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										Capital reserve on consolidation	Attributable to the Owners of the Company	Non-controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Items of other comprehensive income (refer note 13.2)							
							Remeasurement of employee defined benefit plans	Foreign currency translation reserve	Cash flow hedge reserve	Total				
Balance as at 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

for the year ended 31st March 2022

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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