Notes to Standalone Financial Statements

for the year ended 31 March 2020

1. Corporate Information

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

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

2. Significant Accounting Policies

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

Basis of preparation

i. Statement of compliance

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

ii. Basis of measurement

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

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

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

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

iii. Rounding of amounts

All amount disclosed in these standalone financial statements and notes have been rounded off to rupees lakhs as per the requirement of Schedule III, unless otherwise stated.

iv. Use of estimates and judgement

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

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

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 3 – Useful life of the Property, Plant and Equipment;
- Note 6 – Useful life of the Intangible assets;
- Note 7.1 – Impairment of investments;
- Note 8 – Valuation of deferred tax assets;
- Note 4, 14.1, 16.3 and 29 – Leases;
- Note 30 – Provisions and contingent liabilities;
- Note 32 – Measurement of defined benefit obligations: key actuarial assumptions;
- Notes 35.1 and note 35.2 – Fair value measurement of financial instruments.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

v. Functional and presentation currency

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

vi. Measurement of fair values

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

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

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

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

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

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

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

vii. Revenue recognition

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

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

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

Customer loyalty programmes

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

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

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

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

Other Operating Income:

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

Use of significant judgements in revenue recognition:

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

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

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

viii. Leases

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

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

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

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

Company as a Lessee

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

a) *Right-of-use assets:*

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

i) the amount of the initial measurement of lease liability

ii) any initial direct costs

iii) restoration costs

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

b) *Lease Liabilities:*

Lease liabilities are measured at present value of following components:

i) fixed payments less any lease incentives receivable

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

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

c) *Short-term leases:*

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

d) *Variable payments:*

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

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

Company as a Lessor

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

ix. Foreign currencies

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

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

x. Borrowing cost

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

xi. Employee benefits

Short-term employee benefits

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

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

Defined contribution plan

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

Defined benefit plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period,

Notes to Standalone Financial Statements

for the year ended 31 March 2020

to recover or settle the carrying amount of its assets and liabilities.

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

xiii. Property, Plant and Equipment

a) *Recognition and measurement:*

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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

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

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

b) *Depreciation*

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

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

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

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

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

xiv. Investment property

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

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

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

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

xv. Intangible assets

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

The estimated useful lives of intangible assets are as follows:

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

Intellectual properties - 5 years

Patents - 5 years

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

xvi. Impairment

Impairment of financial assets:

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no

Notes to Standalone Financial Statements

for the year ended 31 March 2020

significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

Impairment of non-financial assets:

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

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

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

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

xvii. Inventories

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

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

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

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

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

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

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

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

xviii. Provisions and contingencies

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

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

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

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

xix. Investment in subsidiaries, associate and joint venture

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

xx. Financial instruments

Recognition of financial assets:

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

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

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

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

A) Financial Assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

(i) Amortised cost

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

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

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

i) Financial assets at amortised cost:

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

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

Effective interest method:

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

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

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

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

A financial asset is held for trading if:

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

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

iii) *Investments in equity instruments at FVTPL*

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

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

c) Derecognition of financial assets

A financial asset is derecognised only when

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

d) Foreign exchange gains and losses

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

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

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

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

Equity instruments:

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

Other Financial liabilities:

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

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

Financial liabilities at FVTPL

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

Financial liabilities subsequently measured at amortised cost:

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

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

Foreign exchange gains and losses:

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

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

Derecognition of financial liabilities:

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

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

xxi. Derivative financial instruments

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

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

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

b) *Cash flow hedges*

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

instruments consistent with the Company's risk management strategy.

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

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

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

c) *Fair Value Hedge:*

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

xxii. Segment reporting

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

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

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

xxiii. Cash flow statement

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

xxiv. Cash and cash equivalents

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

xxv. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of

Notes to Standalone Financial Statements

for the year ended 31 March 2020

equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

xxvi. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

xxvii. Recent accounting pronouncements

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

3. Property, plant and equipment

₹ in lakhs

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

₹ in lakhs

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

4. Right-of-use assets*

₹ in lakhs

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

*Also, refer note 29.

5. Investment property

₹ in lakhs

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

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

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

6. Intangible assets

₹ in lakhs

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

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

7. Financial assets

7.1 Investments

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
1) Investment in equity instruments (unquoted)		
(i) In subsidiary companies (at cost unless stated otherwise)		
47,050,000 (Previous year: 47,050,000) fully paid equity shares of ₹ 10 each in Titan Engineering & Automation Limited	23,505	23,505
24,036,325 (Previous year: 23,091,325) fully paid equity shares of ₹ 2 each in Caratlane Trading Private Limited {formerly known as Carat Lane Trading Private Limited}	50,503	47,403
1 (Previous year: Nil) fully paid equity shares of AED 1,000 each in Titan Holdings International FZCO (refer note 40)	-	-
18,71,897 (Previous year: 1,598,460) fully paid equity shares of CHF 10 each in Favre Leuba AG, Switzerland	25,739	19,520
Less: Provision for impairment in value of investment (refer note 26)	(14,500)	(14,500)
	11,239	5,020
	85,247	**75,928**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
(ii) In joint venture company (at cost unless stated otherwise)		
38,856,265 (Previous year: 31,115,000) fully paid equity shares of ₹ 10 each in Montblanc India Retail Private Limited	3,885	3,112
(iii) In associate company (at cost unless stated otherwise)		
1,500,000 (Previous year: 1,500,000) fully paid equity shares of ₹ 10 each in Green Infra Wind Power Theni Limited {refer note a) below}	150	150
	89,282	**79,190**
2) Other investments		
a) Investments in equity instruments - quoted (at fair value through profit or loss)		
1,000 (Previous year: 1,000) fully paid equity shares of ₹ 10 each in National Radio Electronics Company Limited	2	3
2,349 (Previous year: 2,349) fully paid equity shares of ₹ 10 each in Tata Steel Limited	6	12
6,638 (Previous year: 6,000) fully paid equity shares of ₹ 1 each in Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited)	20	12
560 (Previous year: 560) fully paid equity shares of ₹ 10 each in Tata Chemicals Limited	1	3
3,000 (Previous year: 3,000) fully paid equity shares of ₹ 1 each in Trent Limited	15	11
	44	**41**
b) Investments in equity instruments - unquoted (at fair value through profit or loss)		
525,000 (Previous year: 525,000) fully paid equity shares of ₹ 10 each in Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)	1,573	1,428
91,200 (Previous year: 91,200) fully paid equity shares of ₹ 10 each in Green Infra Wind Generation Limited	9	9
18,000 (Previous year: 18,000) fully paid equity shares of ₹ 10 each in Clean Wind Power (Pratapgarh) Private Limited	2	2
	1,584	**1,439**
Aggregate value of investments	**90,910**	**80,670**
Aggregate book value of quoted investments	**44**	**41**
Aggregate market value of quoted investments	**44**	**41**
Aggregate book value of unquoted investments	**90,866**	**80,629**
Aggregate amount of impairment in value of investments	**14,500**	**14,500**

