Independent Auditors' Report

To the Members of Titan Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Titan Company Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in *the Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition

See note 2(vii) and note 19 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Company's revenue relates to jewelry and watches which involves large number of individual sales contracts having varied contractual terms with retail customers, distributors and franchisees. This increases the risk of misstatement of the timing and amount of revenue recognised to achieve specific performance targets or expectations. The Company and its external stakeholders focus on revenue as a key performance indicator. In view of the above we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard. 2. We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems. 3. We perused selected samples of key contracts with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods.

The key audit matter	How the matter was addressed in our audit
	4. We performed substantive testing of retail sales by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon. 5. We tested, selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents. 6. We scrutinised manual journals posted to revenue to identify unusual items.

Inventories

See note 2(xvii) and note 10 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's inventories primarily comprise high value items like jewelry (gold, diamonds, gemstones etc.) and watches. The Company holds inventory at various locations including factories, stores (retail outlets) and third-party locations. There is a significant risk of loss of inventory given the high value and nature of the inventory involved. In view of the above, we have identified confirmation of physical inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. We evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to safeguarding and physical verification of inventories including the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof. 2. We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Company's IT systems including those relating to recording of inventory quantities on occurrence of each sale transaction, including access controls, controls over program changes, interfaces between different systems. 3. For the sampled locations, we attended physical verification of stocks conducted by the Company and performed roll-forward procedures as at the year end, where applicable. We also performed surprise stock counts at selected stores on a sample basis. We also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. 4. For samples selected using statistical sampling, we obtained independent confirmations of inventories held with third parties.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations as at 31st March 2021 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred (excluding disputed legal cases as explained in note 16.5 to the standalone financial statements) to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31st March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAL8749

Place: Bengaluru
Date: 29 April 2021

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Titan Company Limited ("the Company") for the year ended 31st March 2021

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the standalone financial statements for the year ended 31st March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Act, with respect to the loans given, investments made, guarantees and security given. Further, there are no loans given, investments made, guarantees and security given in respect of which provisions of section 185 of the Act is applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has complied with the applicable directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder with regard to deposits accepted from the public. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the products manufactured by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, duty of Excise and Value added tax during the year. Also refer note 30(h) to the standalone financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Services tax, Sales tax, Service tax, Duty of customs, Duty of excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Statute/ Nature of dues	Amount* (In Rs crores)	Period to which the amount relates	Forum where the dispute in pending
Excise duty (including service tax)	87 (7)	2005-2009	Supreme Court
	0.01 (0.01)	2001-2002	High Court
	10 (0.66)	1987-2012	Custom, Excise and Service Tax Appellate Tribunal
	17 (16)	1998-2010	Appellate Authority upto Commissioner's level
Sales tax/ Value added tax	0.87 (0.15)	2000-2001	High Court
	0.64 (0.35)	2009-2012	Commercial Tax Tribunal
	37 (9)	1998-2018	Appellate Authority upto Commissioner's level
Customs duty	5 (2)	2012-2017	Appellate Authority upto Commissioner's level
Income-tax	8 (8)	1998-2003	High Court (s)
	96 (38)	2005-2014	Income tax Appellate Tribunal
	141 (12)	2000-2016	Appellate Authority upto Commissioner's level

* *the amounts disclosed are excluding interest and penalties, wherever applicable and amount in brackets represent amounts paid under protest.*

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of all transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAL8749

Place: Bengaluru
Date: 29 April 2021

Annexure B to the Independent Auditors' report

on the standalone financial statements of Titan Company Limited for the period ended 31st March 2021.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Titan Company Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385
UDIN: 21205385AAAAAL8749

Place: Bengaluru
Date: 29 April 2021

Standalone Balance Sheet

as at 31st March 2021

₹ in crores

	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,026	1,095
(b) Capital work-in-progress	3	17	11
(c) Right-of-use assets	4	854	870
(d) Investment property	5	24	24
(e) Intangible assets	6	55	64
(f) Intangible assets under development		8	3
(g) Financial assets			
(i) Investments	7.1	759	909
(ii) Loans receivable	7.2	146	141
(iii) Other financial assets	7.3	178	159
(h) Deferred tax assets (net)	8	105	172
(i) Income tax assets (net)	8	120	141
(j) Other non-current assets	9	67	65
		3,359	**3,654**
(2) Current assets			
(a) Inventories	10	7,984	7,741
(b) Financial assets			
(i) Investments	11.1	2,753	74
(ii) Trade receivables	11.2	291	214
(iii) Cash and cash equivalents	11.3	147	50
(iv) Bank balances other than (iii) above	11.3	365	306
(v) Loans receivable	11.4	103	54
(vi) Other financial assets	11.5	187	458
(c) Other current assets	12	671	637
		12,501	**9,534**
TOTAL ASSETS		**15,860**	**13,188**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	89	89
(b) Other equity	13.2	7,464	6,736
TOTAL EQUITY		**7,553**	**6,825**
Liabilities			
(1) **Non-current liabilities**			
(a) Financial liabilities			
(i) Lease liabilities	14.1	971	967
(b) Provisions	15	143	152
		1,114	**1,119**
(2) **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	16.1	-	626
(ii) Gold on loan	16.2	4,094	1,507
(iii) Lease liabilities	16.3	178	169
(iv) Trade payables			
- Total outstanding dues of micro and small enterprises	16.4	158	63
- Total outstanding dues of creditors other than micro and small enterprises	16.4	537	447
(v) Other financial liabilities	16.5	218	191
(b) Other current liabilities	17	1,905	2,123
(c) Provisions	18	23	109
(d) Current tax liabilities (net)	8	80	9
		7,193	**5,244**
TOTAL EQUITY AND LIABILITIES		**15,860**	**13,188**
Significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Standalone Statement of Profit and Loss

for the year ended 31st March 2021

₹ in crores

	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
I. Revenue from operations	19	20,602	20,010
II. Other income	20	181	146
III. TOTAL INCOME (I +II)		**20,783**	**20,156**
IV. Expenses:			
Cost of materials and components consumed		13,143	12,489
Purchase of stock-in-trade		2,462	2,859
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	164	(836)
Employee benefits expense	22	911	1,040
Finance costs	23	181	149
Depreciation and amortisation expense	24	331	310
Other expenses	25	2,221	2,040
TOTAL EXPENSES		**19,413**	**18,051**
V. Profit before exceptional item and tax (III - IV)		**1,370**	**2,105**
VI. Exceptional items	26	137	-
VII. Profit before tax (V - VI)		**1,233**	**2,105**
VIII. Tax expense:			
Current tax	8	351	552
Deferred tax	8	5	36
TOTAL TAX EXPENSE		**356**	**588**
IX. Profit for the year (VII-VIII)		**877**	**1,517**
X. Other comprehensive income			
(i) Items that will not be reclassified to the statement of profit and loss			
- Remeasurement of employee defined benefit plans		45	(69)
- Income-tax on (i) above		(11)	18
(ii) Items that will be reclassified to the statement of profit and loss			
- Effective portion of gains or (loss) on designated portion of hedging instruments in a cash flow hedge	35.6	234	(255)
- Income-tax on (ii) above		(62)	68
TOTAL OTHER COMPREHENSIVE INCOME		**206**	**(238)**
XI. Total comprehensive income (IX+X)		**1,083**	**1,279**
XII. Earnings per equity share of ₹ 1: {based on profit for the year (IX)}			
Basic	28	9.88	17.09
Diluted		9.88	17.09
Significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Standalone Statement of Changes in Equity

as at 31st March 2021

(a) Equity share capital

₹ in crores

	As at 31st March 2021	As at 31st March 2020
Opening balance	89	89
Changes in equity share capital during the year	-	-
Closing balance	**89**	**89**

(b) Other equity

	Reserves and surplus							
						Items of other comprehensive income (refer note 13.2)		
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Cash flow hedge reserve	Remeasurement of employee defined benefit plans	Total other equity
Balance as at 1st April 2019	**0**	**1**	**139**	**3,066**	**2,876**	**27**	**(16)**	**6,093**
Profit for the year (net of taxes)	-	-	-	-	1,517	-	-	1,517
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	(187)	(51)	(238)
Total comprehensive income for the year	**0**	**-**	**-**	**-**	**1,517**	**(187)**	**(51)**	**1,279**
Payment of dividends (refer note 13.3)	-	-	-	-	(444)	-	-	(444)
Tax on dividends (refer note 13.3)	-	-	-	-	(91)	-	-	(91)
Transition impact of Ind AS 116	-	-	-	-	(156)	-	-	(156)
Deferred tax on transition impact of Ind AS 116 {refer note 8(a)}	-	-	-	-	55	-	-	55
Balance as at 31st March 2020	**0**	**1**	**139**	**3,066**	**3,757**	**(160)**	**(67)**	**6,736**
Balance as at 1st April 2020	**0**	**1**	**139**	**3,066**	**3,757**	**(160)**	**(67)**	**6,736**
Profit for the year (net of taxes)	-	-	-	-	877	-	-	877
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	172	34	206
Total comprehensive income for the year	**0**	**-**	**-**	**-**	**877**	**172**	**34**	**1,083**
Payment of dividends (refer note 13.3)	-	-	-	-	(355)	-	-	(355)
Balance as at 31st March 2021	**0**	**1**	**139**	**3,066**	**4,279**	**12**	**(33)**	**7,464**

Significant accounting policies Note 2

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Standalone Statement of Cash Flow

for the year ended 31st March 2021

₹ in crores

	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash flow from operating activities			
Net profit before tax		1,233	2,105
Adjustments for :			
- Depreciation and amortisation expense		331	310
- Net unrealised exchange gain		1	(3)
- (Gain)/ loss on sale/ disposal/ scrapping of property, plant and equipment (net)		6	(3)
- Provision for doubtful trade receivables (net) and bad trade receivables written off		34	2
- Interest income		(73)	(95)
- Gain on investments carried at fair value through profit and loss		(34)	(31)
- Gain on sale of investment in joint venture		(4)	-
- Dividend Income		(24)	-
- Gain on pre-closure of lease contracts		(12)	(9)
- Rent waiver (refer note 29)		(57)	-
- Impairment of investment in subsidiary (refer note 26)		137	-
- Finance costs		181	149
Operating profit before working capital changes		**1,719**	**2,425**
Adjustments for :			
- (increase)/ decrease in trade receivables		(78)	144
- (increase)/ decrease in inventories		(243)	(1,021)
- (increase)/ decrease in financial assets-loans receivables		(6)	(16)
- (increase)/ decrease in other financial assets		245	(341)
- (increase)/ decrease in other assets		(34)	53
- increase/ (decrease) in gold on loan		2,587	(781)
- increase/ (decrease) in trade payables		187	(263)
- increase/ (decrease) in other financial liabilities		254	(282)
- increase/ (decrease) in other current liabilities		(218)	295
- increase/ (decrease) in provisions		(49)	35
Cash generated from operating activities before taxes		**4,364**	**248**
- Direct taxes paid, net		(263)	(537)
Net cash generated from/ (used in) operating activities	**A**	**4,101**	**(289)**

