

TIMEXGROUP



ANNUAL REPORT

2013

TIMEXGROUP



TIMEX

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TIMEX

VERSACE

Salvatore Ferragamo
TIMEPIECES

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Director(s)	Gary Piscatelli M K Bandyopadhyay Daya Dhaon Gagan Singh (Ms.) Pradeep Mukerjee Bijou Kurien Ryan Todd Roth	Non-Executive Director & Chairman Acting Managing Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Alternate Director to Mr. Gary Piscatelli
Chief Financial Officer	Sachin Selot	
Company Secretary	Shilpa Verma	
Bankers	HDFC Bank Limited The Hongkong & Shanghai Banking Corporation Limited JP Morgan	
Auditors	BSR & Co., Chartered Accountants	
Registered Office	117 G.F. World Trade Centre, Babar Road, New Delhi – 110001.	
Works	Plot No.10 Baddi Industrial Area Katha Bhatoli Baddi, Distt. Solan (H.P)	
Share Registrar & Transfer Agent	Alankit Assignments Limited 2E/21 Alankit House Jhandewalan Extension New Delhi 110 055 Tel.: 011-42541234 Fax: 011 -42541967 Email: rta@alankit.com Website : www.alankit.com	

NOTICE

Notice is hereby given that the Twenty-fifth Annual General Meeting of the Members of TIMEX GROUP INDIA LIMITED will be held on Wednesday, 7 August 2013 at 10.00 A.M. at the Air Force Auditorium, Subroto Park, New Delhi - 110010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31 March 2013, the Profit and Loss Account for the year ended on that date and the Report of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Daya Dhaon who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof.

“RESOLVED THAT M/s. BSR & Co., Chartered Accountants (Firm Registration No. 101248W), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at remuneration to be fixed by the Board of Directors in consultation with the Auditors in addition to reimbursement of all out of pocket expenses.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT Mr. Gary Piscatelli, who was appointed as an Additional Director of the Company pursuant to Section 260 and other relevant provisions of the Companies Act, 1956 and Article 103(a) of the Articles of Association of the Company with effect from 9 April 2013, holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Provided that he shall not be liable to retire by rotation until the time he occupies the position of the Chairman of the Company pursuant to Article 106 of the Articles of Association of the Company.”

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT Mr. M. K. Bandyopadhyay who was appointed as an Additional Director of the Company pursuant to Section 260 and other applicable provisions of the Companies Act 1956 and Article 103 of the Article of Association of the Companies with effect from 1 February, 2013 holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, not liable to retire by rotation”

6. To consider and, if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the approval be and is hereby accorded to the appointment of Mr. M.K. Bandyopadhyay as the Acting Managing Director of the Company for a period of one year from 1 February, 2013 to 31 January, 2014, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice and as set out in the agreement executed between the Company and

Mr. Bandyopadhyay, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment/ or agreement in such manner as may be agreed to between the Board/Committee and Mr. Bandyopadhyay.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

Registered Office :
117, Ground Floor,
World Trade Centre,
Babar Road,
New Delhi – 110 001

**By Order of the
Board of Directors**

Sd/-
Shilpa Verma
Company Secretary

Dated: 30 May 2013

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A blank Proxy Form is enclosed with this notice and if intended to be used, the form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of Companies, Societies etc. must be supported by appropriate resolution/ authority as applicable.
2. The Members/ Proxies attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission to the Annual General Meeting venue will be allowed only on verification of the signature(s) on the Attendance Slip.
3. Duplicate attendance slip shall not be issued at the Annual General Meeting venue. The same shall be issued at the Registered Office of the Company up to a day preceding the day of the Annual General Meeting.
4. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
5. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
6. As a measure of economy, copies of the Annual Report will not be distributed at the venue of the Annual General Meeting. The Members are, therefore requested to bring their copies of the Annual Report to the meeting. Those members who have not received copies of Annual Report can collect their copies from the Corporate/ Registered Office of the Company.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 1 August 2013 to Friday, 2 August 2013, both days inclusive.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item No. 4 to 6 is annexed hereto. Relevant details, in terms of Clause 49 of the Listing Agreement, in respect of Director retiring by rotation and proposed to be re-appointed and other Directors proposed to be appointed are disclosed in the Corporate Governance Report.
9. The members are requested to inform changes, if any, in their Registered Address along with Pin Code Number to the Company at the following Address:

TIMEX GROUP INDIA LIMITED

(Investors Relation Department)

117, Ground Floor, World Trade Centre

Babar Road, New Delhi – 110 001

10. The Register of Directors' shareholding maintained under section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.
11. All documents referred to in the accompanying notice and the Explanatory Statement are available for inspection at the Registered Office of the Company during working hours between 10.00 A.M. to 1.00 P.M. except holidays up to the date of Annual General Meeting.
12. Members desirous of seeking any information relating to the Accounts of the Company may write to the Company at 117, Ground Floor, World Trade centre, Babar Road, New Delhi – 110001, for the attention of Ms. Shilpa Verma, Company Secretary, at least seven days in advance of the Meeting so that requisite information can be made available at the Meeting.

13. Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notices/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Alankit Assignments Limited.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No 4

In terms of the provisions of Section 260 and other relevant provisions of the Companies Act, 1956 and Article 103(a) of the Articles of Association of the Company, Mr. Gary Piscatelli was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 9 April, 2013 and as the Chairman of the Company on 30 May 2013. Mr. Piscatelli holds office up to the date of this Annual General Meeting.

The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Piscatelli as a Director of the Company along with a deposit of Rs.500/- (Rupees Five Hundred only) which shall be refunded to the member, if Mr. Piscatelli is elected as a Director.

Mr. Gary Piscatelli is a seasoned financial executive with more than 25 years of hands-on senior management experience most recently as Chief Financial Officer of Timex Group USA Inc. He is experienced in cash flow forecasting, managing internal costing systems, internal and external financial reporting, implementing cost reduction initiative and rationalization of headcount and plant facilities. Gary has also handled business acquisitions with responsibility for integrating all accounting and financial operations.

The Directors commend the Resolution for acceptance by the Members.

None of the Directors, other than Mr. Piscatelli himself, are deemed to be concerned or interested in this resolution, as it relates to his appointment

Item No 5 & 6

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 103(a) of Articles of Association of the Company, the Board of Directors appointed Mr. M.K. Bandyopadhyay as an Additional Director of the Company with effect from 1 February 2013 to hold office up to the date of this Annual General Meeting. In terms of Section 257 of the Companies Act, 1956, a notice proposing the candidature of Mr. Bandyopadhyay has been received by the Company.

Mr. M.K. Bandyopadhyay is a mechanical engineer with over 30 years of comprehensive large-scale management and engineering experience in diversified Industry fields. He joined Timex Group India Limited in 2001 and has largely contributed towards restructuring of Supply Chain and Manufacturing operations from in-house integrated processes to outsourced model, re-engineered & value-engineered product, processes and after-sales service function and has managed the green field project at Baddi, HP right from initial inception, through development, to execution, consolidating all manufacturing functions at Baddi. He has an unexcelled record of bringing in mission-critical projects in on schedule and within budget, has outstanding communication talents with proven ability to build and lead highly efficient teams to deliver to business requirements. He also remained instrumental in establishing operations and growth of Timex Group Precision Engineering Limited from a captive tool room to a fully integrated tools and plastics business with customers in India and overseas.

Besides, the Board of Directors of the Company has appointed Mr. Bandyopadhyay as an Acting Managing Director of the Company for a period of one year effective 1 February, 2013 subject to the approval of the shareholders and other regulatory approvals, as applicable, on the terms and conditions set out in the Agreement and as briefed hereunder.

This may also be treated as an abstract u/s 302 of the Act.

(A) Period of Appointment : One year with effect from 1 February,2013

(B) Terms of Appointment

1. As an Acting Managing Director of the Company, Mr. Bandyopadhyay shall exercise such powers to manage the day to day affairs of the Company as may be delegated to him by the Board of Directors from time to time. Mr. Bandyopadhyay will serve diligently and faithfully and will comply with all applicable laws and regulations and with all business policies and standards of the Company in his performance of services under this Agreement. Mr. Bandyopadhyay will perform such services personally at such reasonable times and places as the Company may direct in connection with the business
2. During the term of this Agreement, Mr. Bandyopadhyay will not engage in or accept any other assignment or employment. Mr. Bandyopadhyay shall devote sufficient time and attention to and exert his best efforts in the performance of his duties hereunder, so as to promote the business of the Company.
3. Mr. Bandyopadhyay shall perform his obligations subject to the supervision, control and direction of the Board of Directors and to regularly report to the Board of Directors on the activities of the Company in respect of the matters delegated to him by the Board.

(C) Terms of Remuneration

1. Mr. Bandyopadhyay was appointed as the Acting Managing Director of the Company on 1 February 2013 on his existing remuneration of Rs. 9,115,713 per annum. No increment was provided to him at that time. This was subsequently revised to Rs. 10,555,537 per annum with effect from 1 April 2013 to the end of the tenure with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) to determine the total remuneration as recommended by the Remuneration Committee.
2. Notwithstanding anything herein above and subject to the terms of the approval if any, where in any financial year during the currency of tenure of Mr. Bandyopadhyay, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Bandyopadhyay the same remuneration as specified above as minimum remuneration. Further, Mr. Bandyopadhyay shall be eligible for compensation for loss of office for the purposes of Section 318 of the Act.
3. Mr. Bandyopadhyay's performance shall be reviewed by the Board annually and his remuneration shall be revised within the overall range as mentioned above.
4. Mr. Bandyopadhyay shall also be entitled to all other employee benefits with respect to leave rules, Club Membership etc. as per Company's policy. In addition, he shall be entitled to reimbursement of all business related expenses incurred by him on actual basis as per Company's policy, practice and procedure as is in effect from time to time, as an employee in continuation of his employment with the Company.
5. In compliance with the provisions of Section 309 of the Act, the terms of remuneration specified above as approved by the Board of Directors of the Company are now being placed before the shareholders of the Company in Annual General Meeting for their approval.
6. The draft of agreement between the Company and Mr. Bandyopadhyay is available for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day of the Company.

None of the Directors, other than Mr. Bandyopadhyay himself, are deemed to be concerned or interested in this resolution, as it relates to his appointment.

Registered Office :
117, Ground Floor,
World Trade Centre,
Babar Road,
New Delhi – 110 001

**By Order of the
Board of Directors**

Sd/-
Shilpa Verma
Company Secretary

Dated: 30 May 2013

GENERAL INFORMATION

- Nature of Industry:** Manufacturing of Wrist Watches
- Date or expected date of Commencement of Commercial Production:** The Company commenced its business from 4 October 1988.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions approved by financial institutions appearing in the prospectus:**
Not Applicable
- Financial Performance of the Company based on given indicators**

The Financial Performance of the Company for the year 2011 – 2012 & 2012-13 are as follows:

Particulars	F.Y. 2011-12 Amount (Rs. in lakhs)	F.Y.2012-13 Amount (Rs. in lakhs)
Sales and other Income	18,391	12,168
Less:- Total Expenditure	17,786	16,364
Profit (Loss) Before Tax	605	(4,196)
Profit(Loss) After Tax	453	(4,196)

- Export Performance and Net Foreign Exchange Collaborations:**

Earnings in foreign currency (Rs. In Lakh)

Particulars	Year ended 31 March 2012	Year ended 31 March 2013
Exports on F.O.B basis	564	1,038
Service income	177	227
	741	1,265

- Foreign Investment or Collaborators, if any:-**

Out of Rs.10,09,50,000/-(10,09,50,000 Equity shares of Re. 1/- each) Paid up capital, Rs.7,56,45,100/-(7,56,45,100 Equity Shares of Re. 1/- each) is held by Timex Group Luxury Watches B.V.

II. Information about Mr. M K Bandyopadhyay, :

1. Background details

Mr. M.K. Bandyopadhyay is a mechanical engineer with over 30 years of comprehensive large-scale management and engineering experience in diversified Industry fields. He joined Timex Group India Limited (TGIL) in 2001 and has largely contributed towards restructuring of Supply Chain and Manufacturing operations from in-house integrated processes to outsourced model, re-engineered & value-engineered product, processes and after-sales service function and has managed the green field project at Baddi, HP right from initial inception, through development, to execution, consolidating all manufacturing functions at Baddi. He has an unexcelled record of bringing in mission-critical projects in on schedule and within budget, has outstanding communication talents with proven ability to build and lead highly efficient teams to deliver to business requirements. He also remained instrumental in establishing operations and growth of Timex Group Precision Engineering Limited from a captive tool room to a fully integrated tools and plastics business with customers in India and overseas.

Prior to joining TGIL, Mr. Bandyopadhyay was associated with Honda Siel Cars (I) Ltd. (Subsidiary of Honda Japan), Xerox Modi Corp Ltd. (Subsidiary of Xerox Corp. USA) and ORG Systems Ltd. (an Ambala Sarabhai Enterprise).

2. Past Remuneration:

Organization	Designation	Duration	Total cost to the Company (In Rs.)
Timex Group India Limited	Chief Operating Officer	1 April 2012 to 31 January 2013	9,115,713/- per annum

3. Recognition or awards:

Not Applicable

4. Job Profile & his Suitability:

As Acting Managing Director of the company, Mr. M K Bandyopadhyay is responsible for the overall performance of the company.

Since his joining, Mr. Bandyopadhyay has very ably handled many challenges and has largely contributed towards restructuring of Supply Chain and Manufacturing operations. He put in rigorous systems & processes in place to regularly review performance of the company, generate timely MIS, fulfil all compliance & related obligations, etc. He had set up internal controls & processes and delegated responsibilities effectively to his teams.

Keeping in view of his contribution to the Company since his appointment, the Board is confident that Mr. M K Bandyopadhyay's management capabilities will enable the Company progress further.

