liabilities as of 31st March 2022 and 31st March 2021:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Income tax assets (net)	137	121
Current tax liabilities (net)	82	80
Net current income tax assets at the end of the year	**55**	**41**

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net current income tax assets at the beginning of the year	41	135
Income tax paid	802	271
Current income tax expense	(786)	(360)
Interest on income tax refund	-	7
Income tax on other comprehensive income and others	(1)	(12)
Net current income tax assets at the end of the year	**55**	**41**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

9 Other non-current assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Capital advances	29	25
Balance with revenue authorities	50	56
Other assets (includes deferred lease cost and deferred employee cost)	5	5
	84	**86**

10 Inventories

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials	2,268	1,865
Work-in-progress {refer (a) below}	421	375
Finished goods	8,585	6,082
Stock-in-trade	2,304	58
Stores and spares	25	28
Loose tools	6	-
	13,609	**8,408**
Included above, goods- in- transit		
Raw materials	15	6
Stock-in-trade	9	1
	24	**7**
a) Details of inventory of work-in-progress		
Watches	165	134
Jewellery	164	200
Others	92	41
	421	**375**

(i) The cost of inventories recognised as an expense during the year is ₹ 21,641 crore (Previous year: ₹ 16,414 crore).

(ii) The cost of inventories recognised as an expense includes ₹ 11 crore (Previous year: ₹ 14 crore) in respect of write down of inventory to net-realisable value.

(iii) The inventory includes Gold purchased on loan from banks amounting to ₹ 5,448 crore (Previous year: ₹ 4,210 crore).

(iv) Refer point (xix) under significant accounting policies for method of valuation.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

11 Financial assets

11.1 Investments

₹ in crore

Particulars		As at 31st March 2022		As at 31st March 2021	
		No of units	Amount	No of units	Amount
i)	**Investments in mutual funds (Unquoted)- {at fair value through profit or loss}**				
	Name of the fund				
	Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	-	-	33,69,823	112
	ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	55,24,011	168
	Aditya Birla Sun Life Low Duration Fund - Direct Plan - Growth	-	-	9,15,643	51
	Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	-	-	89,25,419	256
	Aditya Birla Sun Life Savings Fund - - Direct Plan - Growth	-	-	11,89,273	51
	Axis Treasury Advantage Fund - - Direct Plan - Growth	-	-	2,04,535	51
	HDFC Arbitrage Fund - Direct Plan - Growth	-	-	1,30,07,480	20
	HDFC Liquid Fund - Direct Plan - Growth	-	-	498	0
	HDFC Low Duration Fund - Direct Plan - Growth	-	-	1,06,60,130	51
	HDFC Money Market Fund - Direct Plan - Growth	-	-	6,10,688	273
	HDFC Money Market Fund - Direct Plan - Growth	-	-	11,204	5
	HDFC Ultra Short Term Fund - Direct Plan - Growth	-	-	4,26,13,806	51
	ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	-	-	1,61,81,055	45
	ICICI Prudential Money Market Fund Option - Direct Plan - Growth	-	-	1,04,43,131	308
	ICICI Prudential Savings Fund - Direct Plan - Growth	-	-	12,10,792	51
	IDFC Ultra Short Term Fund - Direct Plan - Growth	-	-	4,22,43,504	51
	Kotak Equity Arbitrage Fund - Direct Plan - Growth	-	-	1,50,04,578	45
	Kotak Money Market Scheme - Direct Plan - Growth	-	-	7,24,493	252
	Kotak Savings Fund - Direct Plan - Growth	-	-	1,46,55,362	51
	L&T Ultra Short Term Fund - Direct Plan - Growth	-	-	1,44,04,766	51
	Nippon India Arbitrage Fund - Direct Plan - Growth	-	-	2,08,07,996	45
	Nippon India Liquid Fund - Direct Plan - Growth	-	-	3,09,531	156
	Nippon India Money Market Fund - Direct Plan - Growth	-	-	9,55,027	308
	SBI Magnum Ultra Short Duration Fund - Direct Plan - Growth	-	-	1,14,939	54
	SBI Savings Fund-Direct - Direct Plan - Growth	-	-	7,43,23,527	254
	Tata Arbitrage Fund - Direct Plan - Growth Option	-	-	3,96,13,175	45
			-		**2,805**
ii)	**Investments in non-convertible debentures carried at amortised cost - unquoted**				
	Investment in non convertible debentures		15		-
			15		**-**
	Aggregate value of unquoted investments		**15**		**2,805**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

11.2 Trade receivables

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Considered good- unsecured*	569	369
Less: Allowance for doubtful trade receivables	(4)	(3)
	565	**366**
Credit impaired	3	6
Less: Allowance for doubtful trade receivables	(3)	(6)
	-	-
	565	**366**

** 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 (%)					
	Watches	Jewellery	EyeCare	New Category	Automated Solution	Aerospace & Defence
With in credit period	0%	0%	2%	6%	1%	1%
Less than 1 year	0%	0%	2%	2%	0%	1%
1 to 2 years	30%	0%	20%	32%	7%	20%
2 to 3 years	34%	5%	51%	34%	16%	37%
Over 3 years	100%	31%	100%	45%	100%	94%

Movement in the expected credit loss allowance

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Balance at the beginning of the year	9	9
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(2)	0
Balance at the end of the year	**7**	**9**

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

a) Trade Recievables Ageing Schedule

₹ in crore

Particulars	As at 31st March 2022						
	Not Due	**< 6 months**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	**Total**
(i) Undisputed Trade Receivables - Considered Good	471	69	8	19	1	1	569
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	1	1	1	0	3
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	0	-	-	-	-	-
	471	**69**	**9**	**20**	**2**	**1**	**572**
Less: Allowance for doubtful trade receivables							(7)
Trade Receivables - Net							**565**

b) Trade Recievables Ageing Schedule

₹ in crore

Particulars	As at 31st March 2021						
	Not Due	**< 6 months**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	**Total**
(i) Undisputed Trade Receivables - Considered Good	295	50	15	3	1	1	365
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0	4	0	0	4
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	295	**50**	**15**	**7**	**1**	**1**	**369**
Less: Allowance for doubtful trade receivables							(3)
Trade Receivables - Net							**366**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

11.3 Cash and bank balances

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents		
Cash on hand	10	12
Cheques, drafts on hand	7	9
Balances with banks		
(i) Current account {refer note (a) below}	202	115
(ii) Demand deposit	0	45
Total cash and cash equivalents	**219**	**181**
Other bank balances		
(iii) Earmarked accounts		
- Unclaimed dividend	10	11
(iv) Demand deposit	422	14
(v) Fixed deposits held as margin money against bank guarantee	706	54
(vi) Fixed deposits held as deposit reserve fund {refer note (b) below}	216	300
Total other bank balances	**1,354**	**379**
	1,573	**560**

a) The balance under current account includes funds in transit primarily for credit card receipts yet to be credited to the Company- ₹ 30 crore (Previous year:₹ 34 crore).

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.