Notes:

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

7.2 Loans receivables

₹ in lakhs

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

7.3 Other financial assets

₹ in lakhs

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

8. Income tax

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

₹ in lakhs

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

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

b) Amounts recognised in statement of profit and loss

₹ in lakhs

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

₹ in lakhs

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

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

d) The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019:

₹ in lakhs

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

₹ in lakhs

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

9. Other non-current assets

₹ in lakhs

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

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

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

10. Inventories

₹ in lakhs

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

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

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

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

11. Financial assets

11.1 Investments

₹ in lakhs

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

11.2 Trade receivables

₹ in lakhs

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

* Includes dues from related parties - refer note 34.

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

Age of receivables	Expected credit loss			
	Watches	Jewellery	Eye-wear	New Category
Within credit period	0%	8%	2%	7%
Less than 1 year	0%	86%	2%	0%
1 to 2 years	10%	50%	15%	3%
2 to 3 years	15%	36%	31%	2%
Over 3 years	100%	100%	100%	100%

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

₹ in lakhs

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

Movement in the expected credit loss allowance

₹ in lakhs

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

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

11.3 Cash and bank balances

₹ in lakhs

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

Notes:

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

c) The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2020.

11.4 Loans receivables

₹ in lakhs

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

11.5 Other financial assets

₹ in lakhs

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

12. Other current assets

₹ in lakhs

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

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

(a) Balance with government authorities includes GST credits of ₹ 41,308 lakhs (Previous year: ₹ 31,783) in respect to GST input credit, transitional credit and deemed credit.

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

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

13.1 Share capital

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

c) Rights, preferences and restrictions attached to shares

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

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

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

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

13.2 Other equity

₹ in lakhs

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

* Of the above, ₹ 10 lakhs (Previous year: ₹ 10 lakhs) relates to the state subsidy received which is not available for dividend as per the terms of subsidy.

13.3 Distributions made and proposed

The Board of Directors at its meeting held on 8 May 2019 had proposed a final dividend of ₹ 5 per equity share of par value of ₹ 1 each for the financial year ended 31 March 2019. The proposal was approved by shareholders at the Annual General Meeting held on 6 August 2019 and the same was paid during the year ended 31 March 2020. This has resulted in a total outflow of ₹ 53,513 lakhs including corporate dividend tax of ₹ 9,124 lakhs.

The Board of Directors, in its meeting on 8 June 2020, have proposed a final dividend of ₹ 4 per equity share for the financial year ended 31 March 2020. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 11 August 2020 and if approved would result in a cash outflow of approximately ₹ 35,511 lakhs.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

14. Financial liabilities

14.1 Lease liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liabilities (refer note 29)	96,675	-
	96,675	**-**

15. Provisions

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for compensated absences {refer note: 32 (c)}	12,194	11,465
Provision for pension*	3,052	420
	15,246	**11,885**

*During the year ended 31 March 2020, the Board of Directors approved the special retiral benefits payable to the Managing Director who retired in September 2019, as per the policy of the Company. Accordingly, the Company has accrued ₹ 2,568 lakhs based on actuarial valuation by giving corresponding charge to employee benefit expense in the statement of profit and loss.

16. Financial liabilities

16.1 Borrowings

₹in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Loan from bank	62,622	-
	62,622	**-**

Note: The loan has a tenure ranging from 24 days to 31 days. The interest rate varies from 7.45% to 8.85% per annum (Previous year: nil).

16.2 Gold on loan

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Secured#		
Payable to banks*	57,943	108,132
Unsecured		
Payable to banks*	92,752	120,631
	150,695	**228,763**

Secured against letter of credit.

*Includes amounts payable against gold purchased from various banks under Gold on loan scheme. The interest rate of the same varies from 1.45% to 2.25% per annum (Previous year: 1.55% to 2.25% per annum) and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

16.3 Lease liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liabilities (refer note 29)	16,945	-
	16,945	**-**

16.4 Trade payables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro and small enterprises {Refer note (a) below}	6,328	1,483
Total outstanding dues of other than micro and small enterprises	44,666	75,751
	50,994	**77,234**

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	6,328	1,483
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year*	1,700	259
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	2
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006	2	2

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

16.5 Other financial liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unclaimed dividends {refer note (a) below}	1,132	1,174
Payables on purchase of property, plant and equipment	730	2,354
Derivative instruments in designated hedge accounting relationship	-	113
Other financial liabilities		
- Employee related	13,782	15,880
- Others (includes dealers deposits, earnest money deposit received) {refer note (b) below}	3,447	1,880
	19,091	**21,401**

Notes:

(a) Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund except where there are pending legal cases amounting to ₹ 7 lakhs (Previous year: ₹ 4 lakhs) and therefore amounts relating to the same have not been transferred.

(b) Includes ₹ 1,990 lakhs, being the change in measurement of defined benefit plans, during the year ended 31 March 2020 due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, Reliance Capital Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Company.

17. Other current liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	22,956	17,810
Golden harvest scheme (deposit)	148,435	127,332
Liability towards award credits for customers	8,026	5,855
Statutory dues (TDS, PF etc.)	1,683	1,459
Contract liability {refer note (a) below}	14,157	13,265
Other liabilities (gift card liability, book overdraft)	17,071	17,121
	212,328	**182,842**

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

18. Provisions

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for compensated absences {refer note 32 (c)}	3,413	1,791
Gratuity {refer note 32 (b) }	6,732	3,391
Provision for warranty {refer note (a) below}	717	652
	10,862	**5,834**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

Note (a): Provision for warranty

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	652	619
Provisions made during the year	597	572
Utilisations/ reversed during the year	(532)	(539)
Provision at the end of the year	**717**	**652**

19. Revenue from operations

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Manufactured goods		
Watches	203,004	191,793
Jewellery	1,315,628	1,264,652
Eyewear	8,558	8,400
	1,527,190	**1,464,845**
Traded goods		
Watches	49,605	46,358
Jewellery	332,379	319,916
Eyewear	45,158	42,606
Others	17,849	13,730
	444,991	**422,610**
Total - Sale of products (a)	**1,972,181**	**1,887,455**
Income from services provided (b)	1,045	1,079
Other operating revenue		
Indirect tax incentive {refer note (a) below}	6,395	4,862
Sale of precious / semi-precious stones	12,580	8,459
Sale of gold / platinum	8,201	4,703
Scrap sales	562	439
Total - Other operating revenue (c)	**27,738**	**18,463**
Revenue from operations (a+b+c)	**2,000,964**	**1,906,997**