5. Remuneration Proposed:

As set out in the above Notice.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The Company conducts the annual compensation bench marking exercise for determining the industry norms and finalizes the remuneration basis the same. The Company takes a conservative approach while finalization of remuneration.

Taking into consideration the size of the Company, the profile of Mr. M.K. Bandyopadhyay, responsibility to be shouldered by him and the industry bench mark, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other companies.

7. Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any:

Mr. M.K. Bandyopadhyay has no pecuniary relationship with the company, except to the extent of the remuneration as proposed to be paid to him.

Further, he has no relationship with any of the managerial personnel of the company

III. Other Information

❖ Reasons of loss or inadequate profits:

The adverse economic conditions, continuing trend of currency devaluation and weak consumer sentiments adversely impacted the retail during the financial year 2012-2013. Defense channel, one of the key contributor's to company's revenue, saw a sizeable downturn over previous years. Adding to this, a subdued market sentiment, limited the order situation on the B2B front to an average level. The company has also stepped up the commercial discipline to drive a prudent Credit Management and focus on improving the Working Capital.

❖ Steps taken or proposed to be taken for improvement:

Going forward the Company has set clear goals and objectives to ensure the sales and profit evolution is in line with the Company's strategic plan. Your company through a strict credit control over the last two quarters has been in the process of ensuring a right balance of collections and credits with its Trade partners. On the operations front, the demand planning, procurement and production is being closely monitored and the endeavor has been to strictly procure and produce to exact market requirements. This entails close control on Component Inventory, Finished Watch Stocks, Forecasting process and SKU control. The front end of the business, too, has been prudent in ensuring that distribution of products is done to ensure that the right SKU mix reaches the right channel. Aggressive actions has been taken to cut down cost and enhance the contribution by addressing product mix and market mix.

❖ Expected Increase in productivity and profits in measurable terms:

The performance of the Company is expected to improve in the year ahead in terms of higher turnover, better productivity and profitability as a result of above measures taken for improvement in performance.

IV. Disclosures

The Remuneration package of the managerial personnel has been provided in the Notice and the Company shall make appropriate disclosures as required under Schedule XIII of the Companies Act, 1956 in the Corporate Governance Report forming part of the Directors' Report of the Company every year.

DIRECTORS' REPORT

To the Members of Timex Group India Limited

Your Directors are pleased to present the Twenty-fifth Annual Report and Audited Statement of Accounts for the year ended 31 March 2013.

FINANCIAL RESULTS

	Rs. in Lakhs	2012-13	2011-12
Income		12,168	18,391
Expenditure		16,364	17,786
EBIDTA		(3,875)	911
Interest		98	109
Depreciation		223	197
Profit before tax (PBT)		(4,196)	605
Provision for Taxes		-	152
Profit after Tax		(4,196)	453

2012-13 was a very difficult financial year. Revenues and profit declined 34% and 46 crores, respectively. These declines were driven by a combination of a weaker economic climate and higher costs due to the devaluation of the Rupee. Additionally, revenues were reduced as we implemented improved credit controls and new strategies against some of our trade channels. These changes were necessary to ensure a healthy long term business and we are already beginning to show positive results.

The Company is committed to improving its top and bottom line financial performance through three focused and simple strategies. In the near-term, the Company's focus will be on the following: 1) Generate positive cash to reinvest in profitable growth, 2) Grow revenues by more closely aligning product offerings with consumer demand, and 3) Rationalize and realign spending to drive profitable growth

As part of its focus on cash, over the past two quarters the Company instituted more stringent Credit Management policies as well as efforts aimed at eliminating unproductive investments in Working Capital. While the Credit Management policies tempered revenues somewhat, they were necessary in order to balance revenues with collection of accounts receivable to generate cash. And within Operations, a more closely integrated sales forecasting and production process was implemented to ensure maximum productivity of investments in inventory. These initiatives will be a critical enabler to provide the cash necessary to permit business-critical investments in new products, advertising and store openings going forward.

In terms of leadership, during fiscal 2012-2013, Mr. M.K. Bandyopadhyay was appointed Acting Managing Director, replacing Mr. V.D. Wadhwa who resigned on January 31, 2013.

By placing greater focus on the above short-term objectives, the Company expects future financial performance to improve substantially. However, fiscal 2013-2014 will be a transition year. While it is expected that significant progress will be achieved in fiscal 2013-2014, it is also expected to be a year of depressed financial performance as comparatively weak economic conditions persist and as the costs associated with the transition to a healthier business continue.

MANAGEMENT DISCUSSION AND ANALYSIS

THE INDIAN WATCH MARKET – Industry Structure and Development

The present size of the Indian watch industry is estimated at INR 5,000 crore. The unorganized sector of watches is estimated to be more than double the size of the organized sector in the country. The average growth in the size of the market is slated to be steady.

While the unit growth is driven by low price unbranded products, the growth at the mid and higher price points is driven by creating higher value through improved styling and technology, which your Company is well positioned to take advantage of.

The economy and mass segments form close to 80 per cent of the market by volume and contribute only 40 per cent of the market by value. Affordable luxury and luxury segments are estimated to contribute around 20 per cent of the market by value and have a small volume of around one lakh pieces. Around 60 per cent of the market by value is controlled by organized players.

Currently, the major challenges faced by the industry are stringent government regulations, economic slowdown and slower than anticipated change in the consumer behavior and the large unorganized market.

OUTLOOK/ OPPORTUNITIES AND CHALLENGES

Factors like increasing consumerism and strong middle class present us with an opportunity within Timewear industry in near future. TGIL has an advantage of a strong brand portfolio spread across mass to premium to luxury along with domestic manufacturing capabilities. This allows international products to be sold in India at prices which offer "Value for Money" proposition to the consumer.

The new age watch buyer is a young, aspiring individual with a high disposable income. The consumer does not see the watch merely as an instrument for keeping time; a watch is now considered a fashion accessory and the brand name a fashion & style statement, and a reflection of his personality. This has created a trend of multiple watch ownership “A different watch for different occasions.” This encouraging development for the industry could propel industry growth in the future and TGIL with its wide array of brands and styles, ranging from Fashion to Classics and Sports to Jewellery can take advantage of this.

Your company shall continue to invest in its product portfolio and strengthen the communication of its brand attributes. Your company also has strong focus on strengthening its retail presence through “The Time Factory” outlets and gain share in the Multi Brand Retail outlets. This allows TGIL to participate at all ends of the value chain which in turn enhances margins.

The rule which allows 100% foreign direct investment in single brand retail trading will further open up the Indian market for foreign investments and accelerate retail market growth, providing more employment opportunities.

However, given the current situation we have faced certain key challenges such as:

- a. Rupee devaluation puts our margins under severe pressure, as the material cost goes up. Since we rely on importing some critical components of our watches, it leads to slim margins, which affect the overall growth and profitability.
- b. Retail scenario – The overall retail growth has been tempered with organized retail still in the consolidation mode. Real estate saw an all time rise in the past couple of years which led to an increase in costs of retail spaces.
- c. The distribution market which is price sensitive is adversely affected due to a high exchange rate.
- d. Considerable reduction of sales in CSD channel due to change in their norms.

RISKS/ THREATS

We have witnessed an increase in the commodity prices due to higher cost of sourcing and exchange rate. The rising input costs together with the increasing operating cost of retailing shall have an adverse impact on the operating margins, unless mitigated through various measures to cut costs (without compromising quality). Several initiatives are being developed to address this risk.

* Content source *The Associated Chambers of Commerce and Industry of India (ASSOCHAM)*

GOVERNMENT POLICY

Your Company has been actively involved with the “All India Federation of Horological Industries” (AIFHI), an apex body of Horological Industry in India. Your Company together with AIFHI has been taking up issues concerning the Watch Industry and your Company in particular, with the various government agencies.

FINANCE

The Company does not hold any fixed deposits from the public, shareholders & employees. There were no overdue / unclaimed deposits as on 31 March 2013.

During the year under review, the Company made payment aggregating to Rs. 32.54 Crore by way of Central, State and local sales taxes and duties as against Rs. 41.96 Crore in the previous year.

DIVIDEND

In view of the losses for the year ended March 31, 2013 and accumulated losses, the Board of Directors of your Company is constrained not to recommend any dividend for the year under review

LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The annual listing fee for the year 2013-2014 has been paid to the Exchange.

SEGMENT WISE REPORTING

The segment wise information for watches and other activities are provided in the Notes to the Accounts.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has endeavoured to continuously improve the internal controls relating to financial reporting. Your Company has well established procedures for internal control, which are commensurate with its size and operations.

The internal control mechanism is comprised of a well-defined organization, who undertake time bound audits and report their findings to the Audit Committee with documented policy guidelines, predetermined authority levels and processes.

The systems are regularly reviewed by the Audit Committee to ensure and review their effectiveness and implementation. The Statutory Auditors of the Company also attend these meetings and convey their views on the adequacy of internal control systems as well as financial disclosures. The Audit Committee also issues directives for enhancement in scope and coverage of specific areas, wherever felt necessary.

HUMAN RESOURCES

Your company believes that its People are its most critical assets. To keep them challenged and motivated your Company provides

TIMEX GROUP

a challenging work environment and encourage high performance, ownership and team work. Your company believes that a winning culture is essential to its success. This begins with the way employees are treated, protecting their health and safety, rewarding their performance, developing their potential, seeking their counsel and promoting diversity and inclusiveness. To support this, your company has established the principles of good labor standards, equal opportunity for employment, ethical work environment, respect and health regard for diversity and believes in following a code of conduct in order to further cultivate a culture of social responsibility at all levels.

Your Company comprises a small team of professionals, who are result oriented, committed and loyal. As on 31 March 2013, your Company had 318 employees on the Company rolls.

Attracting and retaining the bright talent and improvement in the quality of manpower at retail stores are identified as key challenges and being addressed accordingly through various training initiatives and retention tools.

The information required as prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed herewith forming part of this report. However as per provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, only the report and accounts are being sent to all the shareholders excluding the statement of particulars of employees under Section 217 (2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office address of the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, outlining the Company's objective, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied in the statements. The important factors that could influence the Company's operations include demand and supply conditions affecting sale price of finished goods, input availability and prices, changes in government regulation, tax laws, economic developments within the country and abroad and such other factors such as litigation and industrial relation etc.

DEMATERIALISATION

Since year 2000, the equity shares of your Company are being compulsorily traded in dematerialization form. As on 31 March 2013, 32359 no. of shareholders representing 97.02% of the Equity Share are holding shares in the dematerialized form.

DIRECTORS

In accordance with Section 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Daya Dhaon retires by rotation as a Director of the Company, and being eligible, offers himself for re-appointment.

Mr. Gary Piscatelli was appointed as an Additional Director during the year to hold office up the date of forthcoming shareholders meeting. Mr. Piscatelli has been subsequently appointed as Chairman of the Board of Directors pursuant to the provisions of Articles of Association of the Company. Your Company has received a notice from shareholder seeking his appointment as a Director of your Company pursuant to section 257 of the Companies Act 1956.

Mr. M.K. Bandyopadhyay was appointed as an Additional Director of the Company to hold office up to the date of the forthcoming shareholders meeting. Mr. Bandyopadhyay was subsequently appointed as Acting Managing Director of the Company in place of Mr. V D Wadhwa who resigned from the directorship and the post of Managing Director with effect from 31 January 2013. Your Company has received a notice from a shareholder seeking his appointment as a Director of your Company pursuant to section 257 of the Companies Act 1956.

Mr. Kapil Kapoor and Mr. Arthur Morissette resigned from the directorship of the Company with effect from 30 May 2013 and 1 March 2013 respectively.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- (i) That in preparation of the Balance Sheet and the Profit & Loss Account of the Company, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the practicing Company Secretary confirming compliance is set out in the Annexure forming part of this report.

CONSERVATION OF ENERGY

Information required as per Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

AUDITORS

The auditors, M/s BSR & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

COST AUDITORS

Pursuant to the Order as notified by the Ministry of Corporate Affairs (Cost Audit Branch) vide circular dated 6 November 2012 read with Cost Audit Report Rules 2011, the Company has appointed, M/s H. Tara and Company, Cost Accountants, as the Cost Auditor of the Company for the financial year 2013-14 for conducting the audit of the Cost Records of the Company.

AUDITORS' REPORT

Your Board has duly examined the Report issued by the Statutory Auditor's of the Company on the Accounts for the financial year ended 31 March 2013 and their comment about the managerial remuneration. The Company's application for approval of the excess remuneration paid to the Managing Director of the Company is pending before the Central Government.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the support and cooperation, which the Company continues to receive from its customers, the watch trade, the New Okhla Industrial Development Authority, the Governments of Uttar Pradesh and Himachal Pradesh, and finally the Members of the Company and its employees.

For and on behalf of the Board of Directors

Chairman

ANNEXURE TO THE DIRECTOR'S REPORT

(Additional Information given in terms of notification no.1029 of 31 December, 1988 issued by the Department of Company Affairs)

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY POWER AND FUEL CONSUMPTION

	2012-13	2011-12
UPSEB/ HPSEB Power purchase (units)	596739	664224
Total Amount (in Rs.)	3841434	3587468
Rate per unit (in Rs.)	6.44	5.40
Own generation (units)	63229	67139
Cost per unit (in Rs.)	10.71	10.12
Units per litre of diesel	3.77	3.91

TECHNOLOGY ABSORPTION

Research and Development (R&D)

Areas in which R&D carried out by the Company

Development -

- 1) Development of Chrono hand driving & fit-up E-tester tool for IQ styles.
- 2) Installation of timer and auto pressure release circuit on Aquavac.
- 3) Fit-up loading pattern in cases modified for productivity improvement

Future plan of action

- 1) Development of vacuum pencil to pick and place plastic wheels on movements
- 2) Fabrication of Gauge for SS Hand level checking for 9xx series
- 3) Design and implement timer circuit on Hormec water test for improved quality
- 4) Modification of case back closing punch for better quality & productivity

Technology Absorption, Adoption and Innovation Benefits

Upgraded process automations will help improve productivity and quality and reduce assembly costs.