11.4 Loans receivable

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Inter-corporate deposits	539	195
Less: Provision for impairment	(145)	(145)
Inter-corporate deposits, net	394	50
Employee loans	29	26
	423	**76**

11.5 Other financial assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Refunds due from government authorities	91	128
Margin money for gold future contracts	89	41
Provision for doubtful margin money deposits {refer note (a) below}	(34)	(34)
	55	7

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Derivative instruments other than in designated hedge accounting relationships	4	3
Lease receivables	32	29
Security deposits	24	33
Other Receivables	7	-
Other assets (Mark to market gain on gold future contracts, interest accrued on fixed deposits and ICDs)	78	30
	291	**230**

(a) Based on its assessment of recoverability, the Group has made a provision of ₹ 34 crore against receivables from one of the brokers with whom the Group was transacting. The Group, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

12 Other current assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured and considered good		
Advances to suppliers	107	92
Provision for doubtful advances	(1)	(2)
	106	90
Prepaid expenses	73	27
Balance with revenue authorities {refer note (a) below}	685	507
Contractual asset {refer note (b) below}	94	99
Gratuity {refer note 32 (b)}	8	19
Other assets (includes deferred lease cost and deferred employee cost)	12	10
	978	**752**

(a) Balance with revenue authorities includes GST credits of ₹ 632 crore (Previous year: ₹ 496 crore) in respect to GST input credit, transitional credit and deemed credit.

(b) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 18.

13.1 Share capital

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares (in crore)	Amount	No. of shares (in crore)	Amount
a) Authorised				
Equity share of ₹ 1 each with voting rights	120	120	120	120
Redeemable cumulative preference shares of ₹ 100 each	0.40	40	0.40	40
b) Issued, subscribed and fully paid up				
Equity share of ₹ 1 each with voting rights	89	89	89	89

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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:

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. crore	₹ crore	No. crore	₹ crore
Equity shares with voting rights				
At the beginning of the year	89	89	89	89
At the end of the year	**89**	**89**	**89**	**89**

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

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares held*	% of total holding	No. of shares held*	% of total holding
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88
Tata Group				
Tata Sons Limited	19	20.85	19	20.85
Tata Investment Corporation Limited	2	2.01	2	2.01
Tata Chemicals Limited	1	1.56	1	1.56
Ewart Investments Limited	0	0.56	0	0.56
Piem Hotels Limited	0	0.06	0	0.06
Total - Tata Group	**22**	**25.04**	**22**	**25.04**

f) Shares held by promoters

₹ in crore

Promoter	As at 31st March 2022		As at 31st March 2021		% of change
	No. of shares held*	% of total Shares	No. of shares held*	% of total Shares	
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88	-
Tata Sons Private Limited	19	20.85	19	20.85	-
	43	**48.73**	**43**	**48.73**	**-**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

₹ in crore

Promoter	As at 31st March 2021		As at 31st March 2020		% of change
	No. of shares held*	% of total Shares	No. of shares held*	% of total Shares	
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88	-
Tata Sons Private Limited	19	20.85	19	20.85	-
	43	**48.73**	**43**	**48.73**	**-**

** Number of shares held are in crore*

13.2 Other equity

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Capital reserve	0	0
(Surplus on re-issue of forfeited shares and debentures)		
Capital redemption reserve	1	1
(Reserve created on redemption of capital)		
Securities premium reserve	141	141
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)		
General reserve	3,066	3,066
(Represents appropriation of profit by the Company)		
Retained earnings*	6,028	4,210
(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)		
Other comprehensive income	(28)	(14)
(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	6	4
(Share options granted by a subsidiary to its employees)		
	9,214	**7,408**

13.3 Distributions made and proposed

The Board of Directors at its meeting held on 29th April 2021 had proposed a final dividend of ₹ 4 per equity share of par value of ₹ 1 each for the financial year ended 31st March 2021. The proposal was approved by shareholders at the Annual General Meeting held on 2nd August 2021 and the same was paid during the year ended 31st March 2022. This has resulted in a total outflow of ₹ 355 crore.

The Board of Directors, in its meeting on 3rd May 2022, have proposed a final dividend of ₹ 7.5 per equity share for the financial year ended 31st March 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 666 crore.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

14 Financial liabilities

14.1 Borrowings

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
Term loan*	2	9
	2	**9**

** Secured against the Corporate Guarantee issued by Titan Company Limited at an interest rate of 0.5% per annum*

The effective interest rate of the term loan was 8.19% per annum and is payable over 48 equal monthly installments begining from 1st June 2019. Current revised rate as per the bank is 5.5% from 22 March 2021. A prepayment of ₹ 657 lakh of the principal amount was made during the year.

14.2 Lease liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Lease liabilities (refer note 29)	1,138	1,059
	1,138	**1,059**

14.3 Other financial liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Others (includes rental deposits)	4	3
	4	**3**

15 Provisions

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for compensated absences {refer note 32 (c)}	144	123
Provision for pension	31	30
Provision for long service award	18	-
Provision for gratuity {refer note 32 (b)}	5	3
	198	**156**

16 Other non-current liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Others (deferred rental)	1	1
	1	**1**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

17 Financial liabilities

17.1 Borrowings

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
Bank overdraft and cash credit {refer note (a) below}	126	33
Current maturities of long term borrowings {refer note (b) below}	7	7
Commercial paper {refer note 39 and note (c) below}	149	104
Unsecured		
Loan from bank and cash credit {refer note (d) below}	235	20
	516	**163**

(a) *Secured against the inventory, receivables and movable fixed assets on pari-passu basis. The interest rate on the overdraft varies from 4.3% to 8.8% per annum and is payable at monthly intervals. (Previous year the interest rate was 4.3% to 8.85% per annum).*

(b) *Secured against the Corporate Guarantee issued by Titan Company Limited at an interest rate of 0.5% per annum*

(c) *Secured against the inventory, receivables and movable fixed assets on pari-passu basis. The interest rate is 4.5% and is payable at monthly intervals. Statement filed as at the quarter end with the banks are in agreement with the books of accounts as at respective quarter ends.*

(d) *The interest rate on the short term loan is 4.1% to 4.25% p.a. The interest is payable at monthly intervals. (Previous year the interest rate was 7.7% per annum).*

17.2 Gold on loan

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Secured #		
Payable to banks*	2,936	2,003
Unsecured		
Payable to banks*	2,462	2,207
	5,398	**4,210**

 # 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 1.58% to 2.05% per annum (Previous year: 1.45% to 3.00%) and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.*

17.3 Lease liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Lease liabilities (refer note 29)	221	197
	221	**197**

17.4 Trade payables

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Total outstanding dues of micro and small enterprises {Refer note (a) below}	242	167
Total outstanding dues of other than micro and small enterprises	1,052	622
	1,294	**789**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

a) Ageing of trade payables

₹ in crore

Particulars	Outstanding as at 31st March 2022				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	242	0	-	-	242
Others	1,037	11	2	2	1,052
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**1,279**	**11**	**2**	**2**	**1,294**

₹ in crore

Particulars	Outstanding as at 31st March 2021				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	167	0	-	-	167
Others	614	5	3	0	623
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**780**	**5**	**3**	**0**	**789**

Note a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	242	167
- 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.*	82	51
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	0	0

** The payment was made beyond appointed day due to delay in receipt of invoices. Accordingly, management believes that no interest is payable on the same.*

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

17.5 Other financial liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Unclaimed dividends {refer note (a) below}	10	11
Payables on purchase of property, plant and equipment	28	15
Derivative instruments other than in designated hedge accounting relationships	-	1
Other financial liabilities		
- Employee related	301	174
- Others	101	31
	440	**232**

Notes:

(a) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 0.15 crore (Previous year: ₹ 0.11 crore) and therefore amounts relating to the same have not been transferred.

