

Mode of repayment	Redemption of the advance will generally be by way of purchase of jewellery. In case the customer requests refund in cash, payment will be made by cheque/ DD/ electronic transfer. In case the customer does not redeem within 400 days the instalment amount would be refunded by way of cheque/ DD/ Electronic transfer. A discount voucher for the eligible discount amount will be provided which can be utilized subject to the conditions above.		
f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid.	The Company has been operating these schemes for its customers with effect from 1 st November 2014. This circular is being issued to continue to accept subscriptions during the balance period of FY 2022-23 and till the date of publication of the circular or advertisement is valid.		
g. Reasons or objects of raising the deposits.	The Company has been operating the above jewellery scheme for more than a decade. As per the Companies Act, 2013 advances collected under these schemes are construed as deposits. For the Company, these schemes are customer acquisition programmes, whereas for the customer, these schemes provide an opportunity to purchase jewellery by paying instalments on a monthly basis.		
h. Credit rating obtained	LC R A Limited		
(i) Name of the Credit Rating Agency	LC R A Limited		
(ii) Rating obtained	MAAA		
(iii) Meaning of rating obtained	The outlook on the rating is 'stable'. MAAA is the highest-credit-quality rating assigned by ICRA. The rated deposits programme carries lowest credit risk. Valid till April 28 th , 2023		
(iv) Date on which rating is obtained	28 th April 2022		
i. Short particulars of the charge created or to be created for securing such deposits, if any.	Unsecured and therefore not applicable		
j. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons.	Nil		
3. DETAILS OF ANY OUTSTANDING DEPOSITS			
a. Amount outstanding:	₹1,574 crores		
b. Date of acceptance:	On various dates		
c. Total amount accepted:	₹2,701 crores (during the FY 2021-22 with different maturity dates)		
d. Rate of interest:	Since it is a jewellery purchase scheme, there is no return offered as interest. However, discount ranging between 5% and 75% of one instalment is offered to customer at the time of purchase of jewellery.		
e. Total number of depositors:	645,958		
f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:	Nil		
g. Any waiver by the depositors, of interest accrued on deposits.	Nil		
4. FINANCIAL POSITION OF THE COMPANY			
a. Profits of the company, before and after making provision for tax for the three financial years immediately preceding the date of issue of circular or advertisement			
Financial Year	Profit Before Tax (₹ in crores)	Profit After Tax (₹ in crores)**	
2021-22	2,932	2,180	
2020-21	1,233	877	
2019-20	2,105	1,517	
b. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)			
Financial Year	Dividend Declared		Interest Coverage Ratio*
	Amount (₹ in crores)	%	
2021-22	866	750	780.36
2020-21	355	400	40.84
2019-20	355	400	103.37
* Interest coverage ratio is computed only on the interest paid on borrowings and excludes interest paid on gold loan and interest on lease liability.			
** Profit after tax (reported in point 'a' above) has been considered as cash profit after tax for computing interest coverage ratio.			
c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement (figures of previous years were regrouped wherever necessary).			
Particulars	As at 31-03-2022	As at 31-03-2021	As at 31-03-2020
ASSETS			
(f) Non-current assets			
(a) Property, plant and equipment	1,012	1,026	1,095
(b) Capital work-in-progress	60	17	11
(c) Right-of-use asset	677	854	870
(d) Investment property	1	24	24
(e) Intangible assets	35	85	64
(f) Intangible assets under development	11	8	3
(g) Financial assets			
(i) Investments	869	759	909
(ii) Loans receivable	40	146	141
(iii) Other financial assets	508	178	158
(h) Deferred tax assets (net)	136	105	172
(i) Income Tax assets (net)	135	120	141
(j) Other non-current assets	74	67	85
(2) Current assets	3,758	3,359	3,654
(a) Inventories	12,787	7,984	7,741
(b) Financial assets			
(i) Investments	15	2,753	74
(ii) Trade receivables	495	291	214
(iii) Cash and cash equivalents	117	147	50
(iv) Bank balances other than (iii) above	932	365	306
(v) Loans receivable	419	103	54
(vi) Other financial assets	762	187	458

Dividends paid including dividend distribution tax	(355)	(355)	(536)
Payment of lease liabilities (excluding interest paid)	(143)	(98)	(209)
Finance costs paid	(195)	(181)	(149)
Net cash used in financing activities	(469)	(1,260)	(268)
Net cash generated/ (used in) during the year (A+B+C)	(30)	97	(314)
Cash and cash equivalents (opening balance)	147	50	364
Add/ (Less): Unrealised exchange (gain)/ loss	-	-	-
Cash and cash equivalents (closing balance)	117	147	50

6. Any change in accounting policies during the last three years and the effect of such change on the profits and the reserves of the company.

The financial statements of the Company are prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013. With effect from 1st April 2019, the Company has adopted Ind AS 116 - Lease. The application of this standard has reduced retained earnings as on 1st April 2019 by ₹101 crores, net of taxes and has resulted in lower profit before tax by ₹5 crores for the year ended 31st March 2020.