Foreign Exchange Earned

The Company has earned Rs.12.65 Crores in Foreign exchange and used Rs.35.56 Crores.

REPORT ON CORPORATE GOVERNANCE

Your Company appreciates the need of upholding highest standard of Corporate Governance in its Operation. It has always been an endeavor of the Company to adopt & implement best Practices of Corporate Governance, disclosure standards and enhancing shareholder value while protecting the interests of other stakeholders, clients, suppliers and its employees.

As mandatory under Clause 49 of the Listing Agreement, the Company has complied with the conditions of Corporate Governance by establishment of a framework for compliance with SEBI Regulations.

A. MANADATORY REQUIREMENTS

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance assumes a significant role in the business life of Timex. The driving forces of Corporate Governance at Timex are its vision and core values, as described hereunder:

VISION

The Timex Group vision is anchored in our rigorous focus on long lasting relationships with our customers and our commitment to build the power of our brands, underpinned by our peoples will to win.

By transforming ourselves into a truly Global Company and intent on globalizing the mindset of our people, we are building one of the most powerful portfolios of brands in the watch and jewelry industry.

Our vision for the future goes way beyond timekeeping. We will delight and surprise our customers through innovation in design, technology and application of our brands and deliver a superior customer experience. This will lead to enhanced values for our shareholders and increase returns on investments and assets.

Deeply committed to our Corporate Social Responsibility and our values, we will build pride in our people and win the best future talent for our Group.

VALUES

- The customer is our most important asset,
- Corporate Social Responsibility is our foundation,
- Truth, transparency and respect for our differences are our pillars of strength,
- We work together to achieve Group goals,
- Our core values encompass integrity, responsibility and courage,
- We reward performance and results and we value a culture of discipline,
- We are fair and listen to our people and we expect them to always look for a better way,
- We protect our assets,
- We want to win.

BOARD OF DIRECTORS

(a) Composition of the Board

The Composition of the Board of Directors of the Company is in conformity with the requirements of Clause 49 of the Listing Agreement. Currently, the Board of Directors consists of six Directors. All the Directors are well qualified professionals in their respective arenas. The composition and the category of Directors on the Board of the Company is as under:

Names of the Directors	Category	Number of Shares held	No. of Directorship held in other Public Companies (1)*	No. of Membership/ Chairmanship in other Board Committees (2)*	
				Membership	Chairmanship
Mr. Gary Piscatelli	Chairman and Non-Executive Director	Nil	Nil	Nil	Nil
Mr. M K Bandyopadhyay	Acting Managing Director	Nil	1	1	-
Mr. Daya Dhaon	Non- Executive-Independent Director	Nil	-	-	-
Ms. Gagan Singh	Non- Executive-Independent Director	Nil	-	-	-
Mr. Pradeep Mukerjee	Non- Executive-Independent Director	Nil	-	-	-
Mr. Bijou Kurien	Non- Executive-Independent Director	3800	4	-	-
Mr. Ryan Todd Roth	Alternate Director to Mr. Gary Piscatelli	Nil	-	-	-

*As on 31st March, 2013

1. *Does not include directorships / committee position in Companies incorporated outside India, Private Limited Companies and the Companies registered under Section 25 of the Companies Act, 1956.*
2. *Only Audit Committee and Shareholders Grievance Committee have been considered for the purpose of ascertaining no. of membership & Chairmanship of Committee across all the public companies.*

(b) Appointment/ Re-appointment of Director(s)

In terms of the provisions of the Companies Act, 1956 (the “Act”) and the Articles of Association of the Company, Mr. Daya Dhaon will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to the provision of Section 260 and other applicable provisions of the Companies Act, 1956 and Article 103 (a) and 106 of the Articles of Association of the Company, the Board of Directors of the Company have appointed Mr. Gary Piscatelli as an Additional Director and Chairman of the Company effective 9 April 2013 and 30 May 2013 respectively.

Further, pursuant to the provisions of Section 260 and other applicable provisions of the Companies Act, 1956 and Article 103 and 106 of the Articles of Association of the Company and subject to the approval of members of the Company, the Board of Directors have appointed Mr. M.K. Bandyopadhyay as Additional Director and Acting Managing Director of the Company with effect from 1 February 2013 in place of Mr. V.D. Wadhwa who resigned as the Managing Director of the Company with effect from 31 January 2013.

Mr. Kapil Kapoor had resigned as the Director of the Company with effect from 30 May 2013. Mr. Arthur Morissette resigned as Director of the Company with effect from 1 March 2013.

TIMEX GROUP

The Brief Profile of the above named Directors seeking appointment/ re-appointment is given below:

Mr. Daya Dhaon

Mr. Dhaon is an Independent Director on the Board of Timex Group India Limited. He is a graduate from Cambridge University and Harvard Business School and has a varied experience both in Private & Public sectors. He was Chairman of Hindustan Copper Limited during 1970-1978 and of MMTC during 1980-1983. He has also worked abroad in manufacturing & investment banking industry. He was also involved with business international of the Economist (UK) & Joint business council of FICCI & Assocham.

Mr. Daya Dhaon does not hold any shares in the Company as on date.

Directorship in other Company

Nil

Mr. Gary Piscatelli

Mr. Gary Piscatelli is a seasoned financial executive with more than 25 years of hands-on senior management experience most recently as Chief Financial Officer of Timex Group USA Inc. He is experienced in cash flow forecasting, managing internal costing systems, internal and external financial reporting, implementing cost reduction initiative and rationalization of headcount and plant facilities. Gary has also handled business acquisitions with responsibility for integrating all accounting and financial operations.

He does not hold any shares in the Company as on date

Directorship in other Companies

Foreign Companies

Timex Group Luxury Watches B.V.

Timex Group Magyarorszag Kft.

Timex Group USA, Inc.

Vertime B.V.

Mr. M K Bandyopadhyay

Mr. M.K. Bandyopadhyay is a mechanical engineer with over 30 years of comprehensive large-scale management and engineering experience in diversified Industry fields. He joined Timex Group India Limited in 2001 and has largely contributed towards restructuring of Supply Chain and Manufacturing operations from in-house integrated processes to outsourced model, re-engineered & value-engineered product, processes and after-sales service function and has managed the green field project at Baddi, HP right from initial inception, through development, to execution, consolidating all manufacturing functions at Baddi. He has an unexcelled record of bringing in mission-critical projects in on schedule and within budget, has outstanding communication talents with proven ability to build and lead highly efficient teams to deliver to business requirements. He also remained instrumental in establishing operations and growth of Timex Group Precision Engineering Limited from a captive tool room to a fully integrated tools and plastics business with customers in India and overseas.

Prior to joining TGIL, Mr. Bandyopadhyay was associated with Honda Siel Cars (I) Ltd. (Subsidiary of Honda Japan), Xerox Modi Corp Ltd. (Subsidiary of Xerox Corp. USA) and ORG Systems Ltd. (an Ambalal Sarabhai Enterprise).

He does not hold any shares in the Company as on date.

Directorship in other Companies

Public Companies

Timex Group Precision Engineering Limited

Private Companies

Time Master India Pvt. Limited

(c) Board Meetings

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. In case of exigencies or urgencies, resolutions are considered by Circulation as well.

The Board met six times during financial year 2012-2013 on 31 May 2012, 3 August, 2012 19 October 2012, 30 October 2012, 30 January, 2013 and 31 January, 2013 to consider amongst other business matters, the quarterly performance of the Company and financial results. Directors attending the meeting actively participated in the deliberations at these meetings.

Board/ General Meetings and Attendance

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting held during the financial year 2012-13 is as under:

Name	No. of Meetings attended	Attendance at last AGM
Mr. M K Bandyopadhyay	-	-
Mr. Daya Dhaon	6	Yes
Ms. Gagan Singh	6	Yes
Mr. Pradeep Mukerjee	5	Yes
Mr. Bijou Kurien	5	Yes
Mr. Kapil Kapoor	6	Yes
Mr. V.D. Wadhwa	5	Yes
Mr. Arthur Morissette	3	Yes

1. Mr. M K Bandyopadhyay has been appointed as an Acting Managing Director w.e.f 1 February, 2013
2. Mr. V.D. Wadhwa, Mr. Arthur Morissette and Mr. Kapil Kapoor resigned with effect from 31 January 2013, 1 March 2013 and 30 May 2013 respectively.

BOARD COMMITTEES

Details of the role and composition of Board Committees constituted as per requirements of Clause 49 of the Listing Agreement, including number of meetings held during the financial year and attendance thereat are provided below:

(a) Audit Committee

The Audit Committee of the Company was constituted in July 1999 in line with the provisions of Clause 49 of the Listing Agreement with the Bombay Stock Exchange read with Section 292A of the Companies Act, 1956. The Company Secretary of the Company acts as the Secretary of the Committee.

The Company has adequately qualified and independent Audit Committee. Currently, Audit Committee comprises of five Directors: Mr. Gary Piscatelli, Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee and Mr. Bijou Kurien. Four of the five members on the Committee are independent. The Committee is chaired by Ms. Gagan Singh, who is an independent Director having vast experience and expertise in the area of finance and accounts.

The charter of role and responsibilities of the Audit Committee includes the following major areas;

- Reviewing the adequacy of internal control system and the Internal Audit Reports, and their compliance thereof.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- Recommending the appointment of external auditors and fixation of their audit fee, and also approval for payment for any other services
- Reviewing with Management the quarterly and annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Significant adjustments arising out of audit.
 - Qualifications in draft audit report.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc, which may have potential Conflict with the interests of Company at large.

TIMEX GROUP

During the year under review, the Audit Committee met four times on 31 May 2012, 3 August 2012, 30 October, 2012 and 31 January 2013. The details of member's attendance at the Audit Committee Meetings during the financial year 2012-2013 are as under:

Name of Director	No of meetings attended
Ms. Gagan Singh	4
Mr. Daya Dhaon	4
Mr. Pradeep Mukerjee	4
Mr. Bijou Kurien	4
Mr. Kapil Kapoor*	4
Mr. Arthur Morissette*	2

* *Mr. Arthur Morissette and Mr. Kapil Kapoor resigned w.e.f. 1 March 2013 And 30 May 2013 respectively.*

The Chief Financial Officer, Internal Auditor and the Statutory Auditors were invited and they duly attended the Audit Committee meetings. The Committee held discussions with the management of the Company and with the Statutory Auditors to review the quarterly, half-yearly and annual audited financial statements and to recommend its views to the Board of Directors of the Company. The Committee also reviewed the internal control systems and the effectiveness of Internal Audit function.

(b) Remuneration Committee

The Remuneration Committee was constituted in May 2003, to decide and recommend the remuneration of Directors including the Managing Director of the Company. The remuneration of all the Senior Management of the Company with direct reporting to the Managing Director of the Company is also reviewed and recommended by the Remuneration Committee. Currently, the Committee comprises of three Non- Executive Directors, namely Mr. Daya Dhaon, Ms. Gagan Singh and Mr. Pradeep Mukerjee. Mr. Daya Dhaon, an Independent Director is the Chairman of the Committee. The Committee meets periodically as and when required. None of the Directors, except Managing Director draws remuneration from the Company.

During the year under review, the Remuneration Committee met three times on 31 May 2013, 3 August 2013 and 31 January 2013. The details of member's attendance at the Remuneration Committee Meetings during the financial year 2012-2013 are as under:

Name of Director	No of meetings attended
Mr. Daya Dhaon	3
Ms. Gagan Singh	3
Mr. Pradeep Mukerjee	2
Mr. Kapil Kapoor*	3

**Mr. Kapil Kapoor resigned w.e.f. 30 May 2013*

(c) Shareholders/Investors Grievance Committee

A Shareholders / Investors Grievance Committee headed by a Non-Executive Director was formed in January 2002 which was subsequently merged with the Share Transfer Committee on 31 July 2002 in view of the commonalities of area of work and was renamed as Share Transfer & Shareholders / Investors Grievance Committee, to approve all matters pertaining to share transfers, transmissions, issuance of duplicate shares, transposition etc and also to provide the shareholders of the Company with additional assurance that sufficient information is being provided to enable them to form a reasoned opinion on the working of the Company and to ensure speedy redressal of their grievances pertaining to share related issues.

Currently, the Committee comprises of five Non-Executive Directors namely Mr. Gary Piscatelli, Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee and Mr. Bijou Kurien. The Chairman of the meeting is elected by majority at each meeting. The Company Secretary is the Secretary of the Committee and attends its meetings. She/He addresses shareholders complaints, monitors share transfer process and liaisons with the regulatory authorities, as required.

During the year under review, the Shareholders / Investors Grievance Committee met four times on 31 May 2012, 3 August 2012, 30 October, 2012 and 31 January 2013. The details of member's attendance at the Shareholders / Investors Grievance Committee Meetings during the financial year 2012-2013 are as under:

Name of Director	No of meetings attended
Mr. Daya Dhaon	4
Ms. Gagan Singh	4
Mr. Pradeep Mukerjee	4
Mr. Bijou Kurien	4
Mr. Kapil Kapoor*	4
Mr. Arthur Morissette*	2

**Mr. Arthur Morissette and Mr. Kapil Kapoor has resigned w.e.f. 1 March, 2013 and 30 May 2013 respectively.*

The Committee was formed specifically to look into the redressal of shareholders & investors grievances pertaining to:

- 1) Transfer of shares and its timelines
- 2) Transmission of shares
- 3) Issuance of duplicate shares
- 4) Investors / shareholders grievance(s) pertaining to all type of matters concerning their dealing with the Company with respect to their investment in the securities of the Company, more specifically pertaining to non-receipt of Annual Reports, delay in transfers, non redressal of complaints, non receipt of dividend, dematerialization related issues etc.
- 5) All other day-to-day matters governing the relationship between the Company and its shareholders.