Standalone Statement of Cash Flow

for the year ended 31st March 2021

₹ in crores

	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property		(111)	(310)
Proceeds from sale of property, plant and equipment		7	8
Purchase of investments in subsidiaries and other equity instruments		(30)	(101)
Proceeds from sale of investment in joint venture		43	-
Loan repayment / (given to) received from subsidiary		2	(2)
Investment in non convertible debentures		(5)	-
Inter-corporate deposits placed		(150)	(100)
Proceeds from inter-corporate deposits		100	300
Bank deposits (placed) / matured, net		(60)	331
(Purchase) / sale of mutual funds, net		(2,640)	27
Loan given to Company's franchisees and vendors		(97)	-
Proceeds from loan given to Company's franchisees and vendors		94	-
Lease payments received from sub-lease (excluding interest received)		19	21
Dividend received from subsidiary		24	-
Interest received		60	69
Net cash (used in)/ from investing activities	**B**	**(2,744)**	**243**
C. Cash flow from financing activities			
(Repayment) / proceeds from borrowings, net		(626)	626
Dividends paid (including dividend distribution tax as applicable)		(355)	(536)
Payment of lease liabilities (excluding interest paid)		(98)	(209)
Finance costs paid		(181)	(149)
Net cash used in financing activities	**C**	**(1,260)**	**(268)**
Net cash generated / (used in) during the year (A+B+C)		**97**	**(314)**
Cash and cash equivalents (opening balance) (refer note 11.3)		50	364
Add/ (Less): Unrealised exchange (gain)/ loss		0	0
Cash and cash equivalents (closing balance) (refer note 11.3)		147	50
Debt reconciliation statement in accordance with Ind AS 7			
Current borrowings			
Opening balance		626	-
(Repayment) / proceeds from borrowings, net		(626)	626
Closing balance		-	626
Significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

1. Corporate Information

Titan Company Limited (the 'Company') is a public company domiciled in India, with its registered office situated at 3, SIPCOT Industrial Complex, Hosur - 635 126, Tamil Nadu, India. The Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and BSE Ltd. in India.

The Company is primarily involved in manufacturing and sale of Watches, Jewellery, Eyewear and other accessories and products.

2. Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. These standalone financial statements are the separate financial statements of the Company.

Basis of preparation

i. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

ii. Basis of measurement

These standalone financial statements have been prepared on an accrual basis under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

a) Certain financial assets and liabilities (including derivative instruments).

b) The defined benefit asset/ (liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

iii. Rounding of amounts

All amount disclosed in these standalone financial statements and notes have been rounded off to rupees crores as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements. The Company has decided to report all the amounts in crores in lieu of in lakhs as reported in the earlier from the current year. Accordingly, comparative numbers which were reported in lakhs previously have been reflected in crores in the current financial statements.

iv. Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31st March 2021 is included in the following notes:

- Note 3 – Useful life of the Property, Plant and Equipment;
- Note 6 – Useful life of the Intangible assets;
- Note 7.1 – Impairment of investments

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

- Note 8 – Valuation of deferred tax assets
- Note 4, 14.1, 16.3 and 29 – Leases
- Note 30 – Provisions and contingent liabilities
- Note 32 – Measurement of defined benefit obligations: key actuarial assumptions;
- Notes 35.1 and note 35.2 – Fair value measurement of financial instruments.

v. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

vi. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 4– Investment property
- Note 35- Financial Instruments.

vii. Revenue recognition

The Company recognises revenue when the control of goods being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled based on various customer terms including at the time of delivery of goods, dispatch or upon customer acceptance based on various distribution channels. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

a) Sale of goods: Revenue from the sale of products is recognised at the point in time when control of the goods is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets are classified as other assets. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Customer loyalty programmes

The Company has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative standalone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

b) Service income: Service income is recognised on rendering of services based on the agreements / arrangements with the concerned parties.

c) Dividend and interest income: Dividend income from investments is recognised when the Company's right to receive the payment has been established i.e., either when the dividend is declared or when shareholders approve the dividend in case of equity investments.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of profit and loss.

Other Operating Income:

Indirect tax incentives are recognised when the right to receive the amount as per the terms of scheme is established in respect of industrial promotion scheme applicable to the respective units.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer multiple goods to a customer. The Company assesses the goods promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

relative stand-alone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Interest income is recognised as it accrues in the statement of profit and loss using effective interest rate method.

Commission income is generally recognised when the related sale is executed as per the terms of the agreement.

The Company has determined that the revenues as disclosed in Note 19 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

viii. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The nature of expenses related to those leases has changed from lease rent in previous periods to (i) amortization for the right-to-use asset, and (ii) interest accrued on lease liability.

a) Right-of-use assets:

Right-of-use assets are measured at cost comprising the following:

i) the amount of the initial measurement of lease liability

ii) any initial direct costs

iii) restoration costs

Right-of-use assets are depreciated over the lease term on a straight-line basis.

b) Lease Liabilities:

Lease liabilities are measured at present value of following components:

i) fixed payments less any lease incentives receivable

ii) amounts expected to be payable by the Company under residual value guarantee

Incremental borrowing rate used for discounting has been determined by taking the interest rates obtained from financial institutions for borrowing the similar value of right of use assets for similar tenure. The rates will be reassessed on a yearly basis at the beginning of each accounting period to reflect changes in financial conditions.

c) Short-term leases:

The Company applies the short-term lease recognition exemption to its short-term lease contracts (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on a short-term leases are recognised as expense on a straight-line basis over the lease term.

d) Variable payments:

Variable lease payments that depend on sales are recognised in the Statement of profit or loss in the period in which the condition that triggers those payments occurs.

Company as a Lessor:

In case of sub-leasing, where the Company, being the original lessee and intermediate lessor, grants a right to use the underlying asset to a third party, the head lease is recognised as lease liability and sub-lease is recognised as lease receivables in the Balance Sheet of the Company. Interest expense is charged on the lease liability and interest income is recognised on lease receivables in the statement of profit or loss.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

ix. Foreign currencies

In preparing the standalone financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as cash flow hedge (refer note xxi(b)).

x. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with borrowing of funds. The borrowing cost includes interest expense accrued on gold on loan taken from banks. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xi. Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

The Company's contributions to the Superannuation Fund which is managed by a Trust and Pension Fund administered by Regional Provident Fund Commissioner and Company's contribution to National pension Scheme are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

The contribution to the Company's Gratuity Trust and liability towards pension of retired managing directors are provided using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

The contribution to the Company's Provident Fund Trust is made at predetermined rates and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

xii. Taxation

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

a) Current tax: The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax: Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are not recognised, when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

For operations carried out in notified units covered under Section 80 IC of the income tax Act 1961, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

xiii. Property, Plant and Equipment

a) *Recognition and measurement:*

Land and buildings held for use in the production or supply of goods or services,

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machine spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The estimated useful life of the tangible assets and the useful life are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

b) *Depreciation*

Depreciable amount for assets is the cost of an asset, or other substituted for cost, less its estimated residual value. Depreciation is calculated on the basis of the estimated useful lives using the straight line method and is generally recognised in the statement of profit and loss. Depreciation for assets purchased / sold during the year is proportionately charged from/upto the date of disposal. Free hold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Management estimate of useful life	Useful life as per Schedule II
Building	30 to 60 years	30 to 60 years
Plant, machinery and equipment	5 to 15 years	10 to 15 years
Computers and server	3 to 6 years	3 to 6 years
Furniture and Fixtures	5 to 10 years	10 years
Office equipment	5 years	5 years
Vehicles	4 years	8 years

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

disposition of the asset and the resultant gains or losses are recognised in the statement of profit and loss.

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

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

xiv. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognised.

The investment property includes only land held by the Company and accordingly no amortization of the investment property is recorded in the statement of profit and loss.

The fair values of the investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

xv. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangible assets are as follows:

Software - License period or 5 years, whichever is lower.

Intellectual properties - 5 years

Patents - 5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

xvi. Impairment

Impairment of financial assets:

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

Impairment of non-financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

xvii. Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)] are stated at the lower of cost and net realizable value determined on an item-by-item basis. Cost is determined as follows:

a) Gold is valued on first-in-first-out basis.

b) Stores and spares, loose tools and raw materials are valued on a moving weighted average rate.

c) Work-in-progress and finished goods (other than gold) are valued on full absorption cost method based on the moving average cost of production.

d) Traded goods are valued on a moving weighted average rate/ cost of purchases.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, other taxes.

Unfixed gold is valued at the provisional gold price prevailing on the date of delivery of gold.

Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale.

xviii. Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

Product warranty expenses: Product warranty costs are determined based on past experience and provided for in the year of sale.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Contingent liabilities: A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the financial statements.

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

xix. Investment in subsidiaries, associate and joint venture

Investment in subsidiaries, associate and joint venture is measured at cost less provision for impairment.

xx. Financial instruments

Recognition of financial assets:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

A) Financial Assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

(i) Amortised cost

(ii) Fair value through other comprehensive income (FVOCI)

(iii) Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the group changes its business model for managing financial assets.

i) Financial assets at amortised cost:

A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

ii) Investments in equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value either in the statement of profit and loss or in other comprehensive income pertaining to equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investment.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Currently, the Company has not elected to present subsequent changes in investments in equity instruments in OCI. Accordingly, the same are considered as investments measured at FVTPL.

iii) Investments in equity instruments at FVTPL

A financial asset that meets the amortised cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of the cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Whether the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

B) Financial liabilities: classification, subsequent measurement and derecognition:

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Other Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such in initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/ Other expenses' line item.

The Company has designated amount payable for gold taken on loan from banks on initial recognition as fair value through profit and loss.

Financial liabilities subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date of Ind AS.

xxi. Derivative financial instruments

a) *Derivative instruments not designated as Cash flow hedges:*

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, future contracts and Options.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) *Cash flow hedges*

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments. The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold,

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of profit and loss.

The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

c) *Fair Value Hedge:*

The Company designates non derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Company has designated the trade payables pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

xxii. Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM).