18 Other current liabilities

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Advance from customers	483	407
Golden harvest scheme (deposit)	1,574	1,075
Liability towards award credit for customers	49	72
Statutory dues	51	38
Contract liability {refer note (a) below}	126	133
Other liabilities	240	288
	2,523	**2,013**

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.

19 Provisions

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for compensated absences {refer note 32 (c)}	23	20
Provision for gratuity {refer note 32 (b)}	1	1
Provision for other employee benefits	4	-
Provision for warranty { refer note (a) below}	10	9
	38	**30**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Note (a): Provision for warranty

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	9	11
Provisions made during the year	7	6
Utilisations/reversed during the year	(6)	(8)
Provision at the end of the year	**10**	**9**

20 Revenue from operations

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of products		
Manufactured goods		
Watches	1,804	1,180
Jewellery	19,427	14,511
EyeCare	293	218
Others	354	339
	21,878	**16,248**
Traded goods		
Watches	433	349
Jewellery	4,710	3,234
EyeCare	213	143
Others	149	93
	5,505	**3,819**
Total - Sale of products (a)	**27,383**	**20,067**
Income from services provided (b)	34	21
Other operating revenue		
Indirect tax incentive {refer note (a) below}	43	24
Sale of precious/semi-precious stones	198	51
Sale of gold/platinum {refer note (b) below}	1,121	1,467
Other operating revenue		
Scrap sales	20	14
Total - Other operating revenue (c)	**1,382**	**1,556**
Revenue from operations (a+b+c)	**28,799**	**21,644**

a) Represents benefits accrued on account of budgetary support for the existing eligible units under different industrial promotion schemes.

b) Include sale of gold-ingots aggregating ₹ 1,045 crore (Previous year: ₹ 1,355 crore) to various customers dealing in bullion.

c) As per the requirements of Ind AS 115, the Group disaggregates revenue based on line of business, geography (as given in note 27) and between manufactured and traded goods as given above.

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Contracted price	33,851	25,563
Reductions towards variable consideration components	5,052	3,919
Revenue recognised	**28,799**	**21,644**

The reduction towards variable consideration comprises of scheme discounts, incentives, taxes etc.

21 Other income

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest income on financial assets carried at amortised cost	77	38
Interest income on income tax refund	-	7
Gain on investments carried at fair value through profit and loss	87	35
Gain on investment in joint venture	-	22
Interest income on sub-lease	19	16
Miscellaneous income {refer note (a) below}	51	68
	234	**186**

a) Miscellaneous income includes gain on preclosure of lease contract and lease concessions (net) as defined in note 29.2(c).

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Closing stock		
Finished goods	8,585	6,082
Work-in progress	421	375
Stock-in-trade	2,304	58
	11,310	**6,515**
Opening stock		
Finished goods	6,082	4,648
Work-in progress	375	354
Stock-in-trade	58	1,635
	6,515	**6,637**
(Increase)/decrease in inventory	**(4,795)**	**122**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

23 Employee benefits expense

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, wages and bonus	1,177	926
Contribution to provident and other funds		
- Gratuity {refer note 32 (b)}	21	29
- Provident and other funds {refer note 32 (a) and 32 (b) }	52	48
Staff welfare expenses	98	62
Employee stock compensation expense (refer note 33)	2	0
	1,349	**1,065**

24 Finance costs

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest expense on :		
Borrowings	15	34
Interest on lease liability	116	114
Gold on loan*	87	55
Others	0	0
	218	**203**

**Refer note 17.2*

25 Depreciation and amortisation expense

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation of property, plant and equipment (refer note 3)	177	166
Amortisation of intangible assets (refer note 4, 6)	222	209
	399	**375**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

26 Other expenses

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Loose tools, stores and spare parts consumed	44	26
Agency labour	100	89
Power and fuel	45	37
Repairs and maintenance		
- buildings	1	5
- plant and machinery	9	16
- others	29	5
Advertising	590	288
Selling and distribution expenses	893	587
Insurance	21	18
Rent	4	2
Rates and taxes	13	12
Travel	26	9
Bad debts and advances written off	7	1
Less : Provision released	4	1
	3	-
Provision for doubtful trade receivables and doubtful other financial assets {refer note (c) below}	-	35
Loss on sale/disposal/scrapping of property, plant and equipment (net)	3	6
Gold price hedge ineffectiveness {refer note (d) below}	1	739
Legal and professional charges {refer note (a) below}	150	113
Expenditure on corporate social responsibility {refer note (b) below}	37	40
Miscellaneous expenses	474	379
Directors' fees	0	1
Commission to non Whole-time Directors	7	3
Provision for impairment of assets of a subsidiary {refer note (e) below}	18	31
	2,468	**2,441**

Notes:

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
a) Auditors remuneration comprises fees for audit of :		
Statutory account	2	2
Other services including tax audit and out of pocket expenses	1	1
Total	**3**	**3**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

b) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the group during the year: ₹ 37 crore (Previous year ₹ 40 crore)

(ii) Amount spent during the year on:

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
1. Amount required to be spent by the company during the year	37	40
2. Amount of expenditure incurred on:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	37	40
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for short fall	NA	NA
6. Nature of CSR Activities	Health, Education, Skill development, disaster relief, Wellness and Water, Sanitation and Hygiene, Entrepreneurship.	

c) Based on its assessment of recoverability, the Group has made a provision of ₹ 34 crore against receivables from one of the brokers with whom the Company was transacting. The Group, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

d) During the previous year the Group has recognized a loss of ₹ 739 crore under Other expenses as a result of change in the cash flow hedging relationship due to increase in sales compared to the original sales forecast and availment of the moratorium offered on the Gold on Loan (GOL). This had led to preclosures of hedge contracts originally designated against sales in the subsequent quarters and redesignation of certain open contracts. Consequently, these hedging contracts have been accounted as ineffective hedges as required under Ind AS 109 – Financial Instruments. If the hedge contracts utilised during the period had been concluded to be effective as per the principles contained in Ind AS 109, these losses would have to be disclosed as a reduction of revenues.

e) Provision for impairment of asset includes amounts pertaining to Property, plant and equipments, Other intangible assets (Trademarks) and Trade receivables for a subsidiary - Favre Leuba AG, Switzerland.