CODE OF CONDUCT

The Company has formulated and adopted a Code of Conduct for its Board of Directors and senior management and has put the same on the Company's website www.timexindia.com. The Code has been circulated to all members of the Board and Senior Management and they have affirmed the compliance of the same. A declaration signed by the Managing Director of the Company is annexed hereto.

POLICY ON PREVENTION OF INSIDER TRADING

The Company has formulated a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's updated Code is available on the Company's website.

DESIGNATED E-MAIL ADDRESS FOR INVESTOR SERVICES

In terms of Clause 47 (f) of the Listing Agreement designated email address for investor complaints is investor.relations@timex.com

DISCLOSURES

- (a) **Related Party Transactions:** The Audit Committee has been reviewing the disclosure of Related Party Transactions periodically. There is a cross charge of expenses which is established between your Company and Timex Group Precision Engineering Limited (Group Company) on account of Manpower Cost and Rentals respectively. Beside this transaction, the Company does not have any related party transactions, which are material in nature that would have a potential conflict with the interests of the Company at large.
- (b) **Details of Non-compliance:** There have been no cases of penalties, strictures imposed on the Company by Stock exchange or SEBI or any other statutory authority, on any matter relating to capital markets, during the last three years.

- (c) **Risk Management:** The Company has laid down procedures so as to ensure that the executive management controls risk through means of a properly defined framework and to inform the Board members about the same and has engaged the services of a leading Chartered Accountant's firm to carry out this activity on a regular basis and inform the Board members about the risk assessment and minimization procedures.
- (d) **Secretarial Audit :** Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996 certificates have also been received from a Company Secretary-in-Practice reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company and submitted the same to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter.
- (e) **Disclosure of Accounting Treatment:** The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements; the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- (f) **CEO/CFO Certification :** The Managing Director (CEO) and Chief Financial Officer(CFO) have placed before the Board of Directors a certificate relating to the financial statements, in accordance with clause 49 (V) of the Listing Agreement for the financial year ended 31 March 2013 which is annexed hereto.

DIRECTORS' REMUNERATION

Non Executive Directors including Independent Directors do not have any pecuniary relationships or transactions with the Company. However, they were paid only the sitting fees for attending the meetings of the Board of Directors or Committees within the limits as prescribed under the Companies Act, 1956. Further, there were no other pecuniary relationships or transactions of the Non Executive Directors vis-à-vis the Company.

Remuneration of Executive Directors is decided by the Board of Directors, subject to the approval of shareholders, based on recommendation of Remuneration Committee.

Remuneration paid to the Managing Director for the year ended 31 March 2013 and the disclosure as per the requirements of Schedule XIII of the Companies Act, 1956, are as follows:

Break up of Remuneration paid	Mr. M.K. Bandyopadhyay	Mr. V.D. Wadhwa
Basic Salary and Allowances	961668	5588480
Perquisites	166666	1233333
Performance Bonus	-	1589402
Retiral Benefits	123984	6550202
Total	1252318	14961417

MEANS OF COMMUNICATION

Website, where results are	:	The financial results are displayed on www.timexindia.com
Quarterly/Annual Results	:	Financial Results are published in the Newspapers as required under the Listing Agreement.
Newspaper in which results are normally Published	:	The Business Standard, Business Standard, Vernacular published (Hindi) Newspaper.
Whether Management Discussion & Analysis is a part of the Annual Report	:	Yes

All Financial Results and other material information about the Company are promptly sent through fax/email to the Bombay Stock Exchange and the same is then either hand delivered or sent by courier to the respective Stock Exchange.

GENERAL SHAREHOLDERS' INFORMATION

AGM: Date, time and venue	:	Wednesday, 7 August 2013 at 10:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi -110010.
Financial Year	:	April 1, 2012 to March 31, 2013
Directors seeking appointment/re-appointment	:	As required under Clause 49(IV)(G), particulars of Directors seeking appointment/re-appointment are given in the Report on Corporate Governance forming part of the Annual Report.
Tentative calendar of events for the financial year 2013-14 (April – March)	:	To review and approve unaudited Financial Results for the quarter First quarter - ended July 2013 Second quarter - ended October 2013 Third quarter - ended January 2014 Fourth quarter - ended May 2014
Book closure Date	:	1 August 2013 to 2 August 2013 (both days inclusive)
Listing of shares on Stock Exchanges	:	Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Registered Office	:	117, Ground Floor, World Trade Centre, Babar Road, New Delhi-110001.
Listing Fees	:	Listing fees as prescribed has been paid to the Stock Exchange up to 31 March 2014
Share Registrar & Transfer Agents	:	Alankit Assignments Limited 2E/21 Alankit House, Jhandewalan Extension, New Delhi – 110055 of the Company for both physical and electronic mode of share transfers. Contact Person: Mr. J K Singla, Phones : 011-42541234 Fax : 011-23552001 Email : rta@alankit.com info@alankit.com Website : www.alankit.com

SHARE TRANSFER SYSTEM

The Company has appointed Alankit Assignments Limited as Registrar and Shares Transfer Agent. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within fifteen days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Limited (CDSL) within twenty-one days.

All the transfers received are processed and approved by the Share Transfer & Shareholders / Investors Grievance Committee at its meetings. For redressal of transfer related grievances, shareholders may contact Ms. Shilpa Verma –Company Secretary at the registered office address of the Company

INVESTOR SERVICES

Number of Complaints received from the shareholders during the year ended 31 March, 2013.

Complaints outstanding as on April 1, 2012	0
Complaints received during the year ended March 31, 2013	8
Complaints resolved during the year ended March 31, 2013	7
Complaints pending as on March 31, 2013	1

TIMEX GROUP

OTHERS

Name and designation of compliance officer: Ms. Shilpa Verma - Company Secretary.

Venue and Time of the Last Three General Body Meetings

Date	Category	Venue	Time	No. of Special Resolutions
22.07.2010	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	-
29.07.2011	AGM	Sri Fort Auditorium, August Kranti Marg, New Delhi	11.00 AM	-
03.08.2012	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	1

The resolutions were (including special resolution) passed on show of hands with requisite majority. The venue of the General Meeting of the Company has been chosen for its location, prominence, and capacity.

Postal Ballots

During the year, the company conducted 1 postal ballot for the equity shareholders in accordance with the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011. Postal Ballot Notice containing proposed resolution and explanatory statement thereto was sent to the registered addresses of the shareholders along with the Postal Ballot form and a postage pre paid envelop containing the address of the Scrutinizer appointed by the Board. The Postal Ballot Forms received within 30 days of dispatch were considered by the Scrutinizer and thereafter Scrutinizer submitted his report to the Company for declaration of results. The results were published in the Business Standard (Hindi and English edition) and also placed at the website of the Company.

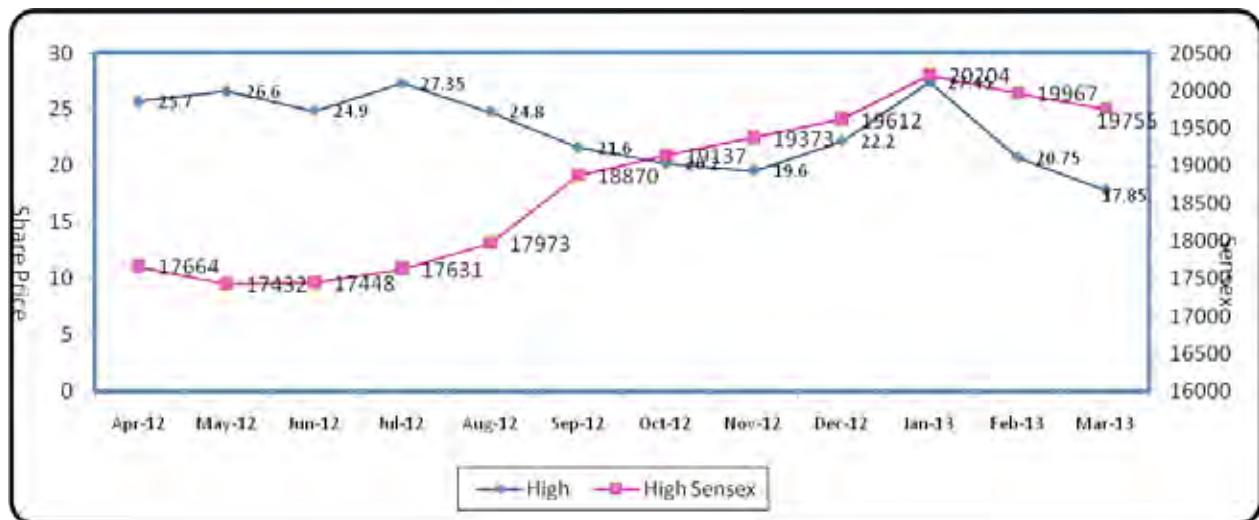
Details of the voting pattern and resolutions are given below:

Date of Declaration of Postal Ballot Results	Name of Scrutinizer	Brief particulars of resolution	Percentage of votes cast in favour of the resolution
23 May 2013	Mr. Neelesh Kumar Jain	Special Resolution to consider the variation in terms of 25,00,000 0.1% Non Cumulative Redeemable Non Convertible Preference Shares	99.98%

STOCK PERFORMANCE

Market price data: The monthly high and low stock quotations during the last financial year at the Bombay Stock Exchange and performance in comparison to BSE Sensex are given below:

Month	High	Low
Apr-12	25.70	22.60
May-12	26.60	22.00
Jun-12	24.90	21.85
Jul-12	27.35	22.75
Aug-12	24.80	19.10
Sep-12	21.60	18.40
Oct-12	20.20	16.60
Nov-12	19.60	16.80
Dec-12	22.20	17.60
Jan-13	27.45	20.50
Feb-13	20.75	17.00
Mar-13	17.85	12.60



STOCK CODE

The stock code of the Company at BSE	:	500414
ISIN allotted by National Securities Depository Limited and Central Depositories Securities Limited for Equity Shares	:	INE064A01026

The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. Share received for physical transfers are registered within a maximum period of two weeks from the date of receipt, if the documents are clear in all respects.

As on 31 March 2013, the distribution of Company's shareholding was as follows: -

No. of Shares	No. of Share holders	% of Shareholders	Share Amount	% of Amount
UPTO - 2500	60142	98.14	12047094	11.93
2501 - 5000	592	0.97	2238344	2.22
5001 - 10000	303	0.49	2324433	2.30
10001 - 20000	128	0.21	1951224	1.93
20001 - 30000	39	0.06	965609	0.96
30001 - 40000	20	0.03	674186	0.67
40001 - 50000	24	0.04	1120281	1.11
50001 - 100000	21	0.03	1489871	1.48
100001 AND ABOVE	14	0.02	78138958	77.40
TOTAL	61283	100.00	100950000	100.00

DEMATERIALISATION OF SHARES

Dematerialization of shares: The Company appointed M/s Alankit Assignments Limited as depository registrar and signed tripartite agreements with NSDL/CDSL to facilitate dematerialization of shares. Shares received for dematerialization are generally confirmed within a maximum period of two weeks from the date of receipt, if the documents are clear in all respects. There are **32359** no. of shareholders holding their shares in dematerialized form, which represent **97.02%** of the paid up capital of the Company as on 31st March, 2013.

PLANT LOCATION

Timex Group India Limited,

Plot No-10, Baddi, Ind. Area Katha, Near Fire Station Baddi, Nalagarh, Solan, Himachal Pradesh.

Address for correspondence:

Timex Group India Limited, 117, GF, World Trade Centre, Babar Road, New Delhi -110 001

B. NON MANDATORY

REMUNERATION COMMITTEE

The details are given under the heading “Board Committees”

CORPORATE POLICY MANUAL

The Timex Group has a Corporate Policy Manual outlining the policies applicable to the Group Companies so that it promotes ethical and moral behavior in all its business activities. Employees are free to report a violation of any law, mismanagement, gross waste or misappropriation of funds, a substantial and specific danger to public health and safety, or an abuse of authority without fear of retribution or even can request advice when in doubt about the propriety of some action. Employees also may, if they wish, make anonymous reports of violations or other irregularities. The Corporate Policy Manual is available on Timex group website at below stated link.

The Company also has in place a “Women’s Committee” since 01 October 2003, to take care of cases of sexual harassment in workplace. This Committee is chaired by a woman running an independent NGO and is assisted by a team of women employees.

TRAINING OF BOARD MEMBERS: The Company’s Board of Directors consists of professionals with expertise in the respective fields. They endeavor to keep themselves updated with the global economic changes and various legislations. They attend various workshops and seminars to keep themselves abreast with the changing business environment.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as per Clause 49(V) of the Listing Agreement

The Board of Directors
Timex Group India Limited
New Delhi

Certification to the Board pursuant to clause 49(v) of the listing agreement

This is to certify that;

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and Audit Committee;
 - i) significant changes in internal control during the year over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in Company’s internal control system over financial reporting.

Sd/-
M K Bandyopadhyay
Acting Managing Director

Sd/-
Sachin Selot
CFO

Dated: 30 May, 2013

DECLARATION BY THE CEO UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, Affirmation that they have complied with the Code of Conduct in respect of the financial year 2012-2013.