The Company's primary segments consist of Watches and wearables, Jewellery, Eyewear, Corporate and Others, where 'Others' include Fragrances, Indian dress wear and Accessories. Secondary information is reported geographically.

Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents other income and expenses which relate to the Company as a whole and are not allocated to segments.

xxiii. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

xxiv. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xxv. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

xxvi. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

xxvii. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

3 Property, plant and equipment

₹ in crores

Particulars	Land	Buildings	Plant, machinery and equipment	Computer and servers	Furniture and fixtures	Office equipment	Vehicles	Total
Gross block								
As at 1st April 2019	79	321	508	83	234	42	20	1,287
Additions	-	28	72	27	72	20	11	230
Disposals	-	0	6	4	13	2	6	31
As at 31st March 2020	**79**	**349**	**574**	**106**	**293**	**60**	**25**	**1,486**
As at 1st April 2020	79	349	574	106	293	60	25	1,486
Additions	-	2	18	23	30	9	4	86
Disposals	-	0	9	3	29	3	3	47
As at 31st March 2021	**79**	**351**	**583**	**126**	**294**	**66**	**26**	**1,525**
Accumulated depreciation								
As at 1st April 2019	-	24	116	31	85	18	6	280
Depreciation expense	-	9	48	22	42	9	7	137
Disposals	-	0	4	4	11	2	5	26
As at 31st March 2020	**-**	**33**	**160**	**49**	**116**	**25**	**8**	**391**
As at 1st April 2020	-	33	160	49	116	25	8	391
Depreciation expense	-	9	48	23	44	11	7	142
Disposals	-	-	6	3	21	2	2	34
As at 31st March 2021	**-**	**42**	**202**	**69**	**139**	**34**	**13**	**499**
Net carrying value								
As at 31st March 2020	**79**	**316**	**414**	**57**	**177**	**35**	**17**	**1,095**
As at 31st March 2021	**79**	**309**	**381**	**57**	**155**	**32**	**13**	**1,026**

₹ in crores

Particulars	Capital work-in-progress
As at 1st April 2019	**25**
Additions	216
Capitalisations	230
As at 31st March 2020	**11**
As at 1st April 2020	11
Additions	92
Capitalisations	86
As at 31st March 2021	**17**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

4 Right-of-use assets*

₹ in crores

Particulars	Leasehold land	Buildings	Total
As at 1st April 2019- Transition impact of Ind AS 116	21	693	714
Additions	-	327	327
Modifications/ terminations	-	28	28
As at 31st March 2020	**21**	**992**	**1,013**
As at 1st April 2020	21	992	1,013
Additions	-	229	229
Modifications/ terminations	-	108	108
As at 31st March 2021	**21**	**1,113**	**1,134**
Accumulated amortisation			
As at 1st April 2019- Transition impact of Ind AS 116	-	-	-
Amortisation expense	0	152	152
Modifications/ terminations	-	9	9
As at 31st March 2020	**0**	**143**	**143**
As at 1st April 2020	-	143	143
Amortisation expense	0	161	161
Modifications/ terminations	-	24	24
As at 31st March 2021	**0**	**280**	**280**
Net carrying value			
As at 31st March 2020	**21**	**849**	**870**
As at 31st March 2021	**21**	**833**	**854**

**Also, refer note 29*

5 Investment property

₹ in crores

Particulars	Land
As at 1st April 2019	24
Additions	-
Disposals	-
As at 31st March 2020	**24**
As at 1st April 2020	24
Additions	-
Disposals	-
As at 31st March 2021	**24**
Net carrying value	
As at 31st March 2020	**24**
As at 31st March 2021	**24**

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

b) Fair market value of land at ₹ 102 crores (Previous year: ₹ 102 crores) have been arrived at on the basis of valuations carried out by Chartered Engineer during the years ended 31st March 2021 and 31st March 2020.

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

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

6 Intangible assets

₹ in crores

Particulars	Trademarks	Intellectual properties	Patents	Computer softwares	Total
Gross block					
As at 1st April 2019	3	-	-	62	65
Additions*	-	6	8	32	46
Disposals	-	-	-	-	-
As at 31st March 2020	**3**	**6**	**8**	**94**	**111**
As at 1st April 2020	3	6	8	94	111
Additions	-	-	-	19	19
Disposals	-	-	-	-	-
As at 31st March 2021	**3**	**6**	**8**	**113**	**130**
Accumulated amortisation					
As at 1st April 2019	3	-	-	24	27
Amortisation expense	-	0	0	20	20
Disposals	-	-	-	-	-
As at 31st March 2020	**3**	**0**	**0**	**44**	**47**
As at 1st April 2020	3	0	0	44	47
Amortisation expense	-	1	2	25	28
Disposals	-	-	-	-	-
As at 31st March 2021	**3**	**1**	**2**	**69**	**75**
Net carrying value					
As at 31st March 2020	**-**	**6**	**8**	**50**	**64**
As at 31st March 2021	**-**	**5**	**6**	**44**	**55**

** During the previous year, the Company acquired intellectual properties and patents from HUG Innovations LLP and HUG Innovations Corp (collectively referred as "Hug Innovations") on 6th and 9th January 2020 respectively for a cash considerations of ₹ 14 crores.*

7 Financial assets

7.1 Investments

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
1) Investment in equity instruments (unquoted)		
(i) In subsidiary companies (at cost unless stated otherwise)		
47,050,000 (Previous year: 47,050,000) fully paid equity shares of ₹ 10 each in Titan Engineering & Automation Limited	235	235
24,036,325 (Previous year: 24,036,325) fully paid equity shares of ₹ 2 each in Caratlane Trading Private Limited	505	505
1 (Previous year: 1) fully paid equity shares of AED 1,000 each in Titan Holdings International FZCO	0	0
20,00,000 (Previous year: Nil) fully paid equity shars of ₹ 10 each in Titan Commodity Trading Limited	2	-
18,71,897 (Previous year: 18,71,897) fully paid equity shares of CHF 10 each in Favre Leuba AG, Switzerland	257	257
Less: Provision for impairment in value of investment (refer note 26)	(257)	(145)
	-	**112**
	742	**852**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
(ii) In joint venture company (at cost unless stated otherwise)		
Nil (Previous year: 38,856,265) fully paid equity shares of ₹ 10 each in Montblanc India Retail Private Limited {refer note a) below}	-	39
(iii) In associate company (at cost unless stated otherwise)		
1,500,000 (Previous year: 1,500,000) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Theni Limited {refer note b) below}	2	2
	744	893
2) Other investments		
i) Investments in equity instruments - quoted (at fair value through profit or loss)		
1,000 (Previous year: 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	0	0
2,511 (Previous year: 2,349) fully paid equity shares of ₹ 10 each in Tata Steel Limited	0	0
6,638 (Previous year: 6,638) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	0	0
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	0	0
3,000 (Previous year: 3,000) fully paid equity shares of ₹ 1 each in Trent Limited	0	0
	0	**0**
ii) Investments in equity instruments - unquoted (at fair value through profit or loss)		
525,000 (Previous year: 525,000) fully paid equity shares of ₹ 10 each in Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)	10	16
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	0	0
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	0	0
	10	**16**
iii) Investments in non-convertible debentures carried at amortised cost - unquoted		
Investment in non convertible debentures	5	-
	5	**-**
Aggregate value of investments	**759**	**909**
Aggregate book value of quoted investments	**0**	**0**
Aggregate market value of quoted investments	**0**	**0**
Aggregate book value of unquoted investments	**759**	**909**
Aggregate amount of impairment in value of investments	**257**	**145**

Notes:

a) The Company has disposed off its entire shareholding in Montblanc India Retail Private Limited to its Joint venture partner at a consideration of ₹ 43 crores after exercising the full put option as per the joint venture agreement. The requisite formalities were completed on 12th March 2021 and the Company has recognised gain on sale of investment in joint venture amounting to ₹ 4 crores under the head "Other income" during the year ended 31st March 2021.

b) The Company has given an undertaking not to sell or encumber in any manner its investments in Green Infra Wind Power Theni Limited in accordance with the Equity Participation agreement.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

7.2 Loans receivable

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Security deposits	105	100
Employee loans	41	41
	146	**141**

7.3 Other financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Lease receivables	169	151
Other assets	5	8
Share application money paid for investment in subsidiary	28	-
Less: Provision for impairment in value of investment (refer note 26)	(24)	-
Share application money paid for investment in subsidiary, net	4	-
	178	**159**

8 Income tax

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

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax assets	121	195
Deferred tax liabilities	(16)	(23)
	105	**172**

Particulars	As at 1st April 2020	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2021
Deferred tax assets				
Provision for doubtful trade receivables	1	9	-	10
Employee benefits	40	(5)	-	35
Compensation towards Voluntary retirement of employees	7	(6)	-	1
Fair value of investments	48	(12)	-	36
Cash flow hedges	58	-	(62)	(4)
Lease liabilities (net of Right-of-use assets)	41	2	-	43
Others	-	-	-	-
Deferred tax liability				
Property, plant and equipment	(23)	7	-	(16)
	172	**(5)**	**(62)**	**105**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 1st April 2019	On adoption of Ind AS 116	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31st March 2020
Deferred tax assets					
Provision for doubtful trade receivables	1	-	-	-	1
Employee benefits	46	-	(6)	-	40
Compensation towards Voluntary Retirement of employees	17	-	(10)	-	7
Fair value of investments	62	-	(14)	-	48
Cash flow hedges	(10)	-	-	68	58
Lease liabilities (net of Right-of-use assets)	-	55	(14)	-	41
Others	2	-	(2)	-	-
Deferred tax liability					
Property, plant and equipment	(33)	-	10	-	(23)
	85	**55**	**(36)**	**68**	**172**

b) **Amounts recognised in statement of profit and loss**

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Income tax expenses		
Current tax	351	552
Deferred tax	5	36
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	11	(18)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	62	(68)
Tax expense for the year	**429**	**502**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

c) The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax	1,233	2,105
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	310	530
Effect of:		
Expenses that are not deductible in determining taxable profit	39	20
Income taxes relating to earlier periods	-	(2)
Effect of rebate	(6)	-
Tax charge/(credit) on gratuity disclosed in OCI	-	18
Effect of change in income tax rate*	-	28
Others	13	(6)
Income tax expense recognised in the statement of profit and loss	**356**	**588**

**From the Assessment Year 2020-21 relevant to the previous year 2019-20, the Company elected to exercise the option permitted under section 115BAA(1) of the Income-tax Act, 1961 after satisfying the conditions contained in section 115BAA(2) as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the previous year ended 31st March 2020 and computed deferred tax based on the rate prescribed in the said section.*

d) The following table provides the details of income tax assets and income tax liabilities as of 31st March 2021 and 31st March 2020:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Income tax assets (net)	120	141
Current tax liabilities (net)	80	9
Net current income tax assets at the end of the year	**40**	**132**

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net current income tax assets at the beginning of the year	132	112
Income tax paid	263	537
Current income tax expense	(351)	(552)
Interest income on income-tax refund	7	17
Income tax on other comprehensive income	(11)	18
Net current income tax assets at the end of the year	**40**	**132**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

9 Other non-current assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Capital advances	24	21
Balance with revenue authorities	40	40
Other assets (includes deferred lease cost and deferred employee cost)	3	4
	67	**65**

10 Inventories

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Raw materials	1,770	1,362
Work-in-progress {refer (a) below}	330	308
Finished goods	4,433	4,514
Stock-in-trade	1,430	1,535
Stores and spares	16	16
Loose tools	5	6
	7,984	**7,741**
Included above, goods-in-transit		
Raw materials	5	8
Stock-in-trade	1	2
	6	**10**
a) Details of inventory of work-in-progress		
Watches	134	162
Jewellery	194	144
Others	2	2
	330	**308**

(i) The cost of inventories recognised as an expense during the year is ₹ 15,769 crores (Previous year: ₹ 14,512 crores).