27 Segment information

a) Description of segments

The Company's Chief Operating Decision Maker (CODM) examines the performance both from a product perspective and geography perspective and has identified the reportable segments Watches & Wearables, Jewellery, EyeCare 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

b) Segment revenues and segment profit/loss

	Revenue		Profit/(loss)	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	2,317	1,587	74	(132)
Jewellery	25,523	19,320	3,055	1,701
EyeCare	517	375	51	23
Others	545	457	(14)	(5)
Corporate (unallocated)	131	91	(44)	(57)
	29,033	**21,830**	**3,122**	**1,530**
Finance costs			218	203
Profit before taxes			**2,904**	**1,327**

There is no inter segment revenue.

c) Profit/(loss) from segments before exceptional items, finance costs and taxes are as below:

₹ in crore

Segment	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	100	(132)
Jewellery	3,068	1,701
EyeCare	56	23
Others	(10)	(5)
Corporate (unallocated)	(38)	(57)
Total	**3,176**	**1,530**

d) Segment assets and liabilities

₹ in crore

Segment assets	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	2,276	1,960
Jewellery	15,302	9,459
EyeCare	463	414
Others	736	661
Corporate (unallocated)	2,417	3,958
	21,194	**16,452**

₹ in crore

Segment liabilities	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	915	683
Jewellery	9,949	7,630
EyeCare	268	221
Others	272	227
Corporate (unallocated)	457	189
	11,861	**8,950**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

e) Other segment information

₹ in crore

	Depreciation and amortisation	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Watches & Wearables	96	87
Jewellery	172	149
EyeCare	43	49
Others	41	43
Corporate (unallocated)	47	47
	399	**375**

f) Geographical information

₹ in crore

	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue		
India	28,479	21,537
Others	554	293
Total	**29,033**	**21,830**

₹ in crore

	For the year ended 31st March 2022	For the year ended 31st March 2021
Assets*		
India	20,725	16,296
Others	469	156
Total	**21,194**	**16,452**

**Trade receivables are disclosed based on geographical location of customers. Other assets are not identifiable separately to any reportable segments as these are used inter changeably between segments and are disclosed under "India".*

Details of geographical segments for individual markets outside India are not disclosed as the same do not account for more than 10% of the total segment revenues or results or assets.

28 Earnings per share

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit for the year (₹ crore)	2,173	973
Weighted average number of equity shares	88,77,86,160	88,77,86,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	24.49	10.96

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

29 Leases

29.1 Amounts recognised in Balance Sheet

₹ in crore

		Note	As at 31st March 2022	As at 31st March 2021
(i)	**Right-of-use assets**	4		
	Buildings		948	885
	Leasehold land		25	22
	Plant and machinery		-	10
			973	**917**
(ii)	**Lease liabilities**			
	Non-current	14.2	1,138	1,059
	Current	17.3	221	197
			1,359	**1,256**
(iii)	**Lease receivables**			
	Non-current	7.3	251	205
	Current	11.5	32	29
			283	**234**

29.2 Amounts recognised in the statement of profit and loss

₹ in crore

		Note	For the year ended 31st March 2022	For the year ended 31st March 2021
(i)	Depreciation and amortisation expense	4		
	Buildings		185	174
	Leasehold land		1	1
	Plant and machinery		-	1
			186	**176**
(ii)	Interest expense (included in finance cost)	24	116	114
(iii)	Interest income on sub-lease (included in other income)	21	19	16
(iv)	Expense relating to short-term leases	26	20	29
(v)	Expense relating to variable lease payments	26	7	4
(vi)	Rent concessions received during the year {refer note (c) below}	21	33	61

(a) Short-term leases has been accounted for applying Paragraph 6 of Ind AS 116- Leases and accordingly recognised as expense in the statement of profit and loss.

(b) The total cash outflow for the year ended 31st March 2022 amounts to ₹ 286 crore (Previous year: ₹ 274 crore).

(c) The Group has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

29.3 Additional information on variable lease payment:

During the year ended 31st March 2022, the Group has incurred an amount of ₹ 7 crore (Previous year: ₹ 4 crore) on account of variable lease payments. Variable payment terms ranges from 0.50% to 28% of net sales from a particular store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores and stores in malls. Excess of variable lease payments that depend on sales, over the fixed rental, are recognised in the statement of profit or loss in the period in which the condition that triggers those payments occur.

29.4 Additional information on extension/termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable based on mutual consent of the Company and respective lessors.

30 Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 410 crore (Previous year: ₹ 366 crore) comprising of the following:

a) Goods and Service Tax - ₹ 1 crore (Previous year: Nil)
(relating to mismatch in statutory returns)

b) Sales tax - ₹ 63 crore (Previous year: ₹ 42 crore)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

c) Customs duty - ₹ 5 crore (Previous year: ₹ 5 crore)
(relating to denial of benefit of exemptions)

d) Excise duty - ₹ 134 crore (Previous year: ₹ 134 crore)
(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)

e) Income tax - ₹ 199 crore (Previous year: ₹ 176 crore)
(relating to disallowance of deductions claimed)

f) Others - ₹ 9 crore (Previous year: ₹ 9 crore)
(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 Group is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. No reimbursements are expected.

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

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

31 Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 159 crore (Previous year: ₹ 70 crore)

32 Employee Benefits

a) Defined Contribution Plans

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
National Pension Scheme	2	2
Superannuation fund #	9	8
Employee Pension Fund	14	11
	25	**21**

b) Defined Benefit Plans

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

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Provident fund*	28	27
Superannuation fund	-	-
	28	**27**

** 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.*

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:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Discount rate (p.a.)	6% - 7.2%	5.30% - 6.90%
Salary escalation rate (p.a.)		
- Non-management	7% - 8.56%	6.50% - 7.00%
- Management	7% - 10.6%	7% - 8.5%

- 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

- Rates of leaving service (leaving service due to disability included) at specimen ages for the Company and Titan Engineering & Automation Limited ('TEAL') are as shown below:

₹ in crore

Age (Years)	Rates (p.a.) For the year ended 31st March 2022	Rates (p.a.) For the year ended 31st March 2021
21-44	6%	6%
45 and above	2%	2%

- Rate of leaving service (leaving service due to disability included) for Caratlane Trading Private Limited is 8.28% to 26.60% for various categories of employees (Previous year: 10.34% to 25.83%).

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

₹ in crore

Particulars	For the year ended 31st March 2022		For the year ended 31st March 2021	
	Funded	Non Funded	Funded	Non Funded
Current service cost	22	1	24	1
Past service cost	-	-	-	-
Interest on net defined benefit liability/(asset)	(2)	0	4	0
(Gains)/losses on settlement	-	-	-	-
Total component of defined benefit costs charge to the statement of consolidated profit and loss	**20**	**1**	**28**	**1**

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

₹ in crore

Particulars	For the year ended 31st March 2022		For the year ended 31st March 2021	
	Funded	Non Funded	Funded	Non Funded
Opening amount recognised in Other comprehensive Income outside the consolidated statement of profit and loss	28	1	76	1
Remeasurements during the period due to:				
- Adjustment on account of sale of Subsidiary	-	-	-	-
- Changes in financial assumptions*	(12)	-	(15)	-
- Changes in demographic assumptions	-	-	-	-
- Experience adjustments	5	-	(19)	-
- Actual return on plan assets less interest on plan assets	(2)	-	(14)	-
Closing amount recognised in other comprehensive income	**19**	**1**	**28**	**1**