Sd/-
M K Bandyopadhyay
Acting Managing Director

CERTIFICATE

To the Members of Timex Group India Limited

We have examined the compliances of the conditions of Corporate Governance by Timex Group of India Limited, for the financial year ended on 31 March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company entered with Bombay Stock Exchange Limited

The Compliances of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for insuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. K. MALHOTRA & CO.
Company Secretaries

29 June 2013
New Delhi

Sd/-
K.K. MALHOTRA
C. P. No. : 446

INDEPENDENT AUDITOR'S REPORT

To the Members of
Timex Group India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Timex Group India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Managerial remuneration of Rs 7.46 lakhs provided by the Company in the previous year was in excess of the amount approved by the Central Government for which the application of the Company to the Central Government was rejected vide its letter dated 26 July 2012. The Company has requested the Central Government to re-consider the same and an application has been made in this regard by the Company vide its letter dated 30 August 2012. Pending approval from the Central Government in this regard, the impact thereof on the loss of the Company for the current year, to the extent of amount of excess remuneration that may be disallowed by the Central Government, if any, is presently unascertainable. We had also qualified our previous year audit report for the above matter.

Further, the Company had applied to the Central Government seeking approval of managerial remuneration for the period 29 April 2012 till 28 April 2013 vide its application dated 7 September 2012. The remuneration paid is in excess of the limits specified in the Companies Act, 1956. The managerial person of the Company in respect whom the approval was sought has since resigned with effect from 31 January 2013. Pending approval from the Central Government, the impact of the excess remuneration paid, if any, on the loss of the Company for the current year is presently unascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B S R & Co.
Chartered Accountants
Firm Registration No.: 101248W

Place: Gurgaon
Date: 30 May 2013

Vikram Advani
Partner
Membership No.: 091765

Annexure referred to in our report to the members of Timex Group India Limited on the accounts of the Company for the year ended 31 March 2013

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. According to this programme, the Company has verified all its assets over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification. For assets lying with third parties at the year-end, written confirmations have been obtained.
(c) In our opinion, and according to information and explanations given to us, fixed assets disposed off during the year are not substantial and therefore, do not affect the going concern assumption.
- (ii) (a) According to the information and explanations given to us, the inventories, except goods-in-transit have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. As informed to us, the discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b) to (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods and services sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lakh are for the specialized requirements of the Company/buyers for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear to be reasonable.
- (vi) The Company has not accepted any deposits from public.
- (vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the products covered

and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensure whether they are adequate or complete.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues, as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of Wealth tax are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues, as applicable, were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of Service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income tax, Sales tax, Customs duty and Excise duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amounts (Rs. lakhs)	Amounts paid under protest (Rs. lakhs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Central Excise Act, 1944	Excise duty (Cenvat credit) Penalty	43 43	7	1995-96 to 1998-99	CESTAT, New Delhi
Central Excise Act, 1944	Excise duty Penalty	16 1	-	1999-2000 to 2000-01	Supreme Court
Central Excise Act, 1944	Excise duty	6	5	1992-93 and 1996-97	Deputy Commissioner, Central Excise
Central Sales Tax Act, 1956	Sales Tax	59	-	1994-95	Deputy Commissioner – Commercial tax
The Kerala Sales Tax Act, 1963	Sales Tax	1	-	1995-96	Assistant Commissioner – Sales Tax
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	8	-	1992-93 to 1993-94	Commercial taxation officer
Andhra Pradesh Sales Tax Act, 1957	Sales Tax	1	-	1995-96	Commercial taxation officer
Karnataka Sales Tax Act, 1957	Cess	1	-	1995-96	Deputy Commissioner – Commercial taxes
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	9	9	2002-03	High Court, Chennai
Customs Act, 1962	Customs duty	8	8	1995-96	Commissioner, Customs (Appeals)
The Kerala Value Added Tax Rules, 2005	Sales Tax	1	1	2009-10	Assistant
The MP Value Added Tax	Sales Tax	7	1	2009-10	M.P VAT Authority
The Kerala Value Added Tax Rules, 2005	Sales Tax	20	-	2010-11	Kerala VAT Authority
Income Tax Act, 1961 *	Income Tax	610	-	2001-02	Income tax Appellate Tribunal
Income Tax Act, 1961 *	Income Tax	786	-	2002-03	Income tax Appellate Tribunal
Income Tax Act, 1961 **/**	Income Tax	397	-	2003-04	Income tax Appellate Tribunal

Name of the Statute	Nature of the dues	Amounts (Rs. lakhs)	Amounts paid under protest (Rs. lakhs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Income Tax Act, 1961 *	Income Tax	329	-	2004-05	Income tax Appellate Tribunal
Income Tax Act, 1961 *	Income Tax	341	-	2005-06	Income tax Appellate Tribunal
Income Tax Act, 1961 *	Income Tax	75	-	2006-07	Commissioner of Income Tax, (Appeals)
Income Tax Act, 1961 *	Income Tax	2,000	-	2007-08	Commissioner of Income Tax, (Appeals)
Income Tax Act, 1961 *	Income Tax	2,686	-	2008-09	Commissioner of Income Tax, (Appeals)

* Represents additions made to the total taxable income of the Company by the tax authorities which have been disputed by the Company. No demand has been raised by the tax authorities as any additions to the income will be adjusted against the brought forward losses / unabsorbed depreciation.

** Total addition of Rs. 397 lakhs made to the total income of the Company for the financial year 2003-04, out of which Commissioner of Income Tax, (Appeals) has passed an order dated 23 March 2012 allowing a partial relief in favour of the Company and has directed the Assessing Officer (AO) / Transfer Pricing Order (TPO) to make necessary adjustments. As informed to us, the Company has not received the amended tax order from the AO/TPO after incorporation of the above changes. Further, during the current year, the tax department has filed an appeal in Income tax Appellate Tribunal against the order of Commissioner of Income Tax, (Appeals). The proceedings are under process.

- (x) The Company's accumulated losses do not exceed fifty percent of its net worth. *However, the Company has incurred cash losses during the financial year.* The Company has not incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to its bankers during the year. The Company did not have any debentures or dues to any financial institution during the year.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co.
Chartered Accountants
Firm Registration No.: 101248W

Place: Gurgaon
Date: 30 May 2013

Vikram Advani
Partner
Membership No.: 091765

TIMEX GROUP

Balance Sheet as at 31 March 2013

	Note	31 March 2013	31 March 2012 (Rs. in lakhs)
Equity and liabilities			
Shareholders' funds			
Share capital	3	5,120	5,120
Reserves and surplus	4	(2,073)	2,123
		3,047	7,243
Non-current liabilities			
Long-term provisions	5	298	275
		298	275
Current liabilities			
Short-term borrowings	6	1,027	865
Trade payables	7	6,520	5,990
Other current liabilities	8	1,890	1,810
Short-term provisions	5	482	674
		9,919	9,339
TOTAL		13,264	16,857
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	9	1,482	1,419
Intangible fixed assets	10	12	17
		1,494	1,436
Long-term loans and advances	11	352	392
Other non-current assets	12	179	326
		531	718
Current assets			
Inventories	13	3,702	4,131
Trade receivables	14	6,604	9,928
Cash and bank balances	15	561	326
Short-term loans and advances	16	342	318
Other current assets	17	30	-
		11,239	14,703
TOTAL		13,264	16,857

Significant accounting policies

2

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

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm Registration No.: 101248W

For and on behalf of the Board of Directors of **Timex Group India Limited**

Vikram Advani

Partner

Membership No.: 091765

Gary Piscatelli

Chairman

Place : Gurgaon

Date : 30 May 2013

Place : Middlebury CT, USA

Date : 30 May 2013

M.K Bandyopadhyay

Acting Managing Director

Place : New Delhi

Date : 30 May 2013

Sachin Selot

Chief Financial Officer

Place : New Delhi

Date : 30 May 2013

Shilpa Verma

Company Secretary

Place : New Delhi

Date : 30 May 2013

Statement of Profit and Loss for the year ended 31 March 2013

	Note	31 March 2013	31 March 2012 (Rs. in lakhs)
Revenue from operations			
Sale of products (gross)	18	11,974	18,228
Less: Excise duty		228	235
Sale of products (net)		11,746	17,993
Sale of services		366	305
Other operating revenues		32	53
Total		12,144	18,351
Other income	19	24	40
Total revenue		12,168	18,391
Expenses			
Cost of materials and components consumed	20	7,191	9,896
Purchase of stock-in-trade	21	255	471
Changes in inventories of finished goods, work in progress and stock-in-trade	22	353	(619)
Employee benefits	23	2,152	1,887
Finance costs	24	98	109
Depreciation and amortisation	25	223	197
Other expenses	26	6,092	5,844
Total expenses		16,364	17,786
Profit / (loss) before tax		(4,196)	605
Income tax expense			
Current tax (Minimum Alternate Tax)		-	155
Fringe benefit tax for prior years written back		-	(3)
Profit / (loss) for the year		(4,196)	453
Earnings per equity share [(nominal value of share Re 1 (previous year Re.1)]	27		
Basic		(4.47)	0.13
Diluted		(4.47)	0.13
Significant accounting policies	2		

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

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm Registration No.: 101248W

For and on behalf of the Board of Directors of **Timex Group India Limited**

Vikram Advani

Partner

Membership No.: 091765

Gary Piscatelli

Chairman

M.K Bandyopadhyay

Acting Managing Director

Sachin Selot

Chief Financial Officer

Shilpa Verma

Company Secretary

Place : Gurgaon

Date : 30 May 2013

Place : Middlebury CT, USA

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

TIMEX GROUP

Cash flow statement for the year ended 31 March 2013

(Rs. in lakhs)

	31 March 2013	31 March 2012
A. Cash flows from operating activities		
Profit before tax	(4,196)	605
Non cash adjustments :		
Depreciation and amortisation	223	197
Bad debts written off	94	-
Provision for doubtful debts and doubtful advances	332	113
Assets written off	1	1
Loss on sale of assets (net)	4	3
Unrealised foreign exchange loss	301	348
Provisions no longer required written back	(8)	(24)
Interest expense	98	109
Interest income	(18)	(10)
Operating profit before working capital changes	(3,169)	1,342
Movements in working capital:		
Increase/(decrease) in trade payables	250	632
Increase/(decrease) in long term provisions	23	20
Increase/(decrease) in short term provisions	129	24
Increase/(decrease) in other current liabilities	71	254
Decrease/(increase) in inventories	429	(765)
Decrease/(increase) in trade receivables	3,004	(2,334)
Decrease/(increase) in non-current trade receivables	48	(94)
Decrease/(increase) in loans and advances	47	156
Decrease/(increase) in other current assets	(30)	0#
Cash generated from/(used) in operations	802	(765)
Income taxes paid (net of refunds)	(73)	(351)
Net cash generated from/(used in) operating activities (A)	729	(1,116)
B. Cash flows from investing activities		
Purchase of fixed assets	(257)	(270)
Interest received	19	11
Investment in fixed deposits with original maturity period exceeding 3 months	-	(1)
Net cash generated from/(used in) investing activities (B)	(238)	(260)
C. Cash flows from financing activities		
Increase/(decrease) in short term bank borrowings	162	865
Interest paid	(98)	(109)
Dividend paid on preference shares	(274)	(274)
Tax paid on preference dividend	(46)	(46)
Net cash generated from/(used in) financing activities (C)	(256)	436
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	235	(940)
Cash and cash equivalents at the beginning of the year	326	1,266
Cash and cash equivalents at the end of the year	561	326
Notes :		
Component of cash and cash equivalents :		
Cash on hand	7	5
Cheques on hand	387	285
Balances with banks:		
On current accounts	167	36
Deposits with original maturity of less than 3 months	-	-
Cash and cash equivalents at the end of the year	561	326

Amount is below rounding off threshold adopted by the Company.

Note: The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement, notified by Central Government in the Companies (Accounting Standard) Rules, 2006.

Significant accounting policies (refer note 2)

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

As per our report attached

For B S R & Co.

Chartered Accountants

Firm Registration No.: 101248W

For and on behalf of the Board of Directors of **Timex Group India Limited**

Vikram Advani

Partner

Membership No.: 091765

Gary Piscatelli

Chairman

M.K Bandyopadhyay

Acting Managing Director

Sachin Selot

Chief Financial Officer

Shilpa Verma

Company Secretary

Place : Gurgaon

Date : 30 May 2013

Place : Middlebury CT, USA

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

Notes to the financial statements for the year ended 31 March, 2013

1. Company overview

Timex Group India Limited ('TGIL' or the 'Company'), a subsidiary of Timex Group Luxury Watches B.V., is a limited liability company incorporated on 4 October 1988 under the provisions of the Companies Act, 1956. The Company is listed on Bombay Stock Exchange in India.

The Company is engaged in the business of manufacturing and trading of watches and rendering of related after sales service. The Company's manufacturing facilities are located at Baddi, Himachal Pradesh. The Company also provides information and technology support services to group companies.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

a. Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lakhs.

b. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities on the date of the financial statements. Examples of such estimates include estimated provision for doubtful debts, warranties, future obligations under employee retirement benefit plans and estimated useful life of fixed assets, classification of assets/liabilities as current or non current in certain circumstances etc. Differences between actual results and estimates are recognised in the year in which the actual results are known or materialised. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

c. Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the criteria set out in revised schedule VI, the Company has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

d. Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and any other directly attributable costs to bring the assets to their working condition for intended use.

Depreciation on tangible assets other than leasehold land and leasehold improvements is provided under the straight line method over the useful life as estimated by the management or the derived useful life as per Schedule XIV of the Companies Act, 1956, whichever is lower. Depreciation on the following categories of fixed assets is provided at rates that are higher than the corresponding rates prescribed in Schedule XIV:

- Plant and machinery (including office equipment) at rates ranging from 4.75% per annum to 100% per annum based on technical evaluation.
- Furniture and fixtures at the rate of 20% per annum.
- Tools and moulds are fully depreciated in the year of manufacture / purchase.