(ii) The cost of inventories recognised as an expense includes ₹ 0.38 crore (Previous year: ₹ 1 crore) in respect of write down of inventory to net-realisable value.

(iii) The inventory includes Gold purchased on loan from banks amounting to ₹ 4,094 crores (Previous year: ₹ 1,507 crores).

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

11 Financial assets

11.1 Investments

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
Name of the fund	No of units	Amount	No of units	Amount
Investments in mutual funds (Unquoted)- {at fair value through profit or loss}				
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	32,17,960	107	4,38,283	14
Axis Overnight Fund - Direct Plan - Growth	-	-	3,78,966	40
Tata Overnight Fund-Direct Plan-Growth	-	-	1,89,817	20
Aditya Birla Sun Life Savings Fund - Direct Plan - Growth	11,89,273	51	-	-
Axis Treasury Advantage Fund - Direct Plan- Growth	2,04,535	51	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	1,61,81,055	45	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	49,48,401	151	-	-
ICICI Prudential Savings Fund - Direct Plan - Growth	12,10,792	51	-	-
Kotak Equity Arbitrage Fund - Direct Plan - Growth	1,50,04,578	45	-	-
Kotak Savings Fund- Direct Plan - Growth	1,46,55,362	51	-	-
SBI Magnum Ultra Short Duration Fund - Direct Plan - Growth	1,07,564	51	-	-
HDFC Money Market Fund - Direct Plan - Growth	6,10,688	273	-	-
Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	88,02,851	253	-	-
L&T Ultra Short Term Fund - Direct Plan - Growth	1,44,04,766	51	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	1,02,72,122	303	-	-
Kotak Money Market Scheme - Direct Plan - Growth	7,24,493	252	-	-
HDFC Ultra Short Term Fund - Direct Plan - Growth	4,26,13,806	51	-	-
Nippon India Money Market Fund - Direct Plan - Growth	9,39,263	302	-	-
IDFC Ultra Short Term Fund - Direct Plan - Growth	4,22,43,504	51	-	-
Aditya Birla Sun Life Low Duration Fund - Direct Plan - Growth	9,15,643	51	-	-
Nippon India Arbitrage Fund - Direct Plan - Growth	2,08,07,996	45	-	-
Tata Arbitrage Fund - Direct Plan - Growth	3,96,13,175	45	-	-
Nippon India Liquid Fund - Direct Plan - Growth	2,99,520	151	-	-
HDFC Low Duration Fund - Direct Plan - Growth	1,06,60,130	51	-	-
SBI Savings Fund - Direct Plan - Growth	7,34,63,725	251	-	-
HDFC Arbitrage Fund - Direct Plan - Growth	1,30,07,480	20	-	-
		2,753		**74**
Aggregate value of unquoted investments		2,753		74

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

11.2 Trade receivables

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Considered good- unsecured*	294	218
Less: Allowance for doubtful trade receivables	(3)	(4)
	291	**214**
Credit impaired	3	3
Less: Allowance for doubtful trade receivables	(3)	(3)
	-	-
	291	**214**

** Includes dues from related parties - refer note 34.*

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The Provision matrix at the end of reporting period as follows:

Age of receivables	Expected credit loss (%)			
	Watches	Jewellery	Eye-wear	New Category
Within credit period	0%	0%	2%	8%
Less than 1 year	0%	2%	3%	2%
1 to 2 years	21%	0%	20%	17%
2 to 3 years	20%	6%	50%	24%
Over 3 years	100%	36%	100%	33%

₹ in crores

Age of receivable	As at 31st March 2021	As at 31st March 2020
Within credit period	269	95
Less than 1 year	22	122
1 to 2 years	4	-
2 to 3 years	1	1
Over 3 years	1	3
	297	**221**

Movement in the expected credit loss allowance

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Balance at the beginning of the year	7	5
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1)	2
Balance at the end of the year	**6**	**7**

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

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

11.3 Cash and bank balances

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalents		
Cash on hand	12	6
Cheques, drafts on hand	8	4
Balances with banks		
(i) Current account {refer note (a) below}	102	40
(ii) Demand deposit	25	-
Total cash and cash equivalents	**147**	**50**
Other bank balances		
(iii) Earmarked accounts		
- Unclaimed dividend	11	11
- Unclaimed debenture and debenture interest	0	0
(iv) Demand deposit	-	28
(v) Fixed deposits held as margin money against bank guarantee	54	11
(vi) Fixed deposits held as deposit reserve fund {refer note (b) below}	300	256
Total other bank balances	**365**	**306**
	512	**356**

Notes:

a) *The balance under current account includes funds in transit primarily for credit card receipts yet to be credited to the Company- ₹ 34 crores (Previous year: ₹ 3 crores).*

b) *This amount represents restricted cash maintained for the golden harvest scheme for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended.*

c) *The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 have not been made since the requirement does not pertain to financial year ended 31st March 2021.*

11.4 Loans receivable

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Inter-corporate deposits	195	145
Less: Provision for impairment	(145)	(145)
Inter-corporate deposits, net	50	-
Security deposits	30	30
Loan to subsidiary (refer note 34)	-	2
Employee loans	23	22
	103	**54**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

11.5 Other financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Refunds due from government authorities	128	121
Margin money for gold future contracts	41	245
Provision for doubtful margin money deposits {refer note (a) below}	(34)	-
Margin money for gold future contracts, net	7	245
Derivative instruments other than in designated hedge accounting relationships	1	3
Advance to subsidiary (refer note 34)	-	5
Lease receivables	22	24
Other assets (mark to market gain on gold future contracts, interest accrued on fixed deposits and ICDs)	29	60
	187	**458**

(a) Based on its assessment of recoverability, the Company has made a provision of ₹ 34 crores against receivables from one of the brokers with whom the Company was transacting. The Company, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

12 Other current assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured and considered good		
Advances to suppliers	82	76
Prepaid expenses	24	30
Balance with government authorities {refer note (a) below}	443	422
Contract asset {refer note (b) below}	97	101
Gratuity {refer note 32 (b) }	18	-
Other assets (includes deferred lease cost and deferred employee cost)	7	8
	671	**637**

(a) Balance with government authorities includes GST credits of ₹ 429 crores (Previous year: ₹ 413 crores) in respect to GST input credit, transitional credit and deemed credit.

(b) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 17.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

13.1 Share capital

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares (in crores)	Amount	No. of shares (in crores)	Amount
a) Authorised				
Equity share of ₹ 1 each with voting rights	120	120	120	120
Redeemable cumulative preference shares of ₹ 100 each	0.40	40	0.40	40
b) Issued, subscribed and fully paid up				
Equity share of ₹ 1 each with voting rights	89	89	89	89

c) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

d) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. crores	₹ crores	No. crores	₹ crores
Equity shares with voting rights				
At the beginning of the year	89	89	89	89
At the end of the year	**89**	**89**	**89**	**89**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares held (in crores)	% of total holding	No. of shares held (in crores)	% of total holding
Tamilnadu Industrial Development Corporation Limited	25	27.88	25	27.88
Tata group				
Tata Sons Private Limited	19	20.85	19	20.85
Tata Investment Corporation Limited	2	2.01	2	2.01
Tata Chemicals Limited	1	1.56	1	1.56
Ewart Investments Limited	0	0.56	0	0.56
Piem Hotels Limited	0	0.06	0	0.06
Total - Tata Group	**22**	**25.04**	**22**	**25.04**

13.2 Other equity

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Capital reserve		
(Surplus on re-issue of forfeited shares and debentures)	0	0
Capital redemption reserve		
(Reserve created on redemption of capital)	1	1
Securities premium		
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)	139	139
General reserve		
(Represents appropriation of profit by the Company)	3,066	3,066
Retained earnings*		
(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)	4,279	3,758
Other comprehensive income		
- Cash flow hedge reserve	12	(160)
- Remeasurement of net defined benefit liability/asset	(33)	(68)
(Items of other comprehensive income consist of cash flow hedge reserve and remeasurement of net defined benefit liability/asset)	(21)	(228)
	7,464	**6,736**

13.3 Distributions made and proposed

The Board of Directors at its meeting held on 8th June 2020 had proposed a final dividend of ₹ 4 per equity share of par value of ₹ 1 each for the financial year ended 31st March 2020. The proposal was approved by shareholders at the Annual General Meeting held on 11th August 2020 and the same was paid during the year ended 31st March 2021. This has resulted in a total outflow of ₹ 355 crores.

The Board of Directors, in its meeting on 29th April 2021, have proposed a final dividend of ₹ 4 per equity share for the financial year ended 31st March 2021. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 355 crores.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

14 Financial liabilities

14.1 Lease liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Lease liabilities (refer note 29)	971	967
	971	**967**

15 Provisions

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for compensated absences {refer note: 32 (c)}	114	122
Provision for pension*	29	30
	143	**152**

**During the previous year ended 31st March 2020, the Board of Directors approved the special retiral benefits payable to the Managing Director who retired in September 2019, as per the policy of the Company. Accordingly, the Company has accrued ₹ 26 crores based on actuarial valuation by giving corresponding charge to employee benefit expense in the statement of profit and loss.*

16 Financial liabilities

16.1 Borrowings

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Loan from bank	-	626
	-	**626**

Note: During the previous year the loan had a tenure ranging from 24 days to 31 days. The interest rate varied from 7.45% to 8.85% per annum.