** Other comprehensive income disclosed above is gross of tax.*

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	Funded	Non Funded	Funded	Non Funded
Opening net defined benefit liability/(asset)	(19)	4	71	3
Expense charged to the consolidated statement of profit and loss	20	1	29	1
Amount recognised outside the consolidated statement of profit and loss	(8)	2	(49)	-
Employer contributions	-	-	(70)	-
Closing net defined benefit liability/(asset)	**(8)**	**7**	**(19)**	**4**

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

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	Funded	Non Funded	Funded	Non Funded
Opening defined benefit obligation	342	4	341	3
Current service cost	22	1	25	1
Past service cost	-	-	-	-
Interest cost	23	-	23	-
Remeasurement due to				
- Actuarial gains and losses arising from changes in demographic assumptions	-	-	(1)	-
- Actuarial gains and losses arising from changes in financial assumptions	(10)	-	(13)	-
- Actuarial gains and losses arising from experience adjustments	5	-	(20)	-
Benefits paid	(15)	-	(13)	-
Closing defined benefit obligation	**367**	**5**	**342**	**4**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

₹ in crore

Particulars	As at 31st March 2022		As at 31st March 2021	
	Funded	Non Funded	Funded	Non Funded
Opening fair value of plan assets	362	-	270	-
Employer contributions	-	-	71	-
Interest on plan assets	24	-	19	-
Remeasurements due to actuarial return on plan assets less interest on plan assets	2	-	15	-
Benefits paid	(15)	-	(13)	-
Closing fair value of plan assets	**373**	**-**	**362**	**-**

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 crore

Particulars	As at 31st March 2022		
	Discount rate	Salary growth	Attrition rate
Defined benefit obligation on plus 50 basis points	357	389	363
Defined benefit obligation on minus 50 basis points	389	357	370

₹ in crore

Particulars	As at 31st March 2021		
	Discount rate	Salary growth	Attrition rate
Defined benefit obligation on plus 50 basis points	331	363	340
Defined benefit obligation on minus 50 basis points	363	331	348

Maturity profile of defined benefit obligation

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
With in year 1	21	21
1 year to 2 years	21	17
2 years to 3 years	20	20
3 years to 4 years	31	19
4 years to 5 years	37	28
Over 5 years	659	626

The Company is expected to contribute ₹ 19 crore to the gratuity fund next year.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

A split of plan asset between various asset classes is as below:

₹ in crore

Promoter	As at 31st March 2022		As at 31st March 2021	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	187	-	158	-
Other debt instruments	142	-	174	-
Entity's own equity instruments	28	-	20	-
Others	-	17	-	10
	357	**17**	**352**	**10**

c) Unfunded

The defined benefit obligation pertaining which are provided for but not funded are as under:

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Compensated absences		
Non-current	144	123
Current	23	20
	167	**143**

33 Note on Employee Stock Option Plan

During the financial year 2017-18, Caratlane Trading Private Limited (CTPL) introduced Caratlane Stock Option Plan 2017 ('the Plan'). This Plan supersedes the following stock options and stock option plans:

a. Executive Management Stock Option Scheme 2009

b. Caratlane Trading India Private Limited Stock Option Scheme for Consultants, 2013

c. Senior Management Stock Option Scheme, 2012

As per the plan, Board of Directors grants options to the employees of the Company. The vesting period of the option is one to four years from the date of grant. Options granted under the Scheme can be exercised within a period of six years from the date of vesting. For employees leaving the organization, an option can be exercised within 3 months from the date of resignation.

During the year the Company granted 43,000 options to employees.

A maximum of 714,017 options are issuable under this plan. The movement in options issued are as below:

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Outstanding at the beginning of the year	5,52,000	4,88,800
Options granted during the year	43,000	70,000
Options forfeited during the year	(2,600)	(5,600)
Options exercised during the year	(18,400)	(1,200)
Outstanding at the end of the year	**5,74,000**	**5,52,000**
Options exercisable at the end of the year	**4,24,900**	**4,36,900**
Weighted average excercise price per option (₹)	**106.00**	**108.00**

Notes to the Consolidated Financial Statements
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Fair value measurement

The fair value at grant date is determined using the Black-Scholes-Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black-Scholes-Merton Model for calculating fair value of options under the scheme as on the date of grant are as follows:

The weighted average remaining contractual life of the options outstanding as of 31st March 2022 and 31st March 2021 under the Caratlane stock Options Plan was 6 years and 7 years respectively.

The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton Model with the following assumptions:

₹ in crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
No of options granted	43,000	70,000
Date of grant	28th July, 2021	28th January, 2021
Vesting period	4 years	4 years
Dividend yield (%)	-	-
Volatility rate (%)	-	-
Risk free rate	6.05%	5.97%
Expected life of options (years)	5.5	5.5
Weighted average fair value of options per share (₹)	609	474

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

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 (up to 12 March 2021)	
c)	Associate	Green Infra Wind Power Theni Limited	
d)	Key Management Personnel	Mr. C K Venkataraman, Managing Director	
		Mr. Ashok Sonthalia, Chief Financial Officer	
		Mr. Dinesh Shetty, General Counsel and Company Secretary	
		Mr. S.Subramaniam, Chief Financial Officer (up to 30th June 2021)	
		Non - executive Directors	
		Mr. N N Tata	
		Mr. Bhaskar Bhat	
		Mr. Ashwani Puri	
		Mr. B Santhanam	
		Mr. Pradyumna Rameshchandra Vyas	
		Dr. Mohanasankar Sivaprakasam	
		Ms. Sindhu Gangadharan (from 8th June 2020)	
		Mr. Sandeep Singhal (from 11th November 2020)	
		Mrs. Jayashree Muralidharan (from 11th Aug 2021)	
		Mr. Pankaj Kumar Bansal (from 16th June 2021)	
		Mr. N. Muruganandam (Chairman) (up to 10th December 2021)	
		Mr. V Arun Roy (upto 11th August 2021)	
		Mrs. Kakarla Usha (upto 16th June 2021)	
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	Tata Electronics Private Limited
		Supermarket Grocery Supplies Private Limited	915 Labs LLC
		Starfire Gems Private Limited	Stryder Cycle Private Limited
		Tata Communications Limited	
f)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

ii) Related party transactions during the year :

₹ in crore

	Relationship	For the year ended 31st March 2022	For the year ended 31st March 2021
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	0	-
Other Purchases			
Supermarket Grocery Supplies Private Limited	Group entity	0	-
Starfire Gems Private Limited	Group entity	4	-
Purchases of services (other expenses)			
Tata Sons Private Limited	Promoter	0	-
Tata Consultancy Services Limited	Group entity	9	20
Tata Communications Limited	Group entity	6	-
Others	Group entity	4	2
Revenue from operations			
Tata Sons Private Limited	Promoter	0	-
Tata Sky Limited	Group entity	2	-
Tata Consultancy Services Limited	Group entity	6	23
Infiniti Retail Limited	Group entity	2	-
Tata Electronics Private Limited	Group entity	30	8
Stryder Cycle Private Limited	Group entity	1	-
915 Labs LLC	Group entity	1	-
Tata SmartFoodz Limited	Group entity	19	-
Others	Group entities	4	3
Rent			
Tata Sons Private Limited	Promoter	0	-
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	2	3
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	99	99
Tata Sons Private Limited	Promoter	74	74
Key managerial personnel compensation			
Commission and sitting fees	Promoter	2	1
Commission and sitting fees	KMP	6	6
Managerial remuneration	KMP	20	12
Pension paid	Director	1	1
Miscellaneous expense			
Tata Sons Private Limited (Royalty)	Promoter	41	31
Tata Electronics Private Limited	Group entities	0	-
Reimbursement towards rendering of services/expenses			
Tata Sons Private Limited	Promoter	0	0
Tata Consultancy Services Limited	Group entity	0	1
Others		1	1