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	2,442,616	2,299,358
Reductions towards variable consideration components	441,652	392,361
Revenue recognised	**2,000,964**	**1,906,997**

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

20. Other income

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financial assets carried at amortised cost	6,293	9,726
Interest income on income tax refund	1,709	552
Gain on investments carried at fair value through profit and loss	3,128	4,459
Interest income on sub-lease	1,454	-
Miscellaneous income {refer note (a) below}	2,057	3,113
	14,641	**17,850**

a) The Company has disposed off its entire shareholding in Titan TimeProducts Limited to Danlaw Technologies India Limited on 18 June 2018 at a consideration of ₹ 1,850 lakhs. Consequently, the Company had recognised profit on sale of investment amounting to ₹ 487 lakhs for the year ended 31 March 2019.

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Closing stock		
Finished goods	451,406	393,137
Work-in progress	30,815	21,670
Stock-in-trade	153,531	137,364
	635,752	**552,171**
Opening stock		
Finished goods	393,137	360,015
Work-in progress	21,670	19,460
Stock-in-trade	137,364	106,318
	552,171	485,793
(Increase) / decrease in inventory	**(83,581)**	**(66,378)**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

22. Employee benefits expense

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	90,289	76,203
Contribution to provident and other funds		
- Gratuity {refer note 32(b)}	1,824	1,261
- Provident and other funds {refer note 32(a) (i) and 32 (b)}	4,402	3,821
Staff welfare expenses	7,497	6,594
	104,012	**87,879**

23. Finance costs

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on :		
Borrowings	1,482	161
Interest on lease liability	9,798	-
Gold on loan*	3,657	4,254
Others	11	30
	14,948	**4,445**

*Refer note 16.2

24. Depreciation and amortisation expense

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	13,720	12,619
Amortisation of intangible assets (refer note 4, 6)	17,249	1,270
	30,969	**13,889**

25. Other expenses

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loose tools, stores and spare parts consumed	5,160	5,299
Agency labour	12,367	10,322
Power and fuel	4,519	4,211
Repairs and maintenance		
- buildings	695	770
- plant and machinery	2,061	1,987
Advertising	47,665	52,260
Selling and distribution expenses	63,527	52,791
Insurance	864	518
Rent (refer note 29)	2,247	21,315

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rates and taxes	673	681
Travel	4,166	4,413
Bad trade receivables and advances written off	7	254
Less : Provision released	-	-
	7	254
Provision for doubtful trade receivables	208	(394)
Loss on sale / disposal / scrapping of Property, plant and equipment (net)	-	422
Expenditure on corporate social responsibility {refer note (c) below}	3,099	3,161
Provision for impairment of investment in ICD {refer note (b) below}	-	14,500
Miscellaneous expenses {refer note (a) below}	56,296	47,205
Directors' fees	46	55
Commission to non-whole-time Directors	398	409
	203,998	**220,179**

Notes:

a) Auditors remuneration comprises fees for audit of statutory accounts ₹ 162 lakhs (Previous year: ₹ 130 lakhs), taxation matters ₹ 17 lakhs (Previous year: ₹ 15 lakhs), audit of consolidated accounts ₹ 11 lakhs (Previous year: ₹ 10 lakhs), other services ₹ 86 lakhs (Previous year: ₹ 83 lakhs) and reimbursement of levies and expenses ₹ 21 lakhs (Previous year: ₹ 14 lakhs).

b) During the previous year, the Company, as part of its Treasury operations, invested in intercorporate deposits aggregating ₹ 14,500 lakhs with Infrastructure Leasing & Financial Services Limited and its subsidiary (IL&FS Group), which were due for maturity in November 2018 and December 2018. The aforesaid amounts and the interest thereon have however not been received as on date. As a result of increased credit risk in relation to outstanding balances from IL&FS Group and the uncertainity prevailing on IL&FS Group due to the proceedings pending with the NCLT, Management has provided for full amount of ₹ 14,500 lakhs for impairment in value of deposit for the year ended 31 March 2019. The provision currently reflects the exposure that may arise given the uncertainity. The Company, however, continues to monitor developments in this matter and is committed to take steps including legal actions that may be necessary to ensure full recoverability.

c) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: ₹ 3,075 lakhs (Previous year: ₹ 2,408 lakhs).

(ii) Amount spent during the year on:

₹ in lakhs

	In cash	Yet to be paid in cash	Total
- Construction/acquisition of any asset	-	-	-
- On purposes other than above	3,036	63	3,099
	3,036	**63**	**3,099**

26. Exceptional item

Exceptional item includes the following:

a) Provision for impairment of investment in a subsidiary (Favre Leuba AG, Switzerland) amounting to Nil (Previous year: ₹ 7,000 lakhs).

Notes to Standalone Financial Statements

for the year ended 31 March 2020

27. Segment information

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

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

b) Segment revenues and profit and loss

₹ in lakhs

Particulars	Revenue		Profit / (loss)	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Watches	261,549	244,093	36,531	31,638
Jewellery	1,673,822	1,602,958	206,132	194,800
Eyewear	54,401	51,141	(1,433)	(238)
Others	17,111	13,343	(5,841)	(5,811)
Corporate (unallocated)	8,722	13,312	(9,944)	(23,207)
	2,015,605	**1,924,847**	**225,445**	**197,182**
Finance costs			14,948	4,445
Profit before taxes			**210,497**	**192,737**

There is no inter segment revenue.

