

Favre-Leuba AG

Balance sheet

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Current assets			
Cash and cash equivalents		5,00,825	15,63,140
Trade accounts receivable			
- due from third parties		6,21,290	3,31,844
- due from group companies			
Deposits			23,820
Other short-term receivables			
- due from government authorities		1,53,878	89,484
- due from third parties		1,71,764	3,53,140
Inventories	2.1	48,32,819	49,91,264
Prepaid expenses and accrued income		44,397	59,525
Total current assets		63,24,972	74,12,217
Non-current assets			
Deposits		70,429	46,609
Investments	2.2	1,200	1,200
Property, plant and equipment	2.3	2,94,208	3,84,840
Intangible assets	2.4	6,32,020	8,76,149
Total non-current assets		9,97,857	13,08,798
TOTAL ASSETS		73,22,830	87,21,015
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable			
- due to third parties		5,32,687	8,80,673
Other short-term liabilities			
- due to third parties		- 2,093	15,502
Accrued expenses and deferred income	2.5	2,93,791	2,34,188
Total short-term liabilities		8,24,386	11,30,364
Long-term liabilities			
Other long-term liabilities		36,10,000	-
Total long-term liabilities		36,10,000	-
TOTAL LIABILITIES		44,34,386	11,30,364
Shareholder's equity			
Share capital	2.6	1,87,18,970	1,87,18,970
Legal capital reserves			
- Reserves from capital contributions		1,87,11,041	1,87,11,041
Accumulated losses brought forward		-2,98,39,360	-2,26,46,962
Loss for the year		-47,02,207	-71,92,398
TOTAL EQUITY		28,88,444	75,90,652
TOTAL LIABILITIES AND EQUITY		73,22,830	87,21,015

The notes referred to above form an integral part of the financial statements.

for and on behalf of the Board of Directors

Place: Solothurn
Date:

Ravi Kant Sindhvani Sandeep Kulhalli

Favre-Leuba AG

Income statement

Particulars	Notes	Amount in CHF	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Operating income			
Revenue from sale of goods and services		10,44,912	8,69,396
Total operating income		10,44,912	8,69,396
Operating expenses			
Raw materials and supplies		7,46,884	5,34,534
Personnel expenses		18,57,502	18,84,253
Advertisement and promotion		19,06,076	46,34,313
Other operating expenses	2.7	7,54,934	5,55,251
Depreciation on non-current assets		4,02,440	4,21,625
Total operating expenses		56,67,836	80,29,977
Operating result		-46,22,924	-71,60,580
Financial expenses/(Income)		21,074	21,716
Prior period expenses/Extraordinary items	2.8	6,068	-24,109
Loss for the year before taxes		-46,50,066	-71,58,188
Direct taxes		52,142	34,210
Loss for the year		-47,02,207	-71,92,398

for and on behalf of the Board of Directors

Place: Solothurn
Date:

Ravi Kant Sindhwani

Sandeep Kulhalli

1 Significant accounting policies and notes for the year ended 31 March 2021

a) General information

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

In order to ensure the comparability with the current year financial statements certain prior year figures have been reclassified and adapted to the new presentation.

b) Use of estimates and judgements

The preparation of financial statements in conformity of Swiss Law, requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities, revenue 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.

c) Revenue recognition

From sale of goods: Revenue is recognised when risks and rewards associated with the ownership of the products are transferred to the customer and the recoverability of the receivables is reasonably assured.

In respect of sales to distributors, where recoverability of receivable is dependent on such distributor selling to retailers/customers, revenue recognition is deferred till the distributor sells.

From service income: Service income is recognised when service is completed.

d) Property, plant and equipment

Property, plant and equipment (PPE) is valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. PPE is depreciated using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

The antique watches for representation purpose only (so called "non depreciable assets") are valued at acquisition cost. There are no regular depreciation of these assets.

e) Intangible assets

The trade marks are valued at acquisition cost. The depreciation is recognised on a systematic basis over 10 years (straight line and indirect method).

f) Inventories

Inventories are recorded at acquisition or manufacturing costs: If the net realizable value at the balance sheet date is lower than acquisition or manufacturing costs, net realizable values are used. Acquisition costs are calculated using the weighted average cost method, manufacturing costs using standard costs.

g) Leases

Leasing and rental contracts are recognised based on legal ownership. Therefore, any leasing or rental expenses are recognised in the period they are incurred. However, the leased or rented objects themselves are not recognised in the balance sheet.

2. Disclosure on balance sheet and income statement items

2.1 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Finished Watches		35,48,293
Others	50,12,949	16,23,101
	50,12,949	51,71,394
	1,80,130	1,80,130
Less: Provision for non-moving inventory/ slow moving inventory		
	48,32,819	49,91,264

2.2 Investments

Direct investments

Company name :	Titan Watch Company Ltd.,
Domicile :	Hong Kong
Voting and capital rights in %:	100.00
Capital in CHF:	1,200

2.3 Property, plant and equipment's, net

Particulars	As at 31 March 2021	As at 31 March 2020
Machinery, devices	49,118	41,532
Tools	1,06,779	1,66,463
Furniture, installations	36,458	40,502
IT, communications technology	25,653	59,717
Exhibition stand	1,991	2,418
Antique watches	74,209	74,209
	2,94,208	3,84,840

2.4 Intangible assets, net

Particulars	As at 31 March 2021	As at 31 March 2020
Trade mark	6,32,019	8,76,148
Advertising film	1	1
	6,32,020	8,76,149

2. Disclosure on balance sheet and income statement items (continued)

2.5 Accrued expenses and deferred income

Particulars	As at 31 March 2021	As at 31 March 2020
Accruals for advertising and PR	0	25,000
Deferred revenue	21,121	21,121
Other accrued expenses	2,72,670	1,88,067
	2,93,791	2,34,188

2.6 Equity

Particulars	As at 31 March 2021	As at 31 March 2020
Share capital	1,87,18,970	1,87,18,970
Legal capital reserves		
- Reserves from capital contributions	1,87,11,041	1,87,11,041

2. Disclosure on balance sheet and income statement items (continued)

2.7 Other operating expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Premises' expenses	82,837	44,872
Repair and maintenance	4,203	11,639
Vehicles expenses	1,314	2,695
Insurances, duties, fees	19,936	6,508
Energy and waste disposal	3,767	4,163
Administrative expenses	2,30,862	96,725
IT expenses	1,80,052	1,32,287
Travel	41,185	92,111
Design and Development expenses	1,50,923	36,158
Office relocation expenses	-	84,756
Other expenses	39,854	43,337
	7,54,934	5,55,251

2.8 Prior period expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from sale of goods and services		
Raw materials and supplies		
Personnel expenses	-	36,647
Advertisement and promotion		
Other operating expenses		12,538
Purchase of components		
	-	24,109

3.1 Ownership

Favre Leuba AG is a wholly-owned subsidiary of Titan Company Limited, India.

3.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

3.3 Leasing obligations

The maturity of leasing obligations which have a residual maturity of more than twelve months or which cannot be cancelled within the next twelve months is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Up to 1 year	-	-
1 - 5 year	-	-
	-	-

for and on behalf of the Board of Directors

Place: Solothurn

Date:

Ravi Kant Sindhvani

Sandeep Kulhalli