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

	Relationship	For the year ended 31st March 2022	For the year ended 31st March 2021
Recovery towards rendering of services			
Montblanc India Retail Private Limited	Joint venture	-	1
Tata Electronics Private Limited	Group entity	0	3
Others		-	-
Inter-corporate deposit placed			
Tata Value Homes Limited	Group entity	50	50
Tata Capital Financial Services	Group entity	400	-
Inter-corporate deposit redeemed			
Tata Value Homes Limited	Group entity	50	50
Tata Capital Financial Services	Group entity	400	-
Interest and Corporate guarantee commission income			
Tata Capital Financial Services	Group entity	0	-
Tata Value Homes Limited	Group entity	1	3
Contribution to Trust funds			
Titan Watches Provident Fund	Others	97	91
Titan Watches Super Annuation Fund	Others	8	9
Titan Industries Gratuity Fund	Others	-	71

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

₹ in crore

	Relationship	As at 31st March 2022	As at 31st March 2021
Outstanding - net receivables/(payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	(2)	-
Tata Sons Private Limited	Promoter	(34)	(28)
Tata Consultancy Services Limited	Group entity	1	(1)
Bhaskar Bhat	Director	-	-
C K Venkataraman	KMP	(7)	(4)
Others		(5)	(3)
Tata Electronics Private Limited	Group entities	-	2
Montblanc India Retail Private Limited	Joint venture	-	0
Tata Electronics Private Limited	Group entity	6	-
Tata SmartFoodz Limited	Group entity	2	-
Others	Group entities	2	1

Note:

a) Entities controlled or promoted by Tamilnadu Industrial Development Corporation Limited are not considered as related party since, the same is a Government-related entity.

b) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

c) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are available.

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35 Financial instruments

35.1 Categories of financial instruments

Financial assets

₹ in crore

Particulars	As at 31st March 2022	As at 31st March 2021
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	186	2,815
Total financial assets measured at FVTPL (a)	**186**	**2,815**
Measured at amortised cost		
- Trade receivables	565	366
- Cash and cash equivalents	219	181
- Bank balances other than cash and cash equivalents	1,354	379
- Inter-corporate deposits	394	50
- Security deposits	151	148
- Investment in non-convertible debentures	105	5
- Employee loans	71	69
- Other financial assets	518	406
Total financial assets measured at amortised cost (b)	**3,378**	**1,604**
Derivative instruments other than in designated hedge accounting relationships (c)	**4**	**4**
Total financial assets (a + b + c)	**3,567**	**4,422**

Financial liabilities

₹ in crore

Particulars	As at 31st March 2021	As at 31st March 2020
Measured at fair value through profit or loss (FVTPL)		
- Derivative instruments other than in designated hedge accounting relationships	-	1
- Gold on loan	5,398	4,210
Total financial liabilities measured at FVTPL (a)	**5,398**	**4,211**
Measured at amortised cost		
- Borrowings	518	172
- Trade payables	1,294	789
- Lease liability	1,359	1,243
- Other financial liabilities	444	234
Total financial liabilities measured at amortised cost (b)	**3,615**	**2,437**
Total financial liabilities (a+b)	**9,013**	**6,648**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

35.2 (i) Fair value hierarchy

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

₹ in crore

Particulars	As at 31st March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	1	-	-	1
- Other unquoted investments	-	-	170	170
- Derivative instruments other than in designated hedge accounting relationships	-	4	-	4
Total financial assets	**1**	**4**	**170**	**175**
Financial liabilities				
- Gold on loan	5,398	-	-	5,398
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
- Derivative instruments other than in designated hedge accounting relationships	-	-	-	-
Total financial liabilities	**5,398**	**-**	**-**	**5,398**

₹ in crore

Particulars	As at 31st March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	0	2,805	-	2,805
- Other unquoted investments	-	-	10	10
- Derivative instruments other than in designated hedge accounting relationships	-	3	-	3
Total financial assets	**-**	**2,808**	**10**	**2,818**
Financial liabilities				
- Gold on loan	4,210	-	-	4,210
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
- Derivative instruments other than in designated hedge accounting relationships	-	1	-	1
Total financial liabilities	**4,210**	**1**	**-**	**4,211**

(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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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 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.

Notes to the Consolidated Financial Statements
for the year ended 31st March 2022

The tables have been drawn on an undiscounted basis based on the earliest date on which the Group can be required to pay.

₹ in crore

Contractual maturities of financial liabilities	As at 31st March 2022			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Non-derivative				
Borrowings	445	73	-	518
Gold on loan	1,894	3,504	-	5,398
Trade payables	1,159	119	16	1,294
Lease liability	80	141	1,138	1,359
Other financial liabilities	410	30	4	444
Total non-derivative liabilities	**3,988**	**3,867**	**1,158**	**9,013**
Derivatives (net settled)				
Derivative instruments other than in designated hedge accounting relationships	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

₹ in crore

Contractual maturities of financial liabilities	As at 31st March 2021			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Non-derivative				
Borrowings	98	58	9	165
Gold on loan	1,863	2,347	-	4,210
Trade payables	768	21	-	789
Lease liability	54	143	1,059	1,256
Other financial liabilities	225	14	3	242
Total non-derivative liabilities	**3,008**	**2,583**	**1,071**	**6,662**
Derivatives (net settled)				
Derivative instruments other than in designated hedge accounting relationships	1	-	-	1
Total derivative liabilities	**1**	**-**	**-**	**1**

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 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 the Consolidated Financial Statements

for the year ended 31st March 2022

The use of such derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy.

As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

The Group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Group actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument.

Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

The following table gives details of contracts as at the end of the reporting period.

Hedges Sell forward/future contracts:

Particulars	Nature of hedge	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount (₹ in crore)
31st March 2022	Fair Value	**4,848**	**8,120**	**3,925**
31st March 2021	Cash Flow	4,485	2,386	1,072

- The line items in the Balance Sheet that include the above hedging instruments are other financial assets and other financial liabilities.

  As at 31st March 2022 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 crore

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Balance at beginning of the year (Net of tax)	**12**	**(160)**
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(19)	(109)
Deferred tax on fair value of effective portion of cash flow hedges	4	29
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to the consolidated statement of profit and loss	-	343
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to the consolidated statement of profit and loss	-	(91)
Movement in cash flow hedges	**(19)**	**234**
Deferred tax on movement in cash flow hedge	**4**	**(62)**
Balance at end of the year (net of taxes)	**(3)**	**12**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Fair value hedge

The Company designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in gold 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. Therefore, there will be no impact of the fluctuation in the price of the gold on the Company's profit for the period.