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

₹ in lakhs

Segment	For the year ended 31 March 2020	For the year ended 31 March 2019
Watches	36,531	31,638
Jewellery	206,132	194,800
Eyewear	(1,433)	(238)
Others	(5,841)	(5,811)
Corporate (unallocated)	(9,944)	(16,207)
Total	**225,445**	**204,182**

d) Segment assets and liabilities

₹ in lakhs

Segment	As at 31 March 2020	As at 31 March 2019
Segment assets		
Watches	214,345	150,204
Jewellery	822,448	674,225
Eyewear	49,517	39,447
Others	21,737	10,656
Corporate (unallocated)	210,748	272,450
	1,318,795	**1,146,982**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Segment	As at 31 March 2020	As at 31 March 2019
Segment liabilities		
Watches	77,500	45,348
Jewellery	444,966	457,048
Eyewear	23,371	12,705
Others	9,072	2,514
Corporate (unallocated)	81,400	11,195
	636,309	**528,810**

e) Other segment information

₹ in lakhs

	Depreciation and amortisation	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Watches	8,795	3,877
Jewellery	11,998	5,150
Eyewear	4,708	1,698
Others	1,397	272
Corporate (unallocated)	4,071	2,892
Total	**30,969**	**13,889**

f) Geographical information

₹ in lakhs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue		
India	1,999,934	1,905,514
Others	15,671	19,333
Total	**2,015,605**	**1,924,847**

₹ in lakhs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Assets*		
India	1,316,046	1,145,042
Others	2,749	1,940
Total	**1,318,795**	**1,146,982**

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

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

28. Earnings per share

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit for the year (₹ lakhs)	151,763	137,436
Weighted average number of equity shares	887,786,160	887,786,160
Nominal value of shares (₹)	1	1
Earnings per share - Basic and diluted (₹)	**17.09**	**15.48**

29. Leases

29.1 Amounts recognised in balance sheet

₹ in lakhs

		Note	As at 31 March 2020
(i)	**Right-of-use assets**	4	
	Buildings		84,988
	Leasehold land		2,050
			87,038
(ii)	**Lease liabilities**		
	Non-current	14.1	96,675
	Current	16.3	16,945
			113,620
(iii)	**Lease receivables**		
	Non-current	7.3	15,132
	Current	11.5	2,404
			17,536

29.2 Amounts recognised in the statement of profit and loss

₹ in lakhs

		Note	For the year ended 31 March 2020
(i)	Depreciation and amortisation expense	4	
	Buildings		15,180
	Leasehold land		24
			15,204
(ii)	Interest expense (included in finance cost)	23	9,798
(iii)	Interest income on sub-lease (included in other income)	20	1,454
(iv)	Expense relating to short-term leases	25	1,235
(v)	Expense relating to variable lease payments	25	1,012

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

(b) The total cash outflow for the year ended 31 March 2020 amounts to ₹ 27,122 lakhs.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

29.3 The impact on the statement of profit and loss for the year ended 31 March 2020 is as below:

₹ in lakhs

	For the year ended 31 March 2020
Rent is lower by	22,198
Depreciation is higher by	(15,180)
Finance cost is higher by	(9,798)
Other income is higher by	2,317
	(461)

The Company has discounted lease payments using applicable incremental borrowing rate as at 1 April 2019 which is ranging from 8.8% to 9.1% for measuring the lease liability.

29.4 Additional information on variable lease payment:

During the year ended 31 March 2020, the Company has incurred an amount of ₹ 1,012 lakhs on account of variable lease payments. Variable payment terms ranges from 0.50% to 28% of net sales from a particular store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores and stores in malls. Excess of variable lease payments that depend on sales, over the fixed rental, are recognised in the statement of profit or loss in the period in which the condition that triggers those payments occur.

29.5 Additional information on extension/ termination options:

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

29.6 During the year ended 31 March 2019, rental expense from operating leases were generally recognised on a straight-line basis over the term of the relevant lease. The disclosures pertaining to previous year are given below:

(i) Payments recognised as an expense

₹ in lakhs

	For the year ended 31 March 2019
Minimum lease payments	20,947
Contingent rentals	368
	21,315

(ii) Leasing arrangements:

The Company had taken the operating leases for non-cancellable periods ranging from 12 months to 108 months. The leases are renewable by mutual consent. The Company does not have an option to purchase the leased asset at the expiry of the lease periods.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(iii) Non-cancellable operating lease commitments

The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:

₹ in lakhs

Particulars	For the year ended 31 March 2019
For a period not later than one year	3,401
For a period later than one year but not later than five years	1,077
For a period later than five years	-
	4,478

30. Contingent liabilities and commitments

Contingent liabilities not provided for - ₹ 35,226 lakhs (Previous year: ₹ 29,198 lakhs) comprising of the following:

a) Sales tax - ₹ 3,492 lakhs (Previous year: ₹ 2,885 lakhs)
(relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms)

b) Customs duty - ₹ 462 lakhs (Previous year: ₹ 68 lakhs)
(relating to denial of benefit of exemptions)

c) Excise duty - ₹ 13,771 lakhs (Previous year: ₹ 19,208 lakhs)
(relating to denial of exemption by amending the earlier notification, computation of the assessable value, denial of input credit on service tax and excise duty on Jewellery)

d) Income tax - ₹ 16,571 lakhs (Previous year: ₹ 6,083 lakhs)
(relating to disallowance of deductions claimed and Includes an amount of ₹ 9,088 lakhs, which is based on certain disallowances made in the draft assessment order of AY 2016-17 for which the company has filed an appeal with the DRP)

e) Others - ₹ 930 lakhs (Previous year: ₹ 954 lakhs)
(relating to miscellaneous claims)

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

f) Corporate guarantees - ₹ 4,000 lakhs (Previous year: ₹ 9,000 lakhs)
(relating to guarantee provided for loans taken by CaratLane Trading Private Limited)

The movement of the guarantees is given below:

₹ in lakhs

	As at 31 March 2020	As at 31 March 2019
Opening balance	9,000	-
Given during the year	-	9,000
Withdrawn/ revoked during the year	(5,000)	-
Closing balance	**4,000**	**9,000**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

g) Letter of financial support provided to the following:

Caratlane Trading Private Limited

Favre Leuba AG

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

31. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 8,751 lakhs (Previous year: ₹ 10,972 lakhs).

32. Employee benefits

a) Defined Contribution Plans

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
National pension scheme	206	153
Superannuation fund#	809	-
Employee pension fund	1,111	1,109
	2,126	**1,262**

b) Defined Benefit Plans

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provident fund*	2,276	1,871
Superannuation fund#	-	688
	2,276	**2,559**

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

During the year ended 31 March 2020, the Company has charged ₹ 1,990 lakhs (Previous year: Nil), being the change in measurement of defined benefit plans, in other comprehensive income due to impairment in the value of investments made in various securites by the trusts' managing the defined benefit plans of the Company (refer note 16.5).