Depreciation on additions is provided on a pro-rata basis from the date of acquisition/installation.

Depreciation on sale/deduction from fixed assets is provided for upto the date of sale/adjustment, as the case may be.

Leasehold land is amortised over the period of lease.

Leasehold improvements are depreciated under the straight line method over the lowest of the following:

- period of the lease
- useful life as estimated by management

Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.

Gain or loss arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Profit and Loss when assets are derecognised.

e. Intangible assets and amortisation

Intangible assets comprising software are carried at cost of acquisition less accumulated amortisation. Cost is inclusive of duties, taxes and any other directly attributable costs to bring the assets to their working condition for intended use.

Software is amortised over their estimated useful life of 5 years.

Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.

Gain or loss arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Profit and Loss when assets are derecognised.

f. Impairment

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard – 28 on ‘Impairment of Assets’ to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

g. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition.

In determining the cost, the weighted average cost method is used. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Finished goods and work-in-progress include appropriate share of allocable overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Finished goods held for the purpose of demonstration are amortised over a period of three years after deducting estimated residual value.

h. Employee benefits

The Company's obligations towards various employee benefits have been recognised as follows:

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Post employment benefits

In respect of defined contribution plan in the form of Superannuation, the Trustees of the Scheme have entrusted the administration of the Scheme to the Life Insurance Corporation of India (LIC). Annual contribution to the LIC is recognised as an expense in the Statement of Profit and Loss.

Charge for the year in respect of unfunded defined benefit plan in the form of gratuity has been ascertained based on actuarial valuation carried out by an independent actuary as at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Provident Fund (PF): The Company deposits certain portion of the Provident Fund contribution with the Regional Provident Fund Commissioner and will have no obligation to pay further amounts. Accordingly, this plan is considered as a defined contribution plan.

For the remaining portion of Provident Fund, the Company contributes to the PF Trust which is administered by trustees of an independently constituted Trust recognised by the Income-tax Act, 1961. Contributions, including shortfall, if any, to the Trust are charged to the Statement of Profit and Loss on an accrual basis. As the provident fund scheme has a guaranteed return linked with that under Employee Provident Fund Scheme, 1952, the same has been considered as a defined benefit plan. The present value of obligation has been determined based on actuarial valuation done by independent actuary using the Projected Accrued Benefit Method. Under this method, the Defined Benefit Obligation is calculated based on deterministic approach in respect of all accrued and accumulated provident fund contributions as at the valuation date. The cost of interest rate guarantee, if any, in respect of future provident fund contributions is not taken into consideration. This approach determines the present value of the interest rate guarantee under three interest rate scenarios: base case scenario, rising interest rate scenario and falling interest rate scenario. The Defined Benefit Obligation of the interest rate guarantee is set equal to the average of the present values determined under these scenarios in respect of accumulated provident fund contributions as at the valuation date.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other long term benefits

Compensated absences are in the nature of other long term employee benefits. Cost of long term benefit by way of accumulating compensated absences that are expected to be availed after a period of 12 months from the year end are recognised when the employees render the service that increases their entitlement to future compensated absences. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

i. Revenue recognition

Revenue from sale of goods is recognised on delivery of goods to the buyer which coincides with transfer of all significant risks and rewards of ownership. The amount recognised as sale is inclusive of excise duty and excludes sales tax and trade and quantity discounts.

Revenue from services is recognised on rendering of services to customers on accrual basis.

Interest income is recognised on a time proportion basis considering the rate of interest and amount invested.

j. Foreign currency transactions

Foreign exchange transactions are recorded using the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies remaining unsettled as at the balance sheet date are translated at the exchange rates on that date and the resultant exchange differences are recognised in the Statement of Profit and Loss.

k. Warranties

Warranty costs are estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. Provision is made for the estimated liability in respect of warranty costs in the year of sale of goods.

l. Provision for sales returns

Provision for sales returns is recognised to the extent of estimated margin on expected returns based on past trends.

m. Provision for unearned margin

Provision for unearned margin relates to certain sales where property in the goods has passed but a significant risk of ownership has not passed to the counterparty by the date of the balance sheet.

n. Taxation

Income tax expense comprises current tax (i.e amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liability or deferred tax asset is recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation. Such assets are reviewed at each balance sheet date to reassess realisation. However, where there are carried forward losses or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

The credits arising from Minimum Alternate Tax paid are recognised as receivable only if there is reasonable certainty that the Company will have sufficient taxable income in future years in order to utilize such credits.

o. Leases

Lease rentals in respect of assets taken on operating lease are charged on a straight-line basis to the Statement of Profit and Loss.

Lease income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

p. Other Provisions and Contingent Liabilities

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

q. Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term investments with original maturity of less than three months.

r. Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti- dilutive.

	(Rs. in lakhs)	
	31 March 2013	31 March 2012
3. Share capital		
Authorised (No. lakhs)		
12,500 (previous year 12,500) equity shares of Re. 1 each	12,500	12,500
450 (previous year 450) preference shares of Rs. 10 each	4,500	4,500
	<u>17,000</u>	<u>17,000</u>
Issued, subscribed and paid up (No. lakhs)		
1,009.5 (previous year 1,009.5), equity shares of Re. 1 each, fully paid up	1,010	1,010
25 (previous year 25), 0.1% non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	250	250
157 (previous year 157), 7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	1,570	1,570
229 (previous year 229), 7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	2,290	2,290
	<u>5,120</u>	<u>5,120</u>

Reconciliation of shares outstanding at the beginning

and at the end of the reporting period

	31 March 2013		31 March 2012	
	No. lakhs	Amount Rs. in lakhs	No. lakhs	Amount Rs. in lakhs
Equity shares				
At the commencement and end of the year	1,010	1,010	1,010	1,010
	<u>1,010</u>	<u>1,010</u>	<u>1,010</u>	<u>1,010</u>
Preference shares				
At the commencement and end of the year				
0.1%, non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	25	250	25	250
7.1%, cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	157	1,570	157	1,570
7.1%, cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	229	2,290	229	2,290
	<u>411</u>	<u>4,110</u>	<u>411</u>	<u>4,110</u>

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. All equity shareholders rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared by the Company subject to payment of dividend to preference shareholders.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Rights, preferences and restrictions attached to preference shares

0.1% Non-cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 0.1% per annum. In case of insufficiency of profits /no profits, the dividend on preference shares shall not be declared and distributed and the dividend liability on the preference shares for the respective year shall lapse.

7.1% Cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 7.1% per annum. In case of insufficiency of profits /no profits, the dividend on preference shares shall not be declared and distributed in the respective year but the dividend liability on the preference shares for that respective year shall be cumulated

and paid to the holders of the preference shares.

7.1% Cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 7.1% per annum. In case of insufficiency of profits /no profits, the dividend on preference shares shall not be declared and distributed in the respective year but the dividend liability on the preference shares for that respective year shall be cumulated and paid to the holders of the preference shares.

Preference shares of all classes carry a preferential right as to dividend over equity shareholders. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward whereas in the case of non-cumulative preference shares, the entitlement for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

Terms of redemption of preference shares

Maturity period for redemption of 0.1% preference shares amounting to Rs. 250 lakhs (previous year Rs. 250 lakhs) is ten years from the date of allotment i.e. 25 March 2003, with an option to the Company of an earlier redemption after 24 March 2005. The shares were due for redemption on 24 March 2013. The Company sought extension for redemption of such shares, pursuant to the provisions of Section 106 of the Companies Act, 1956 by five years i.e. 24 March 2018. The preference shareholders have agreed to this extension. The Company is in the process of complying with the provisions of the Companies Act, 1956 in relation to the same and has also sought approval from the Reserve Bank of India vide its letter dated 7 March 2013.

Maturity period for redemption of 7.1% preference shares amounting to Rs. 1,570 lakhs (previous year Rs. 1,570 lakhs) is ten years from the date of allotment i.e. 27 March 2004, with an option to the Company of an earlier redemption after 27 March 2006.

Maturity period for redemption of 7.1% preference shares amounting to Rs. 2,290 lakhs (previous year Rs. 2,290 lakhs) is ten years from the date of allotment i.e. 21 March 2006, with an option to the Company of an earlier redemption after 21 March 2008.

Shares held by holding / ultimate holding company and /or their subsidiaries/associates

	31 March 2013			31 March 2012		
	No. lakhs	Amount	No. lakhs	Amount		
	Rs. in lakhs	% holding	Rs. in lakhs	% holding		
Equity shares of Re. 1 each fully paid up held by Timex Group Luxury Watches B.V., the holding Company*	756	756	74.93	756	756	74.93
	756	756	74.93	756	756	74.93
Preference shares Timex Group Luxury Watches B.V., the holding Company	25	250	100	25	250	100
0.1% non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	157	1,570	100	157	1,570	100
7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	229	2,290	100	229	2,290	100
7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up						
	411	4,110	300	411	4,110	300

* There is no other shareholder holding more than 5% shares in the company.

	(Rs. in lakhs)	
	31 March 2013	31 March 2012
4. Reserves and surplus		
Securities premium account		
At the commencement and the end of the year	351	351
	351	351
Surplus (Profit and Loss balance)		
At the commencement of the year	1,772	1,638
Add: Profit /(loss) for the year	(4,196)	453
Less: Appropriations		
-Proposed dividend on 0.1% non cumulative redeemable non convertible preference shares [Rs Nil per share (previous year Rs 0.01 per share)]	-	0#
-Tax on proposed preference dividend as above	-	0#
-Proposed dividend on 7.1% cumulative redeemable non convertible preference shares [Rs Nil per share (previous year Rs 0.71 per share)]	-	112
-Tax on proposed preference dividend as above	-	19
-Proposed dividend on 7.1% cumulative redeemable non convertible preference shares [Rs Nil per share (previous year Rs 0.71 per share)]	-	162
-Tax on proposed preference dividend as above	-	26
Balance as at the end of the year	(2,424)	1,772
Total reserves and surplus	(2,073)	2,123
# Amount is below rounding off threshold adopted by the Company		(Rs. in lakhs)
5. Provisions		
	Long-term	Short-term
	31 March 2013	31 March 2012
Provision for employee benefits		
Gratuity (refer note 28)	167	147
Compensated absences (refer note 28)	131	128
	298	275
Other provisions		
Provision for warranties	-	41
Provision for sales returns	-	189
Provision for unearned margin	-	183
Provision for litigations	-	43
Proposed preference dividends	-	274
Tax on proposed preference dividends	-	45
Provision for current tax [net of advance tax of Rs. 203 lakhs (previous year Rs. 203 lakhs)]	-	10
	-	466
Total provisions	298	275
	482	674

Additional disclosures relating to certain provisions (as per Accounting Standard 29)

	Unearned margin		Warranty		Sales return		Litigations	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
At the commencement of the year	-	-	69	96	216	182	43	32
Provision created during the year	183	-	109	157	-	34	-	11
Provision utilised during the year	-	-	(137)	(184)	(27)	-	-	-
At the end of the year	183	-	41	69	189	216	43	43

Provision for warranties

A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. It is expected that most of this cost will be incurred over the next one year as per warranty terms.

Provision for sales returns

Provision for sales returns has been created for estimated loss of margin on expected sales returns in future period against products sold during the year. The provision has been created based on management's estimates and past trends.

Provision for unearned margin

Provision for unearned margin relates to certain sales where property in the goods has passed but a significant risk of ownership has not passed to the counterparty by the date of the balance sheet.

Provision for litigations

This represents provisions made for probable liabilities/ claims arising out of pending disputes/litigations with various regulatory authorities (in respect of excise duty, sales tax and similar matters). Above provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of outflow of resources will depend upon timing of decision of cases.

	31 March 2013	31 March 2012
6. Short-term borrowings		
Loan repayable on demand		
- Cash credit from bank (unsecured)*	27	865
Working capital loan from bank (unsecured) **	<u>1,000</u>	<u>-</u>
	<u>1,027</u>	<u>865</u>

* Cash credit facilities from bank carry interest ranging between 10%-13% p.a., computed on a monthly basis on actual amount utilised, and are repayable on demand.

Timex Group Luxury Watches BV, the holding company, has provided a standby letter of credit amounting to Rs. 3,380 lakhs (previous year Rs. 1,780 lakhs) to the bankers of the Company as a guarantee for use of cash credit and overdraft facilities.

** Working capital loan carries interest @ 10% p.a. The loan is repayable on 3 April 2013.

	31 March 2013	31 March 2012
7. Trade payables		
Trade payables	<u>6,520</u>	<u>5,990</u>

For dues to micro and small suppliers, refer note 38

	(Rs. in lakhs)	
	31 March 2013	31 March 2012
8. Other current liabilities		
Discount, selling and other expenses	1,181	985
Interest accrued but not due on borrowings	- #	-
Interest free security deposits received from dealers	17	18
Advance received from customers	155	174
Dues to employees	217	154
Excise duty payable	88	117
Sales tax payable	99	286
TDS payable	42	40
Provident fund payable	12	13
Other statutory dues payable	3	7
Book overdraft	52	1
Capital creditors	24	15
	1,890	1,810

Amount is below rounding off threshold adopted by the Company

9. Tangible fixed assets

	Leasehold land	Buil- dings*	Leasehold improve- ments	Plant and machinery	Furniture and fixtures	Office equip- ment	Computer equipment	Total
Gross block								
Balance as at 1 April 2011	155	334	155	2,066	410	96	406	3,622
Additions	-	-	-	23	272	5	36	336
Disposals	-	-	-	92	2	0 #	0 #	94
Balance as at 31 March 2012	155	334	155	1,997	680	101	442	3,864
Balance as at 1 April 2012	155	334	155	1,997	680	101	442	3,864
Additions	-	-	-	5	239	2	41	287
Disposals	-	-	-	175	0 #	-	-	175
Balance as at 31 March 2013	155	334	155	1,827	919	103	483	3,976
Depreciation								
Balance as at 1 April 2011	8	43	149	1,566	232	33	311	2,342
Depreciation for the year	2	11	2	43	94	4	37	193
Accumulated depreciation on disposals	-	-	-	88	2	0 #	0 #	90
Balance as at 31 March 2012	10	54	151	1,521	324	37	348	2,445
Balance as at 1 April 2012	10	54	151	1,521	324	37	348	2,445
Depreciation for the year	2	11	-	45	126	4	30	218
Accumulated depreciation on disposals	-	-	-	169	0 #	-	-	169
Balance as at 31 March 2013	12	65	151	1,397	450	41	378	2,494
Net block								
As at 31 Mar 2012	145	280	4	476	356	64	94	1,419
As at 31 Mar 2013	143	269	4	430	469	62	105	1,482

* Buildings are constructed on leasehold land.