The table below shows the position of hedging instruments and hedged items as on the balance sheet date:

Commodity Price Risk	Carrying value of		Maturity date	Impact of fair value hedge	Balance Sheet Disclosure
	Hedged item	Hedging Instrument			
Hedged item - fixed Gold	4,167	-	2 to 6 months	243	Inventories
Hedging Instrument - Derivatives	-	243	2 to 6 months	(243)	Other Financial Assets/Liabilities

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:

Particulars	% variance	Impact on equity (Increase/decrease)
Titan Company Limited	1.0%	2
Titan Engineering & Automation Limited	0.5%	0
Caratlane Trading Private Limited	1.0%	0

35.7 The Group's exposure to Forward foreign exchange contracts at the end of the reporting year are as follows:

The Group has 40 forward exchange contracts in USD 6 crore equivalent to ₹ 456 crore as at 31st March 2022 (Previous year: 11 forward exchange contracts in USD 0.4 crore equivalent to ₹ 29 crore).

In addition to the above, the Group has 5 Option contract in USD 1.16 crore equivalent to ₹ 89.91 crore (Previous year : 6 Option contracts in USD 2 crore equivalent to ₹ 128 crore).

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

36 Details of Inter-corporate deposits given and investments made during the year:

₹ in crore

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2021	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2022
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	-	-	-	-	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	-	-	-	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	4.50%	7 Days	-	150	150	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	4.25%	7 Days	-	100	100	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	4.75%	7 Days	-	150	150	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	5.00%	7 Days	-	100	100	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	5.00%	7 Days	-	100	100	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	4.40%	9 months	-	50	-	-	50
Bajaj Finance Limited	Others	Unsecured	Trade deposits	5.50%	7 Days	-	50	50	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	4.90%	1 Year	-	50	-	-	50
Tata Value Homes Limited	Group entity	Unsecured	Trade deposits	6.00%	3 months	-	50	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.50%	9 months	50	-	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.90%	15 months	-	50	-	-	50
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	20	-	-	20
LIC Housing Finance Ltd	Others	Unsecured	Trade deposits	5.25%	1 Year	-	14	-	-	14
						50	**1,094**	**750**	**-**	**394**

₹ in crore

Particulars	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2021	Loans given during the year	Loans recovered during the year	As at 31st March 2022
Loan to company franchisees and vendors*	Franchisees & Vendors	Unsecured	Business support	4.00%	12 months	3	34	34	3

** During the year, the Group has given loans to its franchisees and vendors to support them during the pandemic crisis.*

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

Name of the entity	Nature of relationship	Purpose	As at 1st April 2021	Investment made during the year	Share of Profit /(loss) during the year	Investment sold during the year	As at 31st March 2022
Investments							
Investment in equity instruments (unquoted)							
Green Infra Wind Power Theni Limited	Associate	Strategic investment	3	-	0	-	3
			3	**-**	**0**	**-**	**3**

₹ in crore

Name of the entity	Nature of relationship	Purpose	As at 1st April 2021	Investment made during the year	Investment sold/impaired during the year	As at 30th June 2021
Investments						
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	-	-	0
Tata Steel Limited*	Others	Wealth creation	0	-	-	0
Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)*	Others	Wealth creation	0	-	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	-	-	0
Trent Limited*	Others	Wealth creation	0	-	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited	Others	Strategic investment	10	8	-	18
Investment in Great Heights Inc.	Others	Strategic investment	0	152	-	152
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
Investments in non-convertible debentures carried at amortised cost - unquoted						
Investment in non convertible debentures	Others	Wealth creation	5	175	65	115
Investment in Government Securities	Others	Wealth creation	-	5	-	5
			15	**340**	**65**	**290**

* *The movement is on account of fair valuation as at the year end.*

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Details of Inter-corporate deposits given and investments made during the previous year:

₹ in crore

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2021
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Value Homes Limited	Group entity	Unsecured	Trade deposits	7.50%	9 months	-	50	50	-	-
Tata Projects Limited	Group entity	Unsecured	Trade deposits	7.30%	8 months	-	50	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.50%	9 months	-	50	-	-	50
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.40%	6 months	-	-	-	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	8.15%	6 months	-	-	-	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	8.45%	6 months	-	-	-	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	8.20%	6 months	-	-	-	-	-
Tata Realty and Infrastructure Limited	Group entity	Unsecured	Trade deposits	8.40%	3 months	-	-	-	-	-
						145	**150**	**100**	**145**	**50**

₹ in crore

Particulars	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Loans given during the year	Loans recovered during the year	As at 31st March 2021
Loan to company franchisees and vendors*	Franchisees & Vendors	Unsecured	Business support	4.00%	12 months	-	97	94	3

** During the year, the Group has given loans to its franchisees and vendors to support them during the pandemic crisis.*

₹ in crore

Name of the entity	Nature of relationship	Purpose	As at 1st April 2020	Investment made during the year	Share of Profit /(loss) during the year	Investment sold during the year	As at 31st March 2021
Investments							
Investment in equity instruments (unquoted)							
Montblanc India Retail Private Limited	Joint venture	Strategic investment	26	-	(5)	(22)	(0)
Green Infra Wind Power Theni Limited	Associate	Strategic investment	3	-	-	-	3
			29	**-**	**(5)**	**(22)**	**3**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

Name of the entity	Nature of relationship	Purpose	As at 1st April 2020	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2021
Investments						
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	0	-	0
Tata Steel Limited*	Others	Wealth creation	0	0	-	0
Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)*	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	0	-	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited	Others	Strategic investment	16	0	6	10
Green Infra Wind Generation Limited	Others	Wealth creation	0	0	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	0	-	0
Investments in non-convertible debentures carried at amortised cost - unquoted						
Investment in non convertible debentures	Others	Wealth creation	-	5	-	5
			16	**5**	**6**	**15**

** The movement is on account of fair valuation as at the year end.*

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 crore

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/(loss)		Share in other comprehensive income		Share of profit/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated profit/(loss)	Amount
Parent : Titan Company Limited	95.71%	9,373	97.59%	2,180	48.90%	(4)	97.74%	2,176
Subsidiaries:								
Indian								
1) Titan Commodity Trading Limited	0.02%	2	0.03%	1	0.00%	-	0.03%	1
2) Titan Engineering & Automation Limited	3.52%	345	0.70%	16	-11.65%	1	0.74%	17
3) Caratlane Trading Private Limited	1.10%	108	4.00%	89	16.04%	-1	3.96%	88