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

i) Gratuity (Funded)

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

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

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (p.a.)	6.90%	7.70%
Salary escalation rate (p.a.)		
- Non-management	7.00%	7.00%
- Management	8.00%	8.00%

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

₹ in lakhs

	Rates (p.a.)	
Age (Years)	For the year ended 31 March 2020	For the year ended 31 March 2019
21-44	6%	4%
45 and above	2%	2%

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	1,636	1,372
Interest on net defined benefit liability/ (asset)	188	(111)
Total component of defined benefit costs charged to the statement of profit and loss	**1,824**	**1,261**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening amount recognised in other comprehensive income outside the statement of profit and loss	2,255	(332)
Remeasurements during the year due to:		
- Changes in financial assumptions*	2,332	490
- Changes in demographic assumptions	(318)	(5)
- Experience adjustments	2,791	1,033
- Actual return on plan assets less interest on plan assets	103	1,070
Closing amount recognised in other comprehensive income	**7,163**	**2,255**

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

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

* Includes an amount of ₹ 1,950 lakhs charged by the Company, being the change in measurement of defined benefit plans, in other comprehensive income during the year ended 31 March 2020 due to impairment in the value of investments made in securites of Dewan Housing Finance Corporation Limited, IL&FS Transportation Networks Limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Company.

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening net defined benefit liability/ (asset)	3,391	(457)
Expense charged to the statement of profit and loss	1,824	1,261
Amount recognised outside the statement of profit and loss	4,908	2,587
Employer contributions	(3,391)	-
Closing net defined benefit liability/ (asset)	**6,732**	**3,391**

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening defined benefit obligation	25,620	21,675
Current service cost	1,636	1,372
Interest on defined benefit obligation	1,884	1,657
Remeasurement due to		
- Actuarial gains and losses arising from changes in demographic assumptions	(318)	(5)
- Actuarial gains and losses arising from changes in financial assumptions	2,332	490
- Actuarial gains and losses arising from experience adjustments	2,791	1,033
Benefits paid	(1,760)	(602)
Closing defined benefit obligation	**32,184**	**25,620**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	22,228	22,131
Employer contributions	3,391	-
Interest on plan assets	1,696	1,768
Remeasurements due to actuarial return on plan assets less interest on plan assets	(103)	(1,070)
Benefits paid	(1,760)	(602)
Closing fair value of plan assets	**25,452**	**22,228**

Sensitivity analysis

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

₹ in lakhs

	As at 31 March 2020		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	30,697	33,763	31,817
Defined benefit obligation on minus 50 basis points	33,779	30,697	32,569

₹ in lakhs

	As at 31 March 2019		
	Discount rate	Salary escalation rate	Attrition rate
Defined benefit obligation on plus 50 basis points	24,421	26,905	25,387
Defined benefit obligation on minus 50 basis points	26,908	24,414	25,864

Maturity profile of defined benefit obligation

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Within year 1	1,856	2,308
1 year to 2 years	1,546	1,348
2 years to 3 years	1,503	1,304
3 years to 4 years	1,976	1,169
4 years to 5 years	1,857	1,523
Over 5 years	61,100	55,707

The Company is expected to contribute ₹ 1,900 lakhs to the gratuity fund next year.

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

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

₹ in lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quoted	Unquoted	Quoted	Unquoted
Government debt instruments	14,082	-	12,333	-
Other debt instruments	10,139	-	8,812	-
Entity's own equity instruments	1,321	-	803	-
Others	-	(89)	-	280
	25,542	**(89)**	**21,948**	**280**

c) Unfunded

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Compensated absences		
Non-current	12,194	11,465
Current	3,413	1,791
	15,607	**13,256**

33. Research and Development expenses

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Expenditure at the Department of Scientific and Industrial Research approved Research and development centers		
Capital	244	377
Revenue	2,153	2,248
	2,397	**2,625**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

34. Related parties

i) Relationships

a)	Promoters	Tamilnadu Industrial Development Corporation Limited	
		Tata Sons Private Limited	
b)	Subsidiaries	Titan TimeProducts Limited (up to 18 June 2018)	
		Titan Engineering & Automation Limited	
		Caratlane Trading Private Limited (formerly known as Carat lane Trading Private Limited)	
		Favre Leuba AG (Switzerland)	
		Titan Watch Company Hongkong Limited (100% subsidiary of Favre Leuba AG)	
		Titan Holdings International FZCO (from 15 October 2019)	
		Titan Global Retail L.L.C (from 15 December 2019)	
c)	Joint venture	Montblanc India Retail Private Limited	
d)	Associate	Green Infra Wind Power Theni Limited	
e)	Key management personnel	Mr. Bhaskar Bhat, Managing Director (up to 30 September 2019)	
		Mr. C K Venkataraman, Managing Director (from 1 October 2019)	
		Mr. S.Subramaniam, Chief Financial Officer	
		Mr. A R Rajaram, Company Secretary (up to 30 June 2018)	
		Mr. Dinesh Shetty, General Counsel and Company Secretary (from 3 August 2018)	
		Non - executive Directors	
		Mr. K. Gnanadesikan (Chairman) (up to 14 March 2019)	
		Mr. N. Muruganandam (Chairman) (from 14 March 2019)	
		Mr. Ramesh Chand Meena (up to 14 October 2019)	
		Mr. Harish Bhat (up to 30 September 2019)	
		Mr. Bhaskar Bhat (from 1 October 2019)	
		Dr. Mohanasankar Sivaprakasam (from 3 July 2019)	
		Mrs. Kakarla Usha (from 21 November 2019)	
		Mr. N N Tata	
		Mr. T K Balaji (up to 31 July 2019)	
		Mrs. Hema Ravichandar	
		Prof. Das Narayandas (up to 25 January 2019)	
		Mrs. Ireena Vittal	
		Ms. Shilpa Prabhakar Satish (up to 10 May 2018)	
		Mr. Ashwani Puri	
		Mr. B Santhanam (from 10 May 2018)	
		Mr. V Arun Roy (from 26 November 2018)	
		Mr. Pradyumna Rameshchandra Vyas (from 25 March 2019)	
f)	Group entities (Wherever there are transactions)	Tata Capital Financial Services Limited	Tata West Asia FZE
		Tata Capital Housing Finance Limited	Tata Unistore Limited
		Infiniti Retail Limited	Tata Consultancy Services Limited
		Kriday Realty Private Limited	Tata Housing Development Company Limited
		Tata International Limited	Smart Value Homes (Peenya Project) Private Limited
		Tata Limited	Tata Capital Limited
		Tata AIG General Insurance Company Limited	Tata Sky Limited
		Tata Industries Limited	Promont Hilltop Private Limited
		Tata Value Homes Limited	Tata Interactive Systems AG

Notes to Standalone Financial Statements

for the year ended 31 March 2020

		Ardent Properties Private Limited	Tata Advanced Material Limited
		Tata AIA Life Insurance Company Limited	Tata Autocomp Systems Limited
		Tata Teleservices (Maharashtra) Limited	Tata Teleservices Limited
		Tata Cleantech Capital Limited	Sector 113 Gatevida Developers Private Limited
		Tata Realty and Infrastructure Limited	
g)	Post employee benefit plan entities	Titan Watches Provident Fund	
		Titan Watches Super Annuation Fund	
		Titan Industries Gratuity Fund	

ii) Related party transactions during the year :

₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Cost of materials and components consumed			
Titan TimeProducts Limited	Subsidiary	-	258
Caratlane Trading Private Limited	Subsidiary	2,393	2,827
Favre Leuba AG	Subsidiary	18	32
Purchase of property, plant and equipment			
Infiniti Retail Limited	Group entity	3	15
Titan Engineering & Automation Limited	Subsidiary	-	96
Purchases of services (other expenses)			
Tata Consultancy Services Limited	Group entity	1,366	2,106
Tata AIG General Insurance Company Limited	Group entity	32	221
Tata Unistore Limited	Group entity	369	276
Caratlane Trading Private Limited	Subsidiary	850	251
Others	Group entity	161	-
Revenue from operations			
Tata Sons Private Limited	Promoter	17	29
Caratlane Trading Private Limited	Subsidiary	1,610	2,821
Titan TimeProducts Limited	Subsidiary	-	11
Titan Engineering & Automation Limited	Subsidiary	8	8
Tata Consultancy Services Limited	Group entity	7,634	303
Others	Group entities	123	299
Rent			
Tata Sons Private Limited	Promoter	70	62
Power and fuel			
Green Infra Wind Power Theni Limited	Associate	331	261

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividend paid			
Tamilnadu Industrial Development Corporation Limited	Promoter	12,374	9,280
Tata Sons Private Limited	Promoter	9,253	6,941
Key managerial personnel compensation			
Commission and sitting fees	Promoter	95	115
Commission and sitting fees	KMP	348	328
Managerial remuneration	KMP	2,166	1,562
Pension paid (refer note 15)	KMP	56	-
Miscellaneous expense (Royalty)			
Tata Sons Private Limited	Promoter	3,201	2,627
Reimbursement towards rendering of services / expenses			
Tata Sons Private Limited	Promoter	46	66
Caratlane Trading Private Limited	Subsidiary	5	271
Montblanc India Retail Private Limited	Joint venture	-	2
Favre Leuba AG	Subsidiary	22	-
Others		15	10
Recovery towards rendering of services / expenses			
Titan TimeProducts Limited	Subsidiary	-	15
Titan Engineering & Automation Limited	Subsidiary	236	105
Caratlane Trading Private Limited	Subsidiary	402	57
Montblanc India Retail Private Limited	Joint venture	112	138
Favre Leuba AG	Subsidiary	29	-
Others		54	6
Sitting fees received			
Caratlane Trading Private Limited	Subsidiary	9	30
Inter-corporate deposit placed			
Tata Housing Development Company Limited	Group entity	5,000	10,000
Tata Capital Financial Services	Group entity	-	13,000
Tata Realty and Infrastructure Limited	Group entity	5,000	-
Inter-corporate deposit redeemed			
Tata Housing Development Company Limited	Group entity	10,000	10,000
Tata Capital Financial Services	Group entity	5,000	9,500
Tata Realty and Infrastructure Limited	Group entity	5,000	-

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Particulars	Relationship	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income			
Tata Housing Development Company Limited	Group entity	304	495
Tata Capital Financial Services	Group entity	61	396
Tata Realty and Infrastructure Limited	Group entity	104	-
Caratlane Trading Private Limited	Subsidiary	41	115
Others	Subsidiary	1	-
Subscription to share capital			
Favre Leuba AG	Subsidiary	6,219	4,960
Titan Holdings International FZCO	Subsidiary	-	-
Caratlane Trading Private Limited	Subsidiary	-	10,000
Montblanc India Retail Private Limited	Joint venture	774	-
Loan givento subsidiary			
Titan Holdings International FZCO	Subsidiary	195	-
Advance to subsidiary			
Titan Holdings International FZCO	Subsidiary	459	-
Contribution to Trust funds			
Titan Watches Provident Fund	Others	8,200	6,756
Titan Watches Super Annuation Fund	Others	363	326
Titan Industries Gratuity Fund	Others	3,392	-

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

₹ in lakhs

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Outstanding - net receivables / (payables)			
Tamilnadu Industrial Development Corporation Limited	Promoter	(91)	(108)
Tata Sons Private Limited	Promoter	(2,378)	(2,065)
Caratlane Trading Private Limited	Subsidiary	(261)	(238)
Favre Leuba AG	Subsidiary	-	(4)
Titan Engineering & Automation Limited	Subsidiary	-	(45)
Tata Capital Financial Services	Group entity	(13)	-
Tata Consultancy Services Limited	Group entity	-	(111)
Bhaskar Bhat	KMP	(319)	(660)
C K Venkataraman	KMP	(195)	-

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Others		(295)	(312)
Caratlane Trading Private Limited	Subsidiary	380	718
Titan TimeProducts Limited	Subsidiary	-	1
Favre Leuba AG	Subsidiary	106	-
Titan Engineering & Automation Limited	Subsidiary	346	-
Titan Holdings International FZCO	Subsidiary	654	-
Montblanc India Retail Private Limited	Joint venture	1	2
Tata Consultancy Services Limited	Group entity	859	-
Tata Housing Development Company Limited	Group entity	2	5,112
Tata Capital Financial Services	Group entity	-	5,105
Others	Group entities	119	72
Corporate Guarantees			
Caratlane Trading Private Limited	Subsidiary	4,000	9,000
Letter of financial support provided to the following:			
Caratlane Trading Private Limited	Subsidiary		
Favre Leuba AG	Subsidiary		

Notes:

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

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

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

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

35. Financial instruments
35.1 Categories of financial instruments
Financial assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through profit or loss (FVTPL)		
Designated as FVTPL-Equity investments and mutual funds	9,029	8,402
Total financial assets measured at FVTPL (a)	**9,029**	**8,402**
Measured at amortised cost		
- Trade receivables	21,444	35,823
- Cash and cash equivalents	5,046	36,405
- Bank balances other than cash and cash equivalents	30,554	63,695
- Inter-corporate deposits	-	20,000
- Security deposits	12,970	11,071
- Employee loans	6,329	5,230
- Lease receivable	17,536	-
- Other financial assets	44,013	10,436
Total financial assets measured at amortised cost (b)	**137,892**	**182,660**
Derivative instruments in designated hedge accounting relationships (c)	-	-
Derivative instruments other than in designated hedge accounting relationships (d)	327	164
Total financial assets (a + b + c +d)	**147,248**	**191,226**