The Company has leased out some of its plant and machinery under operating leases. The net carrying value of such plant and machinery given on operating leases as at 31 March 2013 is Rs. 98 lakhs (previous year Rs. 124 lakhs), gross carrying amount is Rs. 798 lakhs (previous year Rs. 853 lakhs) and accumulated depreciation Rs. 700 lakhs (previous year Rs. 729 lakhs). Depreciation charged during the year Rs. 218 lakhs (previous year Rs. 193 lakhs). Also, refer to note 29 for other details.

Amount is below rounding off threshold adopted by the Company.

(Rs. in lakhs)

10. Intangible assets	Computer Software	Total
Gross block		
Balance as at 1 April 2011	25	25
Additions	7	7
Balance as at 31 March 2012	32	32
Balance as at 1 April 2012	32	32
Balance as at 31 March 2013	32	32
Amortisation		
Balance as at 1 April 2011	11	11
Amortisation for the year	4	4
Balance as at 31 March 2012	15	15
Balance as at 1 April 2012	15	15
Amortisation for the year	5	5
Balance as at 31 March 2013	20	20
Net block		
As at 31 March 2012	17	17
As at 31 March 2013	12	12

11. Long-term loans and advances	Non current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
To parties other than related parties				
Capital advances	3	22	-	-
(<i>Unsecured and considered good</i>)	<u>3</u>	<u>22</u>	<u>-</u>	<u>-</u>
Security deposits				
(<i>unsecured</i>)				
Considered good	248	342	101	-
Considered doubtful	51	31	-	-
Less: Provision for doubtful security deposits	(51)	(31)	-	-
	<u>248</u>	<u>342</u>	<u>101</u>	<u>-</u>
Other loans and advances				
<i>Secured and considered good</i>				
Loans to employees **	-	1	1	1
<i>Unsecured and considered good</i>				
Advance income-tax [net of provision for tax				
Rs. 620 lakhs (previous year Rs. 620 lakhs)]	101	27	-	-
	<u>101</u>	<u>28</u>	<u>1</u>	<u>1</u>
	<u>352</u>	<u>392</u>	<u>102</u>	<u>1</u>

*Amount disclosed under 'Short term loans and advances'

** Secured by hypothecation of respective vehicles.

(Rs. in lakhs)

31 March 2013 31 March 2012

12. Other non-current assets

(Unsecured, considered good unless otherwise stated)

Long-term trade receivables

Unsecured, considered good	177	324
Considered doubtful	100	-
Less: Provision for doubtful receivables	(100)	-
	<u>177</u>	<u>324</u>
Bank deposits (due to mature after 12 months from the reporting date) *** (refer note 15)	2	2
Interest accrued on fixed deposits	0 #	0#
	<u>179</u>	<u>326</u>

*** Pledged with bank as security for guarantees issued on behalf of the Company.

Amount is below rounding off threshold adopted by the company

13. Inventories (valued at the lower of cost and net realisable value)

Raw materials and components [including goods in transit Rs. Nil (previous year Rs. 26 lakhs)]	1,294	1,329
Work-in-progress	45	224
Finished goods [includes goods in transit Rs. Nil (previous year Rs. Nil)]	2,338	2,557
Traded goods	25	21
	<u>3,702</u>	<u>4,131</u>

In the year ended 31 March 2013, the write down of inventories to net realisable value amounting to Rs. 5,017 lakhs (previous year Rs. 4,700 lakhs)

14. Trade receivables

Receivables outstanding for a period exceeding six months from the date they became due for payment

Unsecured, considered good	402	238
Doubtful	615	403
Less: Provision for doubtful receivables	(615)	(403)
	<u>(A)</u>	<u>402</u>
	<u>402</u>	<u>238</u>
Other receivables		
Unsecured, considered good	6,202	9,690
	<u>(B)</u>	<u>6,202</u>
	<u>6,202</u>	<u>9,690</u>
(A) + (B)	<u>6,604</u>	<u>9,928</u>

Trade receivables (unsecured, considered good) include Rs. 157 lakhs (previous year: Rs. 466 lakhs) due from companies under the same management.

	(Rs. in lakhs)	
	31 March 2013	31 March 2012
15. Cash and bank balances		
Cash and cash equivalents		
- Cash on hand	7	5
- Cheques on hand	387	285
- Balances with banks:		
On current accounts	167	36
	561	326
Details of bank balances/deposits		
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 12)	2	2
	2	2
16. Short-term loans and advances		
<i>(unsecured, considered good)</i>		
Current portion of long-term loans and advances (refer note 11)	102	1
To parties other than related parties		
Prepaid expenses	35	42
Advances to employees	9	10
VAT receivable	20	18
CENVAT receivable	74	95
DEPB receivable	7	35
Advances to suppliers	85	110
Others	10	7
	342	318
17. Other current assets		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Interest accrued on fixed deposits	0 #	0 #
Insurance claim receivable	30	-
	30	-

Amount is below rounding off threshold adopted by the Company.

(Rs. in lakhs)

	31 March 2013	31 March 2012
18. Revenue from operations		
Sale of products *		
Finished goods	11,655	17,696
Traded goods	319	532
Sale of products (gross)	11,974	18,228
Less: Excise duty	228	235
Sale of products (net)	11,746	17,993
Sale of services	366	305
Other operating revenues		
- Scrap sales	-	3
- Dealers signing fees	20	15
- DEPB income	-	1
- Rental income from assets given on lease (refer note 29)	4	10
Provisions no longer required written back	8	24
	32	53
	12,144	18,351

* Sales are net of sales commission amounting to Rs. 15.5 lakhs (previous year Rs. Nil) pertaining to sales made in the previous year.

Break-up of revenue from sale of products

Manufactured goods

- Watches	11,053	16,914
- Components and others	602	782
	11,655	17,696

Traded goods

- Watches	319	532
	319	532

Break-up of revenue from services rendered

- Support charges	338	274
- Customer services	28	31
	366	305

19. Other income

Interest income on		
- bank deposits	0 #	2
- others	18	8
Miscellaneous income	6	30
	24	40

Amount is below rounding off threshold adopted by the Company.

		(Rs. in lakhs)
	31 March 2013	31 March 2012
20. Cost of raw materials and components consumed		
Inventory of materials at the beginning of the year	1,329	1,191
Purchases	7,156	10,034
Inventory at the end of the year	<u>(1,294)</u>	<u>(1,329)</u>
	<u>7,191</u>	<u>9,896</u>
Break-up of cost of raw materials and components consumed		
Movements	1,366	1,879
Straps	963	1,328
Other materials	<u>4,862</u>	<u>6,689</u>
	<u>7,191</u>	<u>9,896</u>
Break-up of inventory- raw materials and components		
Raw materials and components		
Movements	83	170
Straps	393	381
Other materials	<u>818</u>	<u>778</u>
	<u>1,294</u>	<u>1,329</u>
21. Purchase of stock-in-trade		
Watches	<u>255</u>	<u>471</u>
	<u>255</u>	<u>471</u>
22. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventory at the end of the year		
Traded goods	25	21
Work-in-progress	45	224
Finished goods	<u>2,338</u>	<u>2,557</u>
	<u>2,408</u>	<u>2,802</u>
Inventory at the beginning of the year		
Traded goods	21	23
Work-in-progress	224	112
Finished goods	<u>2,557</u>	<u>2,037</u>
	<u>2,802</u>	<u>2,172</u>
Excise duty related to increase and decrease in inventory of finished goods	(41)	11
(Increase)/decrease in inventory	353	(619)
Traded goods		
Inventory at the end of the year	25	21
Inventory at the beginning of the year	21	23
(Increase)/decrease in inventory	(4)	2
Work-in-progress		
Inventory at the end of the year	45	224
Inventory at the beginning of the year	224	112
(Increase)/decrease in inventory	179	(112)
Finished goods		
Inventory at the end of the year	2,338	2,557
Inventory at the beginning of the year	2,557	2,037
(Increase)/decrease in inventory	219	(520)
Excise duty related to increase and decrease in inventory of finished goods	<u>(41)</u>	<u>11</u>
	<u>353</u>	<u>(619)</u>

(Rs. in lakhs)

31 March 2013 31 March 2012

Details of inventory		
Traded Goods		
Watches	25	21
	25	21
Work in progress		
Watches	45	224
	45	224
Finished goods		
Watches	2,338	2,557
	2,338	2,557
23. Employee benefits #		
Salaries, wages and bonus*	1,808	1,584
Contribution to provident and other funds	130	118
Compensated absences	37	24
Staff welfare expenses	177	161
	2,152	1,887
*Employee cost for the year ended 31 March 2013 includes prior period expense amounting to Rs. Nil (previous year Rs. 20 lakhs)		
# Refer note 28		
24. Finance costs		
Interest expense	97	90
Interest on delayed payment of statutory dues	1	19
	98	109
25. Depreciation and amortisation		
Depreciation on tangible fixed assets	218	193
Amortisation on intangible fixed assets (refer note 9 and 10)	5	4
	223	197

(Rs. in lakhs)

	31 March 2013	31 March 2012
26. Other expenses		
Consumption of stores and spare parts	19	15
Power and fuel	53	51
Selling and distribution	433	473
Rent (refer note 29)	384	357
Repairs and maintenance		
- Building	22	23
- Machinery	43	29
- Others	7	24
Insurance	27	25
Rates and taxes, excluding taxes on income	177	195
Travelling	412	455
Legal and professional (refer note below)	223	187
Commission	40	153
Advertising, marketing and brand building expenses*	2,393	2,367
Bank charges	9	12
Communication	81	83
Warranty	109	157
Director's sitting fees	14	9
Purchased services	427	344
Bad debts written off	94	-
Provision for doubtful debts	312	81
Provision for doubtful advances	20	31
Provision for contingencies	-	11
Assets written off (net)	1	1
Loss on sale of assets (net)	4	3
Margin loss and unearned margin on sales return	156	34
Foreign exchange loss (net)	349	422
Miscellaneous expenses	283	303
	<u>6,092</u>	<u>5,844</u>

*Advertising, marketing and brand building expenses for the year ended 31 March 2013 include prior period expense amounting Rs. Nil (previous year Rs. 6 lakhs)

Note: Payment to auditors

As auditor		
Statutory audit	18	18
Tax audit	2	2
Limited review of quarterly results	18	18
In other capacity		
Group audit	8	8
Other services	2	-
Reimbursement of expenses	4	3
	<u>52</u>	<u>49</u>

27. Earnings per share (EPS)

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 March 2013 is based on the profit/ (loss) attributable to equity shareholders of Rs. (4,514) lakhs (previous year profit: Rs 134 lakhs), and weighted average number of equity shares outstanding of 1,010 lakhs (previous year: 1,010 lakhs).

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 March 2013 is based on profit/ (loss) attributable to equity shareholders of Rs. (4,514) lakhs (previous year profit: Rs 134 lakhs) and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares of 1,010 lakhs (previous year: 1,010 lakhs).

Earnings	(Rs. in lakhs)	
	31 March 2013	31 March 2012
Profit/(loss) after tax as reported	(4,196)	453
Less: Preference dividend and tax thereon	319	319
Net profit/(loss) attributable to equity shareholders for calculation of basic EPS	(4,515)	134
Net profit/(loss) adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	(4,515)	134

Shares	(Rs. in lakhs)	
	31 March 2013	31 March 2012
Weighted average number of equity shares attributable to equity shareholders for calculation of basic and diluted EPS	1,010	1,010

Earnings per share

	31 March 2013	31 March 2012
Basic earnings/ (loss) per share	(4.47)	0.13
Diluted earnings/ (loss) per share	(4.47)	0.13

28. Employee benefits: Post-employment benefit plans

Provident fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the period aggregated to Rs. 80 lakhs (previous year: Rs. 70 lakhs).

The Company also has an approved provident fund for its own employees, which is exempt from the Income tax Act 1961. In order to comply with the provisions of the Act, the Company matches the interest declared by Regional Provident Fund (RPFC) to its own subscribers. To the extent that the actual interest earned by the Company's private fund falls short of the rate declared by RPFC, the shortfall is met by the Company. The benefit valued is the interest shortfall, if any, for future years on the provident fund balances of the employees.

The Defined Benefit Obligation of interest rate guarantee on exempt provident fund in respect of the employees of the Company as at 31 March 2013 works out to Rs. Nil. The balance in the surplus account of the provident fund is Rs. 1,026 lakhs and hence the net liability which needs to be provided for in the books of accounts of the Company is Rs. Nil.

Superannuation fund

The Company's contribution paid/ payable under the scheme to the Superannuation Fund Trust, as administered by the Company is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to Superannuation fund for the period aggregated to Rs. 44 lakhs (previous year: Rs. 40 lakhs).