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ in crore

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
Foreign								
1) Favre Leuba AG	-0.27%	(26)	-1.24%	(28)	0.00%	-	-1.24%	(28)
2) Titan Watch Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3) Titan Holdings International FZCO	-0.02%	(2)	-0.07%	(1)	0.00%	-	-0.07%	(1)
4) Titan Global Retail L.L.C	-0.05%	(5)	-0.93%	(21)	46.71%	(3)	-1.09%	(24)
5) TCL North America	-0.02%	(2)	-0.08%	(2)	0.00%	-	-0.08%	(2)
	100.02%	**9,793**	**100.08%**	**2,234**	**100.00%**	**(7)**	**100.08%**	**2,227**
Adjustment arising out of consolidation		**(431)**		**(61)**		**0**		**(61)**
		9,362		**2,173**		**(7)**		**2,166**
Associate:								
Green Infra Wind Power Theni Limited		1		0		-		0
Sub-total		9,363		2,173		(7)		2,166
Non controlling interest in subsidiary								
Caratlane Trading Private Limited		(30)		25		(0)		25
		9,333		**2,198**		**(7)**		**2,191**

38 Capital management

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plan and other strategic investment plans. The funding requirements are primarily met through equity and operating cash flows generated. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. Gold on loan as disclosed in the financial statements represents amounts due to banks for the procurement of gold under 'Gold (Metal) loan scheme' by the Group. The Group is not subject to any externally imposed capital requirements.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

39 Commercial paper

The following tables set forth, for the period indicated, details of commercial paper issued by Caratlane Trading Private Limited:

₹ in crore

Maturities	As at 31st March 2022		
	0-1 Month	2-3 Months	4-6 Months
Face value	-	150	-
Carrying value	-	148	-

₹ in crore

Maturities	As at 31st March 2021		
	0-1 Month	2-3 Months	4-6 Months
Face value	-	85	20
Carrying value	-	84	20

The following tables set forth, ratings assigned by credit rating agency for commercial paper instrument

Instrument	ICRA	BRICKWORKS
Caratlane Trading Private Limited (as at 31st March 2022)	A1+	-
Caratlane Trading Private Limited (as at 31st March 2021)	A1+	-

40 Exceptional item

During the year ended 31 March 2022, the Group has announced Voluntary Retirement Scheme (VRS) to its employees. The scheme includes future deferred payouts to its employees. The present value of scheme expenses amounting to ₹ 54 crore are disclosed as exceptional items during the year.

41 Details of transactions with struck off companies during the year:

Name of Struck off Company	Nature of Transactions	Transactions during the year March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with Struck off Company
Wezkoz Consulting Company Private Limited	Payables	0.00	-	Vendor
Digimind Embedded Systems Private Limited	Payables	0.00	-	Vendor
Octel Cloud Solutions Private Limited	Payables	-	0.00	Vendor

Name of Struck off Company	Nature of Transactions	Transactions during the year March 31, 2021	Balance outstanding as at March 31, 2021	Relationship with Struck off Company
Octel Cloud Solutions Private Limited	Payables	0.00	0.00	Vendor
Digimind Embedded Systems Private Limited	Payables	0.00	-	Vendor
Sonet Solutions Privte Limited	Payables	0.03	-	Vendor
Milestone Market Research And Event Management Private Limited	Payables	0.00	-	Vendor
Zonar Engineering Private Limited	Payables	0.01	-	Vendor
Sree Swarnambika Enterprises Private Limited	Payables	-	0.00	Vendor
Sargam Trading And Services Private Limited	Payables	-	0.01	Vendor

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

42 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43 Other statutory information :

(i) The Group does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.

(ii) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

(iv) The Group is not classified as wilful defaulter.

(v) The Group doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 3rd May 2022

for and on behalf of the Board of Directors

S Krishnan *Chairman*
N N Tata *Vice Chairman*
Ashwani Puri *Director*
C K Venkataraman *Managing Director*
Ashok Sonthalia *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Place: Bengaluru
Date: 3rd May 2022

Financial Statistics under Ind AS

₹ crore

BALANCE SHEET	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
(1) Non-current assets							
Property, plant and equipment, Capital Work-in-progerss, Right of use assets and Intangible assets	741	855	1,015	1,095	2,067	1,984	1,996
Financial assets							
- Investments	80	512	734	807	909	759	869
- Other financial assets	103	83	116	126	300	324	548
Deferred tax asset (net)	-	2	48	85	172	105	136
Tax assets (net)	103	81	101	121	141	120	135
Other non-current assets	103	93	106	151	65	67	74
(2) Current assets							
Inventories	4,382	4,806	5,749	6,719	7,741	7,984	12,787
Financial assets							
- Investments	-	375	-	69	74	2,753	15
- Trade receivables	135	115	193	358	214	291	495
- Cash and cash equivalents	112	773	612	1,001	356	512	1,049
- Other financial assets	436	512	354	343	512	290	1,181
Other current assets	114	110	369	595	637	671	852
TOTAL APPLICATION OF FUNDS	**6,308**	**8,318**	**9,396**	**11,470**	**13,188**	**15,860**	**20,137**
Equity share capital	89	89	89	89	89	89	89
Other equity	3,446	4,223	5,105	6,093	6,736	7,464	9,284
Non-current liabilities							
- Lease liabilities	-	-	-	-	967	971	1,026
- Provisions	100	109	104	119	152	143	179
- Deferred tax liability (net)	16	-	-	-	-	-	
Current liabilities							
Financial liabilities							
- Borrowings	113	-	-	-	626	-	225
- Gold on loan	-	1,867	1,604	2,288	1,507	4,094	5,161
- Lease liabilities	-	-	-	-	169	178	193
- Trade payables	1,629	711	786	772	510	695	1,055
- Other financial liabilities	70	235	251	214	191	218	429
Other current liabilities	828	1,065	1,414	1,828	2,123	1,905	2,386
Provisions	18	18	21	58	109	23	30
Current tax liabilities (net)	-	-	22	9	9	80	80
TOTAL SOURCES OF FUNDS	**6,308**	**8,318**	**9,396**	**11,470**	**13,188**	**15,860**	**20,137**

₹ crore

PROFIT & LOSS ACCOUNT	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue from operations	11,105	12,999	15,656	19,070	20,010	20,602	27,210
Expenses	10,161	11,804	13,922	17,069	17,592	18,901	23,931
Interest	42	37	48	44	149	181	195
Depreciation/Amortisation	87	93	110	139	310	331	347
Operating Profit/ (loss)	815	1,065	1,576	1,819	1,959	1,189	2,737
Add: Other income	73	65	86	179	146	181	246
Less: Exceptional Item	-	96	92	70	-	137	51
Profit before tax	888	1,033	1,571	1,927	2,105	1,233	2,932
Tax expense	191	272	408	553	588	356	752
Profit for the year	698	762	1,163	1,374	1,517	877	2,180
Other comprehensive income	(39)	15	(3)	15	(238)	206	(5)
Total comprehensive income	**659**	**777**	**1,160**	**1,389**	**1,279**	**1,083**	**2,175**
Equity Dividend (%)	220%	260%	375%	500%	400%	400%	750%
Equity Dividend (Rs.)	195	231	333	444	355	355	666
Employee costs (excluding VRS)	623	696	762	879	1,040	911	1,143
% to Sales Income	5.6%	5.4%	3.8%	4.4%	5.2%	4.4%	4.2%
Advertising	429	445	441	523	477	232	474
% to Sales Income	3.9%	3.4%	2.2%	2.6%	2.4%	1.1%	1.70%

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