5. DECLARATION BY DIRECTORS

The Board of Directors hereby declare that -

- The Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest on such deposits and where a default had occurred, the Company made good the default and a period of five years had lapsed since the date of making good the default.
- They have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- The Company has complied with the provisions of the Act and the rules made thereunder;
- The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- The deposits accepted by the Company before the commencement of the Act have been repaid and unclaimed amounts will be returned to customers and balance unclaimed subscription amounts will be treated as unsecured and ranking pari passu with other unsecured liabilities.
- In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- The deposits shall be used only for the purposes indicated in the Circular or Circular in the form of advertisement;
- The deposits accepted by the Company (other than the secured deposits, if any, aggregate amount of which is indicated) are unsecured and rank pari passu with other unsecured liabilities of the Company.

This circular is issued on the authority and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 3rd May 2022, and a copy thereof, signed by a majority of the Directors of the Company, has been filed with the Registrar of Companies.

Date: 3rd May 2022
Place: Bengaluru

BY ORDER OF THE BOARD
C K Venkataraman
Managing Director

Independent Auditor's Certificate

The Board of Directors
Titan Company Limited,
Titan City, #193, Veerendra, Electronic City P.O.,
Off Hosur Main Road, Bengaluru, Karnataka - 560 100.

Dear Sirs,

Independent Auditor's certificate pursuant to the requirement of Rule 4 of the Companies (Acceptance of Deposits) Rules, 2018 ("the Rules") relating to circular or circular in the form of advertisement inviting deposits ("Form DPT 1") and Section 73 of the Companies Act, 2013 ("the Act")

This report is issued in accordance with the terms of our engagement letter dated 12th October 2020 and addendum dated 10th May 2022.

- We, B S R & Co. LLP, the statutory auditors of Titan Company Limited ("the Company") have been requested to certify that the Company has not committed default in the repayment of deposits which are outstanding as on 31st March 2022 as stated in Annexure I.
- The Company's management is responsible for the preparation of the accompanying Form DPT 1 including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
- The Company's management is responsible to repay/return the deposits as and when such deposits become due as per the scheme formulated by the Company. Also, the Company's management is responsible for ensuring that the Company is in compliance with the requirements of the Rules relating to circular or circular in the form of advertisement inviting deposits ("Form DPT 1") and Section 73 of the Act.
- Auditor's Responsibility**
- Our responsibility is to provide a reasonable assurance that the Company has not committed a default in the repayment of deposits which are outstanding as on 31st March 2022 as per the audited books of account and other relevant records and documents maintained by the Company.
- For the purpose of this certification, as per the request from the Management, we have restricted our verification for the deposits outstanding as at 31st March 2022 and thus we do not comment on compliance with the details, if any, in earlier years. We have carried out the following procedures as part of our examination:
 - Traced the amounts outstanding as on 31st March 2022 to the standalone financial statements, books of accounts, the Register of deposits, and other relevant records maintained by the Company.
 - We have tested the details included in the register of deposits and other relevant records on a sample basis to determine the accuracy of the information included.
 - We have tested the ageing of the outstanding deposits as on 31st March 2022 to determine whether the deposits are overdue.
- The financial statements for the financial year ended 31st March 2022 have been audited by us on which we have issued an unmodified audit opinion vide our report dated 3rd May 2022. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- We have obtained appropriate representations from the Company's management.

Opinion

- Based on our examination as above, and according to the information and explanations given to us by the Management of the Company, we are of the opinion that the Company has not defaulted in the repayment of deposits which are outstanding as on 31st March 2022 as stated in Annexure I.
- This certificate issued at your specific request is solely for the purpose of enabling the Company to submit this certificate to the Registrar of Companies. This certificate should not be used, quoted or referred to for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No: 101248WW-100022
Place: Bengaluru
Date: 19th May 2022
UDIN: 22064587AJEHME2170

Vikash Gupta
Partner
Membership No: 064597

Titan Company Limited

Annexure 1: Details of deposits outstanding as at 31st March 2022 beyond the period specified in the scheme and not considered as default by the Company.

As per the terms and conditions of the Gold Harvest Scheme (i.e. periodic deposits scheme of the Company), the customer is required to make 10 fixed monthly instalments of minimum Rs 2,000 or more and the scheme matures after 300 days from the date of joining the scheme. The customer is mandatorily required to redeem the amount before 400 days from the date of payment of the first instalment. In case, the customer does not redeem the amount before 400 days, the Company is required to refund the amount to the customer along with the applicable discount voucher that the customer has earned.

The details of Deposits outstanding as on 31st March 2022 are as below:

Details	Amount (₹ in crores)
Deposits under Golden Harvest Scheme of the Company	1,574

Out of the above, deposits aggregating ₹ 29.36 crores are outstanding for a period greater than the term of the deposit disclosed above. The aforesaid amount has not been considered as default by the Management as these have not been refunded on account of specific request by the Police or by Vigilance department (₹ 0.01 crore) and the balance (₹ 29.35 crores) relate to deposits which were either returned by the customer or received from customer for stop-payment of cheques.

C K Venkataraman
Managing Director

This circular is issued on the authority and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 3rd May 2022, and a copy thereof, signed by a majority of the Directors of the Company, has been filed with the Registrar of Companies, Coimbatore, Tamil Nadu.

