

# 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.

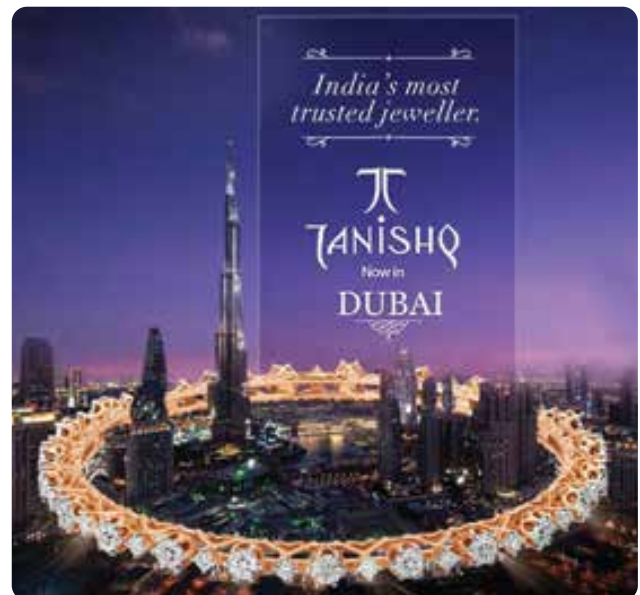
The breakthrough momentum seen in Zoya and Mia by Tanishq brands also looks promising and both are expected to scale greater heights in the next few years.

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.



## 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 31<sup>st</sup> 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 8<sup>th</sup> 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 4<sup>th</sup> 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 31<sup>st</sup> 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 31 <sup>st</sup> March 2022 (Audited)	Year Ended 31 <sup>st</sup> March 2021 (Audited)
<b>Net Sales/Income from Operations</b>		
Watches	2,309	1,580
Jewellery	24,313	18,631
EyeCare	517	375
Others	154	98
Corporate (Unallocated)	163	99
<b>Total</b>	<b>27,456</b>	<b>20,783</b>

(₹ in crore)

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

(₹ in crore)

Segment Net Assets	Year Ended 31 <sup>st</sup> March 2022 (Audited)	Year Ended 31 <sup>st</sup> 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
<b>Total</b>	<b>9,373</b>	<b>7,553</b>

## 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%
<b>Net Profit Margin</b>	<b>8.0%</b>	<b>4.3%</b>	<b>7.6%</b>

### 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
<b>Net Profit Margin</b>	<b>8.0%</b>	<b>4.3%</b>	<b>86</b>

### 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.