Financial liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through profit or loss (FVTPL)		
- Gold on loan	150,695	228,763
Total financial liabilities measured at FVTPL (a)	**150,695**	**228,763**
Measured at amortised cost		
- Borrowings	62,622	-
- Trade payables	50,994	77,234
- Lease liability	113,620	-
- Other financial liabilities	19,091	21,288
Total financial liabilities measured at amortised cost (b)	**246,327**	**98,522**
Derivative instruments in designated hedge accounting relationships (c)	-	113
Total financial liabilities (a + b + c)	**397,022**	**327,398**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

35.2 (i) Fair value hierarchy

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

₹ in lakhs

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
a) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	44	7,401	-	7,445
- Other unquoted investments	-	-	1,584	1,584
- Derivative instruments other than in designated hedge accounting relationships	-	327	-	327
Total financial assets	**44**	**7,728**	**1,584**	**9,356**
Financial liabilities				
- Gold on loan	150,695	-	-	150,695
- Derivative instruments in designated hedge accounting relationship	-	-	-	-
Total financial liabilities	**150,695**	**-**	**-**	**150,695**

₹ in lakhs

Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
b) Financial assets and liabilities measured at fair value				
Financial assets				
- Quoted investments at FVTPL	41	6,922	-	6,963
- Other unquoted investments	-	-	1,439	1,439
- Derivative instruments other than in designated hedge accounting relationships	-	164	-	164
Total financial assets	**41**	**7,086**	**1,439**	**8,566**
Financial liabilities				
- Gold on loan	228,763	-	-	228,763
- Derivative instruments in designated hedge accounting relationship	-	113	-	113
Total financial liabilities	**228,763**	**113**	**-**	**228,876**

(ii) Valuation technique used to determine fair value

Specific value techniques used to value financial instruments include:

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

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

35.3 Financial risk management objective

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

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

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

35.4 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Company's receivables from customers. Refer note 11.2 for the disclosures for trade receivables.

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

35.5 Liquidity risk

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

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

Liquidity risk tables

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

- all non-derivative financial liabilities, and

- derivative financial liabilities, that are net settled.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Particulars	As at 31 March 2020		
	Less than 3 months	More than 3 months	Total
Contractual maturities of financial liabilities			
Gold on loan	34,210	116,485	150,695
Borrowings	62,622	-	62,622
Trade payables	50,994	-	50,994
Lease liability	5,727	107,893	113,620
Other financial liabilities	19,091	-	19,091
Total non-derivative liabilities	**172,643**	**224,378**	**397,022**
Derivatives (net settled)			
Derivative instruments in designated hedge accounting relationship	-	-	-
Total derivative liabilities	**-**	**-**	**-**

₹ in lakhs

Particulars	As at 31 March 2019		
	Less than 3 months	More than 3 months	Total
Contractual maturities of financial liabilities			
Non-derivatives			
Gold on loan	56,937	171,826	228,763
Trade payables	77,234	-	77,234
Other financial liabilities	21,288	-	21,288
Total non-derivative liabilities	**155,459**	**171,826**	**327,285**
Derivatives (net settled)			
Derivative instruments in designated hedge accounting relationship	113	-	113
Total derivative liabilities	**113**	**-**	**113**

35.6 Market risk

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

a) Price Risk:

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

To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts, forward commodity contracts (up to 30 June 2018) and forward foreign exchange contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

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

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

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

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

Cash flow hedges Sell forward/future contracts:

₹ in lakhs

Particulars	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
31 March 2020	4,296	8,607	369,752
31 March 2019	3,202	6,286	201,283

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

As at 31 March 2020 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. It is anticipated that the sales will take place during 6 months of the next financial year, at which time the amount deferred in equity will be reclassified to the statement of profit and loss. Details of movements in hedging reserve is as follows:

₹ in lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at beginning of the year (net of taxes)	2,741	(527)
Movement in cash flow hedges during the year		
Changes in fair value of effective portion of cash flow hedges	(53,603)	1,673
Deferred tax on fair value of effective portion of cash flow hedges	14,296	(458)
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	28,080	2,825
Deferred tax on gain/(loss) arising on changes in fair value of cash flow hedges reclassified to statement of profit and loss	(7,490)	(773)
Movement in cash flow hedges	**(25,523)**	**4,498**
Deferred tax on movement in cash flow hedge	**6,806**	**(1,230)**
Balance at end of the year (net of taxes)	**(15,976)**	**2,741**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

b) **Foreign currency risk management:**

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

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

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

Foreign currency sensitivity analysis:

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

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is a decrease in profit and equity by ₹ 15 lakhs where INR weakens by 1% against the relevant currencies. For a 1% strengthening of the ₹ against the relevant currencies there would be a comparable increase in profit and equity.

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

The Company has no forward exchange contracts as at 31 March 2020 (Previous year: 3 forward exchange contracts for US Dollars 6 lakhs equivalent to ₹ 411 lakhs).

In addition to the above, the Company has 6 Option contract in USD 187 lakhs equivalent to ₹ 13,725 lakhs (Previous year : 15 Option contracts in USD 329 lakhs equivalent to ₹ 23,837 lakhs).

36. Capital management

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

37. Subsequent event

Subsequently, the Company has issued Commercial Paper amount to ₹ 50,000 lakhs each (total ₹ 100, 000 lakhs) in the months of April 2020 and May 2020 with maturity in the months of July 2020 and August 2020 respectively.

38. Impact of COVID-19 (Global pandemic):

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has considered the possible effects that may result from the global pandemic relating to COVID-19 on the standalone financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on current estimates expects that the carrying amount of it's assets will be recovered. The impact of COVID-19 on the

Notes to Standalone Financial Statements

for the year ended 31 March 2020

Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

(i) Revenue from operations:

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

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

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

(ii) Leases:

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

(iii) Credit Risk:

Financial instruments carried at fair value as at 31 March 2020 is ₹ 9,029 lakhs and financial instruments carried at amortised cost as at 31 March 2020 is ₹ 137,892 lakhs. A portion of the financial assets are classified as Level 1 having fair value of ₹ 44 lakhs as at 31 March 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in mutual funds and accordingly, any material volatility is not expected. Financial assets of ₹ 35,600 lakhs as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of ₹ 21,444 lakhs as at 31 March 2020 forms a part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk, if any, and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The same assessment is done in respect of contract assets of ₹ 10,138 Lakhs as at 31 March 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 638 lakhs as at 31 March 2020 is considered adequate.