16.2 Gold on loan

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Secured#		
Payable to banks*	1,887	579
Unsecured		
Payable to banks*	2,207	928
	4,094	**1,507**

 # Secured against letter of credit.

** Includes amounts payable against gold purchased from various banks under Gold on loan scheme. The interest rate of the same varies from 1.45% to 2.70% per annum (Previous year: 1.45% to 2.25%) and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.*

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

16.3 Lease liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Lease liabilities (refer note 29)	178	169
	178	**169**

16.4 Trade payables

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro and small enterprises {Refer note (a) below}	158	63
Total outstanding dues of other than micro and small enterprises	537	447
	695	**510**

Note a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	158	63
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year*	50	17
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.	0	0

** The payment was made beyond appointed day due to delay in receipt of invoices. Accordingly, management believes that no interest is payable on the same.*

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

16.5 Other financial liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Unclaimed dividends {refer note (a) below}	11	11
Payables on purchase of property, plant and equipment	15	7
Other financial liabilities		
- Employee related	163	138
- Others (includes dealers deposits, earnest money deposit received) {refer note (b) below}	29	35
	218	**191**

Notes:

(a) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 0.11 crores (Previous year: ₹ 0.07 crores) and therefore amounts relating to the same have not been transferred.

(b) Previous year ended 31st March 2020 includes ₹ 20 crores, being the change in measurement of defined benefit plans due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, Reliance Capital Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Company.

17 Other current liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Advance from customers	316	229
Golden harvest scheme (deposit)	1,075	1,484
Liability towards award credits for customers	72	80
Statutory dues (TDS, PF etc.)	29	17
Contract liability {refer note (a) below}	130	142
Other liabilities (gift card liability, book overdraft)	283	171
	1,905	**2,123**

a) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

18 Provisions

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for compensated absences {refer note 32 (c)}	18	34
Gratuity {refer note 32 (b) }	-	67
Provision for warranty {refer note (a) below}	5	8
	23	**109**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Note (a): Provision for warranty

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance	8	7
Provisions made during the year	4	6
Utilisations/ reversed during the year	(7)	(4)
Provision at the end of the year	**5**	**8**

19 Revenue from operations

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of products		
Manufactured goods		
Watches	1,184	2,030
Jewellery	13,825	13,156
Eyewear	218	86
	15,227	**15,272**
Traded goods		
Watches	341	496
Jewellery	3,234	3,324
Eyewear	143	452
Others	92	178
	3,810	**4,450**
Total - Sale of products (a)	**19,037**	**19,722**
Income from services provided (b)	9	10
Other operating revenue		
Indirect tax incentive {refer note (a) below}	24	64
Sale of precious / semi-precious stones	51	126
Sale of gold / platinum {refer note (b) below}	1,469	82
Others (includes scrap sales and visual merchandising sales)	12	6
Total - Other operating revenue (c)	**1,556**	**277**
Revenue from operations (a+b+c)	**20,602**	**20,010**

a) Represents benefits accrued on account of budgetary support for the existing eligible units under different industrial promotion schemes.

b) Include sale of gold-ingots aggregating ₹ 1,355 crores (Previous year: Nil) to various customers dealing in bullion.

c) As per the requirements of Ind AS 115, the Company disaggregates revenue based on line of business, geography (as given in Note 27) and between manufactured and traded goods as given above.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Contracted price	24,386	24,426
Reductions towards variable consideration components	3,784	4,417
Revenue recognised	**20,602**	**20,010**

The reduction towards variable consideration comprises of scheme discounts, incentives, taxes etc.

20 Other income

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income on financial assets carried at amortised cost	50	63
Interest income on income tax refund	7	17
Gain on investments carried at fair value through profit and loss	34	31
Gain on sale of investment in joint venture (refer note 7.1)	4	-
Interest income on sub-lease	16	15
Miscellaneous income {refer note (a) below}	70	20
	181	**146**

a) Miscellaneous income includeds dividend income, gain on preclosure of lease contract and lease concessions (net) as defined in note 29.2(c).

21 Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Closing stock		
Finished goods	4,433	4,514
Work-in progress	330	308
Stock-in-trade	1,430	1,535
	6,193	**6,357**
Opening stock		
Finished goods	4,514	3,931
Work-in progress	308	217
Stock-in-trade	1,535	1,373
	6,357	**5,521**
(Increase) / decrease in inventory	**164**	**(836)**

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

22 Employee benefits expense

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, wages and bonus	790	903
Contribution to provident and other funds		
- Gratuity {refer note 32(b)}	27	18
- Provident and other funds {refer note 32(a) (i) and 32 (b)}	43	44
Staff welfare expenses	51	75
	911	**1,040**

23 Finance costs

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expense on :		
Borrowings#	22	15
Interest on lease liability	104	98
Gold on loan*	55	36
Others	0	0
	181	**149**

 # Includes interest paid for unsecured commercial paper borrowed during the year. The interest rate ranges from 3.35% to 4.42% and payable within a period of 3 months.

**Refer note 16.2*

24 Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation of property, plant and equipment (refer note 3)	142	137
Amortisation of intangible assets (refer note 4, 6)	189	173
	331	**310**

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

25 Other expenses

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Loose tools, stores and spare parts consumed	26	52
Agency labour	86	124
Power and fuel	32	45
Repairs and maintenance		
- buildings	4	7
- plant and machinery	14	21
Advertising	232	477
Selling and distribution expenses	542	635
Insurance	17	9
Rent	-	22
Rates and taxes	10	7
Travel	4	42
Provision for doubtful trade receivables and doubtful other financial assets {refer note (c) below}	34	2
Loss on sale / disposal / scrapping of Property, plant and equipment (net)	5	-
Legal and professional charges {refer note (a) below}	95	123
Expenditure on corporate social responsibility {refer note (b) below}	38	31
Gold price hedge ineffectiveness {refer note (d) below}	739	60
Miscellaneous expenses	340	379
Commission to non-whole-time Directors	3	4
	2,221	**2,040**

Notes:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
a) Auditors remuneration comprises fees for audit of :		
Statutory account	2	2
Other services including tax audit and out of pocket expenses	1	1
Total	**3**	**3**

b) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: ₹ 38 crores (Previous year: ₹ 31 crores).

(ii) Amount spent during the year on:

	In cash	Yet to be paid in cash	Total
- Construction/acquisition of any asset	-	-	-
- On purposes other than above	38	-	38
	38	**-**	**38**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

c) Based on its assessment of recoverability, the Company has made a provision of ₹ 34 crores against receivables from one of the brokers with whom the Company was transacting. The Company, however, continues to monitor the developments in this matter and necessary legal action is being taken in this regard to recover the amount deposited.

d) During the year the Company has recognized a loss of ₹ 739 crores (Previous year: ₹ 60 crores) under Other expenses as a result of change in the cash flow hedging relationship due to increase in sales compared to the original sales forecast and availment of the moratorium offered on the Gold on Loan (GOL). This had led to preclosures of hedge contracts originally designated against sales in the subsequent month/quarters and redesignation of certain open contracts. Consequently, these hedging contracts have been accounted as ineffective hedges as required under Ind AS 109 – Financial Instruments. If the hedge contracts utilised during the period had been concluded to be effective as per the principles contained in Ind AS 109, these losses would have to be disclosed as a reduction of revenues.

26 Exceptional item

During the year ended 31st March 2021, the Company decided to significantly scale down the operations of its wholly owned subsidiary, Favre Leuba AG (FLAG) due to the adverse impact on its operations post the Covid 19 pandemic. Consequent to this, the Company performed an impairment testing of its investments in FLAG and made a provision of ₹ 137 crores towards impairment of investment in subsidiary which is disclosed under exceptional items (Previous year: Nil).

27 Segment information

a) Description of segments: The Chief Operating Decision Maker (CODM) of the Company examines the performance both from a product perspective and geography perspective and has identified 4 reportable segments Watches and wearables, Jewellery, Eyewear and Others, where 'Others' include Accessories, Fragrances and Indian dress wear. The Company's Managing Director is the CODM.

Corporate (unallocated) represents income, expenses, assets and liabilities which relate to the Company as a whole and not allocated to segments.

b) Segment revenues and profit and loss

₹ in crores

	Revenue		Profit / (loss)	
	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	1,580	2,616	(65)	365
Jewellery	18,631	16,738	1,686	2,061
Eyewear	375	544	23	(14)
Others	98	171	(45)	(58)
Corporate (unallocated)	99	87	(185)	(100)
	20,783	**20,156**	**1,414**	**2,254**
Finance costs			181	149
Profit before taxes			**1,233**	**2,105**

There is no inter segment revenue.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

c) Profit / (Loss) from segments before exceptional items, finance costs and taxes are as below:

₹ in crores

Segment	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	(65)	365
Jewellery	1,686	2,061
Eyewear	23	(14)
Others	(45)	(58)
Corporate (unallocated)	(48)	(100)
Total	**1,551**	**2,254**

d) Segment assets and liabilities

₹ in crores

Segment assets	As at 31st March 2021	As at 31st March 2020
Watches and wearables	1,932	2,143
Jewellery	8,646	8,225
Eyewear	414	495
Others	170	217
Corporate (unallocated)	4,698	2,108
	15,860	**13,188**

₹ in crores

Segment liabilities	As at 31st March 2021	As at 31st March 2020
Watches and wearables	678	775
Jewellery	7,130	4,449
Eyewear	221	234
Others	90	91
Corporate (unallocated)	188	814
	8,307	**6,363**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

e) Other segment information

₹ in crores

	Depreciation and amortisation	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Watches and wearables	87	88
Jewellery	127	120
Eyewear	49	47
Others	21	14
Corporate (unallocated)	47	41
	331	**310**

f) Geographical information

₹ in crores

	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue		
India	20,672	19,999
Others	111	157
Total	**20,783**	**20,156**

₹ in crores

	As at 31st March 2021	As at 31st March 2020
Assets*		
India	15,835	13,161
Others	25	27
Total	**15,860**	**13,188**

**Trade receivables are disclosed based on geographical location of customers. Other assets are not identifiable separately to any reportable segments as these are used inter changeably between segments and are disclosed under "India".*

Details of geographical segments for individual markets outside India are not disclosed as the same do not account for more than 10% of the total segment revenues or results or assets.