(iv) Market Risk:

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

₹ in lakhs

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1 April 2019	Given during the year	Receipt during the year	Provision for impairment	As at 31 March 2020
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	9,500	-	-	9,500	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	5,000	-	-	5,000	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.40%	6 months	5,000	5,000	10,000	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	8.15%	6 months	5,000	-	5,000	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	8.45%	6 months	5,000	-	5,000	-	-
Bajaj Finance Limited	Others	Unsecured	Trade deposits	8.20%	6 months	5,000	-	5,000	-	-
Tata Realty and Infrastructure Limited	Group entity	Unsecured	Trade deposits	8.40%	3 months	-	5,000	5,000	-	-
						34,500	**10,000**	**30,000**	**14,500**	-

₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2019	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2020
Investments						
Investment in equity instruments (unquoted)						
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	23,505	-	-	23,505
Caratlane Trading Private Limited	Subsidiary	Strategic investment	47,403	3,100	-	50,503
Favre Leuba AG	Subsidiary	Strategic investment	5,020	6,219	-	11,239
Titan Holdings International FZCO (refer note 40)	Subsidiary	Strategic investment	-	-	-	-
Montblanc India Retail Private Limited	Joint venture	Strategic investment	3,112	774	-	3,886
Green Infra Wind Power Theni Limited	Associate	Strategic investment	150	-	-	150
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	3	-	2	1
Tata Steel Limited*	Others	Wealth creation	12	-	6	6
Tata Consumer Products Limited(formerly known as Tata Global Beverages Limited)*	Others	Wealth creation	12	8	-	20
Tata Chemicals Limited*	Others	Wealth creation	3	-	2	1
Trent Limited*	Others	Wealth creation	11	4	-	15
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited*	Others	Strategic investment	1,428	145	-	1,573
Green Infra Wind Generation Limited	Others	Wealth creation	9	-	-	9
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	2	-	-	2
			80,670	**10,250**	**10**	**90,910**

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

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

₹ in lakhs

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1 April 2018	Given during the year	Receipt during the year	Provision for impairment	As at 31 March 2019
Inter-corporate deposits										
IL & FS Financial Services Limited	Others	Unsecured	Trade deposits	8.75%	6 months	-	9,500	-	9,500	-
Infrastructure Leasing & Financial Services Limited	Others	Unsecured	Trade deposits	8.55%	6 months	-	5,000	-	5,000	-
Tata Housing Development Company Limited	Group entity	Unsecured	Trade deposits	8.10%-8.40%	6 months	5,000	10,000	10,000	-	5,000
Shriram Transport Finance Company Limited	Others	Unsecured	Trade deposits	8.10%	4 months	-	5,000	5,000	-	-
Kotak Mahindra Investments Limited	Others	Unsecured	Trade deposits	8.05%	6 months	-	5,000	5,000	-	-
Kotak Mahindra Prime Limited	Others	Unsecured	Trade deposits	7.95%	6 months	-	5,500	5,500	-	-
Tata Motors Finance Limited	Others	Unsecured	Trade deposits	7.15%-8.15%	6 months	3,000	7,000	5,000	-	5,000
Mahindra & Mahindra Financial Services Limited	Others	Unsecured	Trade deposits	7.3%-7.8%	6 months	5,000	5,000	10,000	-	-
Dewan Housing Finance Limited	Others	Unsecured	Trade deposits	7.55%-8.10%	3 to 6 months	-	10,000	10,000	-	-
Tata Capital Financial Services	Group entity	Unsecured	Trade deposits	7.25%-8.45%	6 months	1,500	13,000	9,500	-	5,000
Bajaj Finance Limited	Others	Unsecured	Trade deposits	7.20% - 8.20%	3 to 9 months	8,500	11,000	14,500	-	5,000
Piramal Enterprises Limited	Others	Unsecured	Trade deposits	7.50%	4 months	-	5,000	5,000	-	-
						23,000	**91,000**	**79,500**	**14,500**	**20,000**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

₹ in lakhs

Name of the entity	Nature of relationship	Purpose	As at 1 April 2018	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2019
Investments						
Investment in equity instruments (unquoted)						
Titan TimeProducts Limited	Subsidiary	Strategic investment	1,363	-	1,363	-
Titan Engineering & Automation Limited	Subsidiary	Strategic investment	23,505	-	-	23,505
Carat Lane Trading Private Limited	Subsidiary	Strategic investment	37,403	10,000	-	47,403
Favre Leuba AG	Subsidiary	Strategic investment	7,061	4,959	7,000	5,020
Montblanc India Retail Private Limited	Joint venture	Strategic investment	3,112	-	-	3,112
Green Infra Wind Power Theni Limited	Associate	Strategic investment	150	-	-	150
Investments in equity instruments (quoted)						
National Radio Electronics Company Limited*	Others	Wealth creation	2	1	-	3
Tata Steel Limited*	Others	Wealth creation	12	-	-	12
Tata Global Beverages Limited*	Others	Wealth creation	16	-	4	12
Tata Chemicals Limited*	Others	Wealth creation	4	-	1	3
Trent Limited*	Others	Wealth creation	10	1	-	11
Other investments in equity instruments (unquoted)						
Innoviti Payment Solutions Private Limited (formerly known as Innoviti Embedded Solutions Private Limited)*	Others	Strategic investment	726	702	-	1,428
Green Infra Wind Generation Limited	Others	Wealth creation	9	-	-	9
Clean Windpower (Pratapgarh) Private Limited	Others	Wealth creation	2	-	-	2
			73,375	**15,663**	**8,368**	**80,670**

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

40. The financial statements are presented in ₹ lakhs (rounded off). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ lakhs are given below:

Amount in ₹

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Investments			
(i) In subsidiary companies (at cost unless stated otherwise)	7		
1 (Previous year: Nil) fully paid equity shares of AED 1,000 each in Titan Holdings International FZCO		19,415	-
Other bank balances			
- Unclaimed debenture and debenture interest	11.3	-	13,256
Other financial liabilities			
- Unclaimed debenture and debenture interest	16.5	-	13,256

Amount in ₹

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Related party transactions	34		
- Subscription to share capital- Titan Holdings International FZCO		19,415	-
- Purchase of services (other expenses) - Others		-	14,908
Details of Inter-corporate deposits given and investments made	39		
Investment in equity instruments (unquoted)			
Titan Holdings International FZCO		19,415	-

See accompanying notes to the standalone financial statements.

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

Supreet Sachdev
Partner
Membership Number: 205385

Place: Bengaluru
Date: 8 June 2020

for and on behalf of the Board of Directors

Bhaskar Bhat *Director*
C K Venkataraman *Managing Director*
S Subramaniam *Chief Financial Officer*
Dinesh Shetty *General Counsel & Company Secretary*

Date: 8 June 2020