28 Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

₹ in crores

	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit for the year (₹ crores)	877	1,517
Weighted average number of equity shares	88,77,86,160	88,77,86,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	9.88	17.09

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

29 Leases

29.1 Amounts recognised in balance sheet

		Note	As at 31st March 2021	As at 31st March 2020
(i)	**Right-of-use assets**	4		
	Buildings		833	849
	Leasehold land		21	21
			854	**870**
(ii)	**Lease liabilities**			
	Non-current	14.1	971	967
	Current	16.3	178	169
			1,149	**1,136**
(iii)	**Lease receivables**			
	Non-current	7.3	169	151
	Current	11.5	22	24
			191	**175**

29.2 Amounts recognised in the statement of profit and loss

		Note	For the year ended 31st March 2021	For the year ended 31st March 2020
(i)	Depreciation and amortisation expense	4		
	Buildings		161	152
	Leasehold land		0	0
			161	152
(ii)	Interest expense (included in finance cost)	23	104	98
(iii)	Interest income on sub-lease (included in other income)	20	16	15
(iv)	Expense relating to short-term leases {refer note (c) below}	25	26	12
(v)	Expense relating to variable lease payments {refer note (c) below}	25	4	10
(vi)	Rent concessions received during the year {refer note (c) below}	20	57	-

(a) Short-term leases has been accounted for applying Paragraph 6 of Ind AS 116- Leases and accordingly recognised as expense in the statement of profit and loss.

(b) The total cash outflow for the year ended 31st March 2021 amounts to ₹ 251 crores (Previous year: ₹ 271 crores).

(c) The Company has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

29.3 Additional information on variable lease payment:

During the year ended 31st March 2021, the Company has incurred an amount of ₹ 4 crores (Previous year: ₹ 10 crores) on account of variable lease payments. Variable payment terms ranges from 0.50% to 28% of net sales from a particular store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores and stores in malls. Excess of variable lease payments that depend on sales, over the fixed rental, are recognised in the statement of profit or loss in the period in which the condition that triggers those payments occur.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

29.4 Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable based on mutual consent of the Company and respective lessors.

30 Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 366 crores (Previous year: ₹ 352 crores) comprising of the following:

a) Sales tax - ₹ 42 crores (Previous year: ₹ 35 crores)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

b) Customs duty - ₹ 5 crores (Previous year: ₹ 5 crores)
(relating to denial of benefit of exemptions)

c) Excise duty - ₹ 134 crores (Previous year: ₹ 138 crores)
(relating to denial of exemption by amending the earlier notification, computation of the assessable value, denial of input credit on service tax and excise duty on Jewellery)

d) Income tax - ₹ 176 crores (Previous year: ₹ 166 crores)
(relating to disallowance of deductions claimed)

e) Others - ₹ 9 crores (Previous year: ₹ 9 crores)
(relating to miscellaneous claims)

The above amounts are based on the notice of demand or the Assessment Orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

f) Corporate guarantees - ₹ 413 crores (Previous year: ₹ 40 crores)
(relating to guarantee provided for loans taken by Caratlane Trading Private Limited, Titan Holdings International FZCO, Titan Global Retail LLC and Titan Commodity Trading Limited)

The movement of the guarantees is given below: ₹ in crores

	As at 31st March 2021	As at 31st March 2020
Opening balance	40	90
Given during the year	373	-
Withdrawn/ revoked during the year	-	(50)
Closing balance	**413**	**40**

g) Letter of financial support provided to the following:

Caratlane Trading Private Limited

Favre Leuba AG

h) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act,1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company has made a provision for provident fund contribution based on it's interpretation of the said judgement. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

31 Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 61 crores (Previous year: ₹ 88 crores).

32 Employee benefits

a) Defined Contribution Plans

i) The contributions recognized in the statement of profit and loss during the year are as under:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
National pension scheme	2	2
Superannuation fund #	8	8
Employee pension fund	10	11
	20	**21**

b) Defined Benefit Plans

The expense recognized in the statement of profit and loss during the year are as under:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Provident fund*	23	23
Superannuation fund #	-	-
	23	**23**

* Contributions are made to the Company's Employees Provident Fund Trust at predetermined rates in accordance with the Fund rules. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such shortfall as an expense.

During the previous year ended 31st March 2020, the Company has charged ₹ 20 crores, being the change in measurement of defined benefit plans, in other comprehensive income due to impairment in the value of investments made in various securites by the trusts' managing the defined benefit plans of the Company (refer note 16.5).

During the previous year ended 31st March 2020, the Company has changed its policy on allocable return from investment of the Superannuation fund trust wherein the Company does not have an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the equivalent Provident Fund interest rate for that year.

i) Gratuity (Funded)

The Company makes annual contributions to The Titan Industries Gratuity Fund. The scheme provides for lump sum payment to vested employees at retirement, death while in employment, or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

The plan is a defined benefit plan which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that an adverse salary growth or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

The principal assumptions used for the purposes of the actuarial valuations were as follows:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Discount rate (p.a.)	6.90%	6.90%
Salary escalation rate (p.a.)		
- Non-management	7.00%	7.00%
- Management	8.00%	8.00%

- The retirement age of employees of the Company varies from 58 to 65 years.
- The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Ult table.
- Rates of leaving service (leaving service due to disability included) at specimen ages are as shown below:

₹ in crores

Age (Years)	Rates (p.a.)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
21-44	6%	6%
45 and above	2%	2%

Components of defined benefit costs recognised in the statement of profit and loss are as follows:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current service cost	23	16
Interest on net defined benefit liability/ (asset)	4	2
Total component of defined benefit costs charged to the statement of profit and loss	**27**	**18**

Components of defined benefit costs recognised in other comprehensive income are as follows:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening amount recognised in other comprehensive income outside the statement of profit and loss	72	23
Remeasurements during the year due to:		
- Changes in financial assumptions*	(13)	23
- Changes in demographic assumptions	-	(3)
- Experience adjustments	(18)	28
- Actual return on plan assets less interest on plan assets	(14)	1
- Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in other comprehensive income	**27**	**72**

* Other comprehensive income disclosed above is gross of tax.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

The current service cost, past service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

* Includes an amount of ₹ 20 crores charged by the Company, being the change in measurement of defined benefit plans, in other comprehensive income during the previous year ended 31st March 2020 due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Company.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening net defined benefit liability/ (asset)	67	34
Expense charged to the statement of profit and loss	27	18
Amount recognised outside the statement of profit and loss	(45)	49
Employer contributions	(67)	(34)
Closing net defined benefit liability/ (asset)	**(18)**	**67**

Movements in the present value of the defined benefit obligation are as follows:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening defined benefit obligation	322	256
Current service cost	23	17
Interest on defined benefit obligation	21	19
Remeasurement due to		
- Actuarial gains and losses arising from changes in demographic assumptions	-	(3)
- Actuarial gains and losses arising from changes in financial assumptions	(13)	23
- Actuarial gains and losses arising from experience adjustments	(18)	28
Benefits paid	(11)	(18)
Closing defined benefit obligation	**324**	**322**

Movements in the fair value of plan assets are as follows:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Opening fair value of plan assets	255	222
Employer contributions	67	34
Interest on plan assets	17	17
Remeasurements due to actuarial return on plan assets less interest on plan assets	14	(1)
Benefits paid	(11)	(17)
Closing fair value of plan assets	**342**	**255**

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate, full salary escalation rate and attrition rate. The following table summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the assumption by 50 basis points:

₹ in crores

	As at 31st March 2021		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	309	339	322
Defined benefit obligation on minus 50 basis points	339	309	329

₹ in crores

	As at 31st March 2020		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	307	338	318
Defined benefit obligation on minus 50 basis points	338	307	326

Maturity profile of defined benefit obligation

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
With in year 1	19	19
1 year to 2 years	15	15
2 years to 3 years	19	15
3 years to 4 years	18	20
4 years to 5 years	26	19
Over 5 years	585	611

The Company is expected to contribute ₹ 19 crores to the gratuity fund next year.

A split of plan asset between various asset classes is as below:

₹ in crores

Particulars	As at 31st March 2021		As at 31st March 2020	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	149	-	141	-
Other debt instruments	164	-	101	-
Entity's own equity instruments	19	-	13	-
Others	-	9	-	(1)
	332	**9**	**255**	**(1)**

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

c) Unfunded

The defined benefit obligation pertaining which are provided for but not funded are as under:

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Compensated absences		
Non-current	114	122
Current	18	34
	132	**156**

33 Research and Development expenses

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Expenditure at the Department of Scientific and Industrial Research approved Research and development centers		
Capital	2	2
Revenue	20	22
	22	**24**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

34 Related parties

i) Relationships

a)	Promoters	Tamilnadu Industrial Development Corporation Limited	
		Tata Sons Private Limited	
b)	Subsidiaries	Titan Engineering & Automation Limited	
		Caratlane Trading Private Limited	
		Favre Leuba AG (Switzerland)	
		Titan Watch Company Hongkong Limited (100% subsidiary of Favre Leuba AG)	
		Titan Holdings International FZCO (from 15th October 2019)	
		Titan Global Retail L.L.C (from 15th December 2019)	
		Titan Commodity Trading Limited (from 10th August 2020)	
		StudioC Inc. (from 11th February 2021)	
c)	Joint venture	Montblanc India Retail Private Limited (up to 12th March 2021)	
d)	Associate	Green Infra Wind Power Theni Limited	
e)	Key management personnel	Mr. Bhaskar Bhat, Managing Director (up to 30th September 2019)	
		Mr. C K Venkataraman, Managing Director (from 1st October 2019)	
		Mr. S.Subramaniam, Chief Financial Officer	
		Mr. Dinesh Shetty, General Counsel and Company Secretary	
		Non - executive Directors	
		Mr. N. Muruganandam (Chairman)	
		Mr. Bhaskar Bhat	
		Dr. Mohanasankar Sivaprakasam	
		Mrs. Kakarla Usha	
		Mr. N N Tata	
		Mrs. Hema Ravichandar (up to 31st July 2020)	
		Mrs. Ireena Vittal (up to 30th September 2020)	
		Mr. Ashwani Puri	
		Mr. B Santhanam	
		Mr. V Arun Roy	
		Mr. Pradyumna Rameshchandra Vyas	
		Ms. Sindhu Gangadharan (from 8th June 2020)	
		Mr. Sandeep Singhal (from 11th November 2020)	
f)	Group entities (Wherever there are transactions)	Tata Capital Financial Services Limited	Tata West Asia FZE
		Tata Capital Housing Finance Limited	Tata Unistore Limited
		Infiniti Retail Limited	Tata Consultancy Services Limited
		Kriday Realty Private Limited	Tata Housing Development Company Limited
		Tata International Limited	Smart Value Homes (Peenya Project) Private Limited
		Tata Limited	Tata Capital Limited
		Tata AIG General Insurance Company Limited	Tata Sky Limited
		Tata Industries Limited	Promont Hilltop Private Limited
		Tata Value Homes Limited	Tata Interactive Systems AG
		Ardent Properties Private Limited	Tata Advanced Material Limited
		Tata AIA Life Insurance Company Limited	Tata Autocomp Systems Limited
		Tata Teleservices (Maharashtra) Limited	Tata Teleservices Limited
		Tata Cleantech Capital Limited	Sector 113 Gatevida Developers Private Limited
		Tata Realty and Infrastructure Limited	Tata Electronics Private Limited
		AirAsia (India) Limited	
g)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

ii) Related party transactions during the year :

₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Cost of materials and components consumed			
Titan Engineering & Automation Limited	Subsidiary	0	0
Caratlane Trading Private Limited	Subsidiary	8	24
Favre Leuba AG	Subsidiary	0	0
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	0	0
Purchases of services (other expenses)			
Tata Sons Private Limited	Promoter	0	-
Tata Consultancy Services Limited	Group entity	20	14
Tata AIG General Insurance Company Limited	Group entity	0	0
Tata Unistore Limited	Group entity	-	4
Caratlane Trading Private Limited	Subsidiary	1	8
Others	Group entity	2	2
Revenue from operations			
Tata Sons Private Limited	Promoter	0	0
Caratlane Trading Private Limited	Subsidiary	9	16
Titan Global Retail LLC	Subsidiary	56	-
Tata Consultancy Services Limited	Group entity	21	76
Others	Group entities	3	1
Other income (Dividend income)			
Titan Engineering & Automation Limited	Subsidiary	24	-
Rent			
Tata Sons Private Limited	Promoter	0	1
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	3	3
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	99	124
Tata Sons Private Limited	Promoter	74	93
Key managerial personnel compensation			
Commission and sitting fees	Promoter	1	1
Commission and sitting fees	KMP	6	3
Managerial remuneration	KMP	12	22
Pension paid	Others	1	1

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Miscellaneous expense (Royalty)			
Tata Sons Private Limited	Promoter	31	32
Reimbursement towards rendering of services / expenses			
Tata Sons Private Limited	Promoter	0	0
Tata Consultancy Services Limited	Group entity	1	-
Titan Holdings International FZCO	Subsidiary	1	-
Caratlane Trading Private Limited	Subsidiary	1	-
Favre Leuba AG	Subsidiary	1	-
Others		1	-
Recovery towards rendering of services / expenses			
Titan Engineering & Automation Limited	Subsidiary	3	2
Caratlane Trading Private Limited	Subsidiary	1	4
Titan Commodity Trading Limited	Subsidiary	0	-
Montblanc India Retail Private Limited (refer note 7.1)	Joint venture	1	1
Tata Electronics Private Limited	Group entity	3	-
Others		0	1
Inter-corporate deposit placed			
Tata Housing Development Company Limited	Group entity	-	50
Tata Value Homes Limited	Group entity	50	-
Tata Realty and Infrastructure Limited	Group entity	-	50
Inter-corporate deposit redeemed	-		
Tata Housing Development Company Limited	Group entity	-	100
Tata Value Homes Limited	Group entity	50	-
Tata Capital Financial Services	Group entity	-	50
Tata Realty and Infrastructure Limited	Group entity	-	50
Interest income			
Tata Housing Development Company Limited	Group entity	-	3
Tata Capital Financial Services	Group entity	-	1
Tata Realty and Infrastructure Limited	Group entity	-	1
Tata Value Homes Limited	Group entity	3	-
Caratlane Trading Private Limited	Subsidiary	0	0
Titan Global Retail LLC	Subsidiary	0	0
Titan Holdings International FZCO	Subsidiary	0	0
Others	Subsidiary	-	0

Notes to the Standalone Financial Statements
for the year ended 31st March 2021

₹ in crores

	Relationship	For the year ended 31st March 2021	For the year ended 31st March 2020
Subscription to share capital			
Favre Leuba AG	Subsidiary	28	62
Titan Commodity Trading Limited	Subsidiary	2	-
Montblanc India Retail Private Limited (refer note 7.1)	Joint venture	-	8
Titan Holdings International FZCO	Subsidiary	-	0
Loan given to subsidiary			
Titan Holdings International FZCO	Subsidiary	-	2
Advance to subsidiary			
Titan Holdings International FZCO	Subsidiary	-	5
Loan repaid by subsidiary			
Titan Holdings International FZCO	Subsidiary	2	-
Contribution to Trust funds			
Titan Watches Provident Fund	Others	84	82
Titan Watches Super Annuation Fund	Others	8	4
Titan Industries Gratuity Fund	Others	67	34

iii) Related party closing balances as on balance sheet date:

₹ in crores

	Relationship	As at 31st March 2021	As at 31st March 2020
Outstanding - net receivables / (payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	-	(1)
Tata Sons Private Limited	Promoter	(28)	(24)
Caratlane Trading Private Limited	Subsidiary	(2)	(3)
Tata Capital Financial Services Limited	Group entity	0	0
Tata Consultancy Services Limited	Group entity	(1)	-
Bhaskar Bhat	Others	-	(3)
C K Venkataraman	KMP	(4)	(2)
Others		(3)	(3)
Caratlane Trading Private Limited	Subsidiary	1	4
Favre Leuba AG	Subsidiary	1	1
Titan Engineering & Automation Limited	Subsidiary	0	3
Titan Holdings International FZCO	Subsidiary	-	7
Titan Global Retail LLC	Subsidiary	15	-
Tata Consultancy Services Limited	Group entity	0	9
Tata Housing Development Company Limited	Group entity	0	0
Others	Group entities	1	1

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

	Relationship	As at 31st March 2021	As at 31st March 2020
Corporate Gurantees			
Caratlane Trading Private Limited	Subsidiary	40	40
Titan Holdings International FZCO	Subsidiary	66	-
Titan Global Retail LLC	Subsidiary	7	-
Titan Commodity Trading Limited	Subsidiary	300	-

Note:

a) Entities controlled or promoted by Tamilnadu Industrial Development Corporation Limited are not considered as related party since, the same is a Government-related entity.

b) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

c) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.

35 Financial instruments

35.1 Categories of financial instruments

Financial assets

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	2,763	90
Total financial assets measured at FVTPL (a)	**2,763**	**90**
Measured at amortised cost		
- Trade receivables	291	214
- Cash and cash equivalents	147	50
- Bank balances other than cash and cash equivalents	365	306
- Inter-corporate deposits	50	-
- Security deposits	135	130
- Employee loans	64	63
- Lease receivable	191	175
- Investment in non-convertible debentures	5	-
- Other financial assets	173	440
Total financial assets measured at amortised cost (b)	**1,421**	**1,378**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Derivative instruments other than in designated hedge accounting relationships (d)	**1**	**4**
Total financial assets (a + b + c +d)	**4,185**	**1,472**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Financial liabilities

₹ in crores

Particulars	As at 31st March 2021	As at 31st March 2020
Measured at fair value through profit or loss (FVTPL)		
- Gold on loan	4,094	1,507
Total financial liabilities measured at FVTPL (a)	**4,094**	**1,507**
Measured at amortised cost		
- Borrowings	-	626
- Trade payables	695	510
- Lease liability	1,149	1,136
- Other financial liabilities	218	191
Total financial liabilities measured at amortised cost (b)	**2,062**	**2,463**
Derivative instruments in designated hedge accounting relationships (c)	**-**	**-**
Total financial liabilities (a + b + c)	**6,156**	**3,970**

35.2 (i) Fair value hierarchy

This note explains about basis for determination of fair values of various financial assets and liabilities:

₹ in crores

Particulars	As at 31st March 2021			
	Level 1	Level 2	Level 3	Total
a) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	-	2,753	-	2,753
- Other unquoted investments	-	-	10	10
- Derivative instruments other than in designated hedge accounting relationships	-	1	-	1
Total financial assets	**-**	**2,754**	**10**	**2,764**
Financial liabilities				
- Gold on loan	4,094	-	-	4,094
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total financial liabilities	**4,094**	**-**	**-**	**4,094**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	As at 31st March 2020			
	Level 1	Level 2	Level 3	Total
b) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	0	74	-	74
- Other unquoted investments	-	-	16	16
- Derivative instruments other than in designated hedge accounting relationships	-	4	-	4
Total financial assets	**-**	**78**	**16**	**94**
Financial liabilities				
- Gold on loan	1,507	-	-	1,507
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total financial liabilities	**1,507**	**-**	**-**	**1,507**

(ii) Valuation technique used to determine fair value

Specific value techniques used to value financial instruments include:

- the use of quoted market prices for listed instruments.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of foreign currency option contracts is determined using option prices obtained from banks.
- the fair value of remaining financial instruments is determined using market comparables, discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities that are not measured at fair value but fair value disclosures are required

The carrying values of financial assets and liabilities approximate the fair values.

35.3 Financial risk management objective

The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company both at corporate level as also separately for each business division. These risks include market risk, credit risk and liquidity risk.

The Company minimises the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of derivative financial instruments and investment of excess liquidity is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

35.4 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Company's receivables from customers. Refer note 11.2 for the disclosures for trade receivables.

Credit risk on liquid funds, Inter Corporate Deposits and derivative financial instruments is limited because the counterparties are banks and companies with high credit-ratings assigned by credit-rating agencies.

35.5 Liquidity risk

The Company has an approved policy to invest surplus funds from time-to-time in various short-term instruments. Security of funds and liquidity shall be the primary consideration while deciding on the type of investments.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Liquidity risk tables

The following table below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities for:

- all non-derivative financial liabilities, and
- derivative financial liabilities, that are net settled.

The tables have been drawn on an undiscounted basis based on the earliest date on which the Company can be required to pay.

₹ in crores

Contractual maturities of financial liabilities	As at 31st March 2021			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Gold on loan	1,819	2,275	-	4,094
Trade payables	695	-	-	695
Lease liability	49	129	971	1,149
Other financial liabilities	218	-	-	218
Total non-derivative liabilities	**2,782**	**2,403**	**971**	**6,156**
Derivatives (net settled)				
Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Contractual maturities of financial liabilities	As at 31st March 2020			
	Less than 3 months	3 to 12 months	More than 12 months	Total
Non-derivatives				
Gold on loan	342	1,165	-	1,507
Borrowings	626	-	-	626
Trade payables	510	-	-	510
Lease liability	57	112	967	1,136
Other financial liabilities	191	-	-	191
Total non-derivative liabilities	**1,726**	**1,277**	**967**	**3,970**
Derivatives (net settled)				
Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

35.6 Market risk

The market risks to which the Company is exposed are price risk {refer note a) below} and foreign currency risk {refer note b) below}.

a) Price Risk:

The Company is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold.

To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts and forward foreign exchange contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

The use of such derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

The Company assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Company actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument.

Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

The following table gives details of contracts as at the end of the reporting period:

Cash flow hedges Sell forward/future contracts:

₹ in crores

Particulars	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
31st March 2021	4,494	2,382	1,071
31st March 2020	4,296	8,607	3,698

- The line item in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

As at 31st March 2021 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. It is anticipated that the sales will take place during 6 months of the next financial year, at which time the amount deferred in equity will be reclassified to the statement of profit and loss. Details of movements in hedging reserve is as follows:

₹ in crores

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Balance at beginning of the year (net of taxes)	(160)	**27**
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(112)	(536)
Deferred tax on fair value of effective portion of cash flow hedges	30	143
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	346	281
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	(91)	(75)
Movement in cash flow hedges	**234**	**(255)**
Deferred tax on movement in cash flow hedge	**(62)**	**68**
Balance at end of the year (net of taxes)	**12**	**(160)**

b) Foreign currency risk management

The company is exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

(i) The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/ sale of gold is covered in Note 35.6 above.

(ii) In respect of normal purchase and sale transactions denominated in foreign currency, the Company enters into forward foreign exchange contracts and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These contracts are measured at fair value through profit and loss.

Foreign currency sensitivity analysis:

The Company is mainly exposed to USD, CHF and EURO currencies. The Company's sensitivity to a 1% increase and decrease in ₹ against the relevant foreign currencies is presented below:

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is a decrease in profit and equity by

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ 0.27 crores where INR weakens by 1% against the relevant currencies. For a 1% strengthening of the ₹ against the relevant currencies there would be a comparable increase in profit and equity.

35.7 The Company's exposure to Forward foreign exchange contracts and option contracts at the end of the reporting year are as follows:

The Company has 11 forward exchange contracts in USD 0.4 crores equivalent to ₹ 29 crores as at 31st March 2021 (Previous year: no forward exchange contracts).

In addition to the above, the Company has 6 Option contract in USD 2 crores equivalent to ₹ 128 crores (Previous year : 6 Option contracts in USD 2 crores equivalent to ₹ 137 crores).

36 Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The funding requirements are primarily met through equity and operating cash flows generated. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. Gold on loan as disclosed in the financial statements represents amounts due to banks for the procurement of gold under 'Gold (Metal) loan scheme' by the Company. The Company is not subject to any externally imposed capital requirements.

37 Impact of COVID-19 (Global pandemic):

The Company has considered the possible effects that may result from the global pandemic relating to COVID-19 on the standalone financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on current estimates expects that the carrying amount of it's assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

(i) Revenue from operations:

While the Company believes strongly that it has a portfolio of business segments which will encourage healthy growth and gained market share from target customers, the impact on future revenue streams could come majorly from the following –

- customers postponing their discretionary spend due to change in priorities
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility

The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

(ii) Leases:

The Company does not foresee any large-scale contraction in demand which could result in significant downsizing of its boutiques and related employee base rendering the sales and allied function. The leases that the Company has entered with lessors are majorly towards properties used as boutique, offices etc. which are long term in nature and no material changes in terms of those leases are expected due to the COVID-19.

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

(iii) Credit Risk:

Financial instruments carried at fair value as at 31st March 2021 is ₹ 2,764 crores and financial instruments carried at amortised cost as at 31st March 2021 is ₹ 1,421 crores. A portion of the financial assets are classified as Level 1 having fair value of ₹ 1 crores as at 31st March 2021. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in mutual funds and accordingly, any material volatility is not expected. Financial assets of ₹ 512 crores as at 31st March 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of ₹ 291 crores as at 31st March 2021 forms a part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk, if any, and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The same assessment is done in respect of contract assets of ₹ 97 crores as at 31st March 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 6 crores as at 31st March 2021 is considered adequate.

(iv) Market Risk:

The Company, basis its assessment, believes that the probability of the occurrence of its forecasted transactions may be impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The impact of ineffectiveness in hedges will be evaluated and taken in the financial statements based on occurrence of the event leading to hedge ineffectiveness.

38 Details of Inter-corporate deposits given and investments made during the year:

₹ in crores

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2021
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Value Homes Limited	Group entity	Unsecured	Trade deposits	7.50%	9 months	-	50	50	-	-
Tata Projects Limited	Others	Unsecured	Trade deposits	7.30%	8 months	-	50	50	-	-
HDFC Limited	Others	Unsecured	Trade deposits	4.50%	9 months	-	50	-	-	50
						145	**150**	**100**	**145**	**50**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Particulars	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2020	Loans given during the year	Loans recovered during the year	As at 31st March 2021
Loan to company franchisees and vendors*	Franchisees & Vendors	Unsecured	Business support	4.00%	12 months	-	97	94	3

** During the year the Company has given loans to its franchisees and vendors to support them during the pandemic crisis.*

₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2020	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2021
Investments						
Investment in equity instruments (including application money paid for investment in subsidiary)(unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	235	-	-	235
Caratlane Trading Private Limited	Subsidiary	Strategic investment	505	-	-	505
Favre Leuba AG	Subsidiary	Strategic investment	112	28	137	4
Titan holdings international FZCO	Subsidiary	Strategic investment	0	-	-	0
Titan Commodity Trading Private Limited	Subsidiary	Strategic investment	-	2	-	2
Montblanc India Retail Private Limited	Joint venture	Strategic investment	39	-	39	-
Green Infra Wind Power Theni Limited	Associate	Strategic investment	2	-	-	2
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	0	-	0
Tata Steel Limited*	Others	Wealth creation	0	0	-	0
Tata Consumer Products Limited* (formerly known as Tata Global Beverages Limited)	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	0	-	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	16	-	6	10
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
Investments in non-convertible debentures carried at amortised cost - unquoted						
Invest in non convertible debentures	Others	Wealth creation	-	5	-	5
			909	**35**	**182**	**763**

** The movement is on account of fair valuation as at the year end.*

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

Details of Inter-corporate deposits given and investments made during the previous year:

₹ in crores

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1st April 2019	Given during the year	Receipt during the year	Provision for impairment	As at 31st March 2020
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	95	-	-	95	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	50	-	-	50	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.40%	6 months	50	50	100	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	8.15%	6 months	50	-	50	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	8.45%	6 months	50	-	50	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	8.20%	6 months	50	-	50	-	-
Tata Realty and Infrastructure Limited	Group entity	Unsecured	Trade deposits	8.40%	3 months	-	50	50	-	-
						345	**100**	**300**	**145**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March 2021

₹ in crores

Name of the entity	Nature of relationship	Purpose	As at 1st April 2019	Investment made during the year	Investment sold/ impaired during the year	As at 31st March 2020
Investments						
Investment in equity instruments (unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	235	-	-	235
Caratlane Trading Private Limited	Subsidiary	Strategic investment	474	31	-	505
Favre Leuba AG	Subsidiary	Strategic investment	50	62	-	112
Titan holdings international FZCO	Subsidiary	Strategic investment	-	0	-	0
Montblanc India Retail Private Limited	Joint venture	Strategic investment	31	8	-	39
Green Infra Wind Power Theni Limited	Associate	Strategic investment	2	-	-	2
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	0	-	0	0
Tata Steel Limited*	Others	Wealth creation	0	-	0	0
Tata Consumer Products Limited* (formerly known as Tata Global Beverages Limited)	Others	Wealth creation	0	0	-	0
Tata Chemicals Limited*	Others	Wealth creation	0	-	0	0
Trent Limited*	Others	Wealth creation	0	0	-	0
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	15	1	-	16
Green Infra Wind Generation Limited	Others	Wealth creation	0	-	-	0
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	0	-	-	0
			807	102	0	909

* *The movement is on account of fair valuation as at the year end.*

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 29 April 2021

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture

Part "A": Subsidiaries

₹ crores

1	Name of the subsidiary	Favre Leuba AG	Titan Watch Company Limited	Titan Holdings International FZCO	Titan Global Retail LLC	Titan Commodity Trading Limited	Titan Engineering & Automation Limited	Caratlane Trading Private Limited	StudioC Inc
2	Reporting period	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021
3	Reporting currency	CHF	HKD	AED	AED	INR	INR	INR	USD
4	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	1 CHF = ₹ 77.49	1 HKD = ₹ 9.40	1 AED = ₹ 19.91	1 AED = ₹ 19.91	Not applicable	Not applicable	Not applicable	1 USD = ₹ 73.14
5	Share capital	128	0	0	-	2	47	7	0
6	Reserves & surplus	(126)	(0)	(2)	(5)	(0)	305	11	-
7	Total assets	36	-	33	48	2	489	477	0
8	Total liabilities	34	-	35	53	0	137	459	-
9	Investments	-	-	-	-		40	13	-
10	Turnover	8	-	-	39		354	716	-
11	Profit/(loss) before taxation	(58)	-	(1)	(5)	(0)	40	2	-
12	Provision for taxation	0	-	-	-	0	10	-	-
13	Profit after taxation	(59)	-	(1)	(5)	(0)	30	2	-
14	Proposed dividend	-	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%	72.31%	100%

** Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0".*

Name of subsidiary which are yet to commence operations:

Sl. No.	Name of the Company
1	Titan Watch Company Hong Kong Limited
2	StudioC Inc
3	Titan Commodity Trading Limited

Name of subsidiary which have been sold during the year:

Sl. No.	Name of the Company
1	None

Part "B": Associate and Joint Venture

	Name of Associate	Green Infra Wind Power Theni Limited
1	Latest audited Balance Sheet date	31st March 2020
2	Shares of Associate held by the company on the year end	
	- No.	15,00,000
	- Amount of Investment in Associate (₹ crores)	2
	- Extent of Holding %	26.79%
3	Description of how there is significant influence	There is a significant influence due to percentage of Share Capital held
4	Reason why the associate is not consolidated	Not applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ crores)	3
6	Profit/(loss) for the year	
	- Considered in Consolidation (₹ crores)	0
	- Not considered in Consolidation (₹ crores)	-

Name of joint venture which have been sold during the year:

Sl. No.	Name of the Company
1	Montblanc India Retail Private Limited

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*

C K Venkataraman *Managing Director*

S.Subramaniam *Chief Financial Officer*

Dinesh Shetty *General Counsel and Company Secretary*

Place: Bengaluru
Date: 29 April 2021