Employee State Insurance fund

The Company's contribution paid/ payable under the scheme to the Employee State Insurance is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to Employee State Insurance Fund for the period aggregated to Rs. 6 lakhs (previous year: Rs. 8 lakhs).

Gratuity

The Company operates a post-employment defined benefit plan that provides for gratuity. The gratuity plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is not funded by plan assets. The following table summarises the position of assets and obligations in relation to the plan:

(Rs. in lakhs)

	31 March 2013	31 March 2012
Present value of obligations	174	154
Liability recognised in balance sheet	174	154

Classification into current / non-current

The liability in respect of the plan comprises of the following non-current and current portions:

(Rs. in lakhs)

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Gratuity	167	147	7	7

Movement in present values of defined benefit obligations

(Rs. in lakhs)

	31 March 2013	31 March 2012
Defined benefit obligation at commencement of the period	154	136
Current service cost	20	20
Interest cost	15	14
Actuarial (gains) / losses	47	(9)
Past service cost	-	(1)
Benefits paid by the plan	(62)	(6)
Defined benefit obligation at end of the period	174	154

Expense recognised in Statement of Profit and Loss

(Rs. in lakhs)

	31 March 2013	31 March 2012
Current service cost	20	20
Interest cost	15	14
Actuarial (gains) / losses	47	(9)
Past service cost	-	(1)
Total included in 'employee benefits'	82	24

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting date:

	31 March 2013	31 March 2012
Discount rate	8.20%	8.70%
Future salary increases	8% p.a.	8% p.a.

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Five-year information

Amounts for the current and previous four periods are as follows:

	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Defined benefit obligation	174	154	136	86	79
Experience adjustments arising on plan liabilities	36	1	2	(12)	6

The Company expects Rs. 7 lakhs benefit payout in the next year (previous year: 7 lakhs)

29. Operating leases

The Company has taken land and building, office premises, showrooms, other business premises, vehicles and residential accommodation for some of its employees under operating lease arrangements, with an option of renewal at the end of the lease term and escalation clause in some of the cases. Lease payments charged during the year to the Statement of Profit and Loss aggregate Rs. 384 lakhs (previous year Rs. 357 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

(Rs. in lakhs)

Future lease payments due	31 March 2013	31 March 2012
Payable within one year	77	200
Payable between one and five years	11	61
Later than five years	-	-
Total	88	261

The Company has given certain items of plant and machinery on operating lease, with an option of renewal at the end of the lease term. However, the lease agreements entered into with the lessees do not provide for any escalation. Lease rentals recognised during the year in the Statement of Profit and Loss account amount to Rs. 4 lakhs (previous year Rs. 10 lakhs). The future lease payments receivable under non-cancellable operating leases are as follows:

(Rs. in lakhs)

Future lease payments receivable	31 March 2013	31 March 2012
Within one year	-	4
Total	-	4

30. Related party disclosures

A. Names of related parties:

Related parties and nature of related party relationship where control exists:

Description of Relationship	Name of the Party
Ultimate Holding Company	Timex Group B.V.
Holding Company	Timex Group Luxury Watches B.V (formerly Timex Watches B.V)

TIMEX GROUP

Other related parties with whom transactions have taken place:

Description of Relationship	Name of the Party
Fellow Subsidiaries	Timex Group B.V. T/A Mersey Manufacturers Fralsen Horlogerie S.A.* TMX Limited NV Timex Corporation (Germany) Timex Limited NV Timex Nederland B.V. Timex Group USA Inc. Timex Group Luxury Watches B.V. (Ferragamo) Timex Group Precision Engineering Limited (TGPEL) Timex Hong Kong Limited* Timex Portugal* Timex Hungary Limited* Verstime S.A.
Key Management Personnel	V.D. Wadhwa, Managing Director (till 31 January 2013) M.K Bandyopadhyay (1 February 2013 onwards)

* No transactions during the current year.

Party Name	IT Sup- port expenses	Purchase of goods	Reimbursement		Service income	Service charg- es paid	Sale of goods	Payable	Receiv- able
			Paid	Received					
Ultimate holding company					111				76
Timex Group B.V.	-	-	-	-	119	-	-	-	262
Holding company									
Timex Group Luxury Watches B.V.	2	-	-	-	-	-	-	4	-
	2	-	-	-	-	-	-	2	-
Fellow Subsidiaries									
Timex Group B.V. T/A Mersey Manufacturers	-	8	-	-	-	-	-	1	-
	-	125	-	1	-	-	-	61	-
Timex Group USA	64	24	-	6	61	-	-	467	13
	38	172	-	18	58	-	-	361	119
TMX Limited NV	-	465	-	2	55	-	527	4,652	61
	-	1,707	-	-	-	-	55	4,243	55
Timex Nederland B.V.	-	-	-	-	-	97	-	174	-
	-	-	-	-	-	39	-	70	-
Timex Group Luxury Watches B.V. (Ferragamo)	-	68	-	-	-	-	-	2	-
	-	82	-	-	-	-	-	-	0 #
Verstime S.A.	-	231	-	-	-	-	-	18	-
	-	123	-	-	-	-	-	-	23
Timex Group Precision Engineering Limited	-	6	-	-	111	-	-	0#	-
	-	10	-	-	85	-	-	1	-
Timex Hong Kong Limited	-	-	-	-	-	-	-	-	7
	-	-	-	-	-	-	-	-	7
Others	-	-	-	-	-	-	-	20	-
	-	4	-	-	-	-	-	30	23

a. Transactions and outstanding balances with related parties

Amount is below rounding off threshold adopted by the Company.

Besides the above, the Company has paid Rs. 274 lakhs (previous year Rs. 274 lakhs) to Timex Group Luxury Watches B.V. as dividend during the year. Dividend proposed during the year Rs. Nil (previous year Rs. 274 lakhs).

Timex Group Luxury Watches BV, the holding company, has provided a standby letter of credit amounting to Rs. 3,380 lakhs (previous year Rs. 1,780 lakhs) to the bankers of the Company as a guarantee for use of cash credit and overdraft facilities.

The maturity period for redemption of 0.1% preference shares amounting to Rs. 250 lakhs (previous year Rs. 250 lakhs) is ten years from the date of allotment i.e. 25 March 2003, with an option to the Company of an earlier redemption after 24 March 2005. The shares were due for redemption on 24 March 2013. The Company sought extension for redemption of such shares, pursuant to the provisions of Section 106 of the Companies Act, 1956 by five years i.e. 24 March 2018. The preference shareholders i.e. Timex Group Luxury Watches B.V. have agreed to this extension.

(Rs. in lakhs)

Transactions with key management personnel:	31 March 2013	31 March 2012
Remuneration		
M.K Bandyopadhyay*	12	-
V. D Wadhwa #	150	105
Amount repaid during the year		
V. D Wadhwa	-	2

* Excludes gratuity and leave encashment as the same is determined for the Company as a whole and is not separately ascertainable for any individual.

Includes gratuity and leave encashment payments.

31. Details of imported and indigenous raw materials, components, spares and consumables consumed

(Rs. in lakhs)

Particulars	31 March 2013		31 March 2012	
	Value (Rs. lakhs)	% of total consumption	Value (Rs. lakhs)	% of total consumption
Raw materials and components				
Imported	3,650	51	5,717	58
Indigenous	3,541	49	4,179	42
Total	7,191	100	9,896	100
Stores and consumables				
Imported	0 #	0#	0#	2
Indigenous	19	100	15	98
Total	19	100	15	100

Amount is below rounding off threshold adopted by the Company.

32. Value of imports on CIF basis

(Rs. in lakhs)

Particulars	31 March 2013	31 March 2012
Raw material and components	2,833	4,274
Watches	549	1,143
Consumables	-	0 #
Total	3,382	5,417

Amount is below rounding off threshold adopted by the Company.

33. Expenditure in foreign currency

(Rs. in lakhs)

Particulars	31 March 2013	31 March 2012
Travelling	11	19
IT support expenses	66	40
Service charges	97	39
	174	98

34. Earnings in foreign currency

(Rs. in lakhs)

Particulars	31 March 2013	31 March 2012
Exports on F.O.B basis	1,038	564
Service income	227	177
	1,265	741

35. Taxation

The Company has significant unabsorbed depreciation and carry forward losses. In view of the absence of virtual certainty of realisation of carried forward tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent of deferred tax liabilities.

The major components of deferred tax assets and liabilities are as follows:

(Rs. in lakhs)

Particulars	31 March 2013	31 March 2012
Deferred tax liabilities		
Depreciation	31	43
Total deferred tax liability	31	43
Deferred tax assets		
Gratuity	56	50
Leave encashment	46	45
Provision for doubtful debts and advances	249	141
Provision for warranty	13	23
Provision for sales returns and unearned margin	121	70
Provision for litigations	14	14
Disallowance under section 40(a) of the Income tax Act, 1961	-	6
Carried forward depreciation	968	640
Carried forward loss	1,133	-
Total deferred tax asset	2,600	989
Deferred tax asset recognised (to the extent of deferred tax liability recognised above)	31	43
Net deferred tax asset/(liability)	Nil	Nil

36. Segment information

The Company's business segment comprises:

- Watches: Manufacturing and trading of watches;
- Others: Providing IT and finance related back office support to other group companies.

Segment revenue in the geographical segments considered for disclosure are as follows:

- Revenues within India (Domestic) includes sale of watches and spares to consumers located within India; and
- Revenues outside India (Overseas) includes sale of watches manufactured in India and service income earned from customers located outside India.

Segments have been identified in line with the Accounting Standard 17 on “Segment Reporting” notified by the Companies (Accounting Standards) Rules, 2006, taking into account the nature of products and services, the risks and returns, the organisation structure and the internal financial reporting system.

Secondary segment reporting is performed on the basis of the geographical segments.

Primary segment reporting (by business segment):

(Rs. in lakhs)

	Watches		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment revenues						
External sales (gross)	12,168	18,356	172	177	12,340	18,533
Excise duty	(228)	(235)	-	-	(228)	(235)
External sales (net)	11,940	18,121	172	177	12,112	18,298
Other business related income	38	83	-	-	38	83
Total revenue	11,978	18,204	172	177	12,150	18,381
Results						
Segment results	(3,671)	1,214	33	23	(3,638)	1,237
Unallocated expenses					479	(533)
Profit before interest and tax	(3,671)	1,214	33	23	(4,117)	704
Interest expense					(97)	(109)
Interest income					18	10
Profit before tax					(4,196)	605
Income taxes						
- Minimum alternate tax					-	152
Net profit					(4,196)	453
Other information						
Assets						
Segment assets	11,855	15,985	510	388	12,365	16,373
Unallocated corporate assets					899	484
Total assets					13,264	16,857

Amount is below rounding off threshold adopted by the Company.

	Watches		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Liabilities						
Segment liabilities	9,053	8,406	11	13	9,064	8,419
Unallocated corporate liabilities					1,153	1,195
Share capital (including share premium amount and balance in Statement of Profit and Loss)					3,047	7,243
Total liabilities					13,264	16,857
Others						
Capital expenditure	245	304	-	-	245	304
Unallocated capital expenditure					42	39
Total capital expenditure					287	343
Depreciation & amortization	189	157	1	4	190	161
Unallocated depreciation & amortization					33	36
Total depreciation & amortization	189	157	1	4	223	197

Secondary segment reporting (by geographical location of customer):

(Rs. in lakhs)

	India		Outside India		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment revenue	11,400	17,559	750	822	12,150	18,381
Segment assets	12,754	16,379	510	478	13,264	16,857
Capital expenditure	287	343	-	-	287	343

Segment accounting policies

Besides the normal accounting policies followed as described in note 2, segment revenues, results, assets and liabilities include the respective amounts directly identified to each of the segments and amounts allocated on a reasonable basis. The description of segment assets and liabilities and the accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of fixed assets, capital work in progress, current assets and loans and advances. Segment liabilities include all operating liabilities in respect of a segment and consist principally of creditors and accrued liabilities. Segment liabilities do not include share capital, reserves, current tax and deferred tax liability. Primary segment assets do not include advance tax, deferred tax asset and fixed deposits.

b) Segment revenue and expenses

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. However, segment revenue and expenses do not include interest and other income/expense in respect of non segmental activities.

37. Contingent liabilities and commitments

(to the extent not provided for)

Commitments

(Rs. in lakhs)

Particulars	31 March 2013	31 March 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0 #	1

Amount is below rounding of threshold adopted by the Company.

Contingent liabilities

(Rs. in lakhs)

Particulars	31 March 2013	31 March 2012
Claims against the Company not acknowledged as debts		
a) Sales tax	107	79
b) Excise duty	92	92
c) Customs duty	8	8
d) Income tax*	-	-
e) Others	167	144
Dividend on cumulative preference shares		
- 2012-2013	274	-
Corporate dividend tax on cumulative preference shares		
- 2012-2013	45	-
Bills discounted	2	462

* Represents additions made to the total taxable income of the Company by the tax authorities which have been disputed by the Company. No demand has been raised by the tax authorities as any additions to the income will be adjusted against the brought forward losses / unabsorbed depreciation.

38. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises 31 March 2013 and 31 March 2012 has been made in the financial statements based on information received and available with the Company. Based on the information currently available with the Company, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

39. The dividend liability on 15,700,000 2.9% cumulative redeemable non-convertible preference shares of Rs.10 each and 22,900,000 5.4% cumulative redeemable non-convertible preference shares of Rs. 10 each, payable until 31 March 2009, was waived off as per the consent of the holders of these preference shares vide their letter dated 15 March 2009. The coupon rate applicable to these series of preference shares was revised to 7.1% effective 1 April 2010 till the date of maturity.

40. Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables / trade payables not hedged by derivative instruments are as follows:

Particulars	31 March 2013		31 March 2012	
	(in original currency)	(Rs. in lakhs)	(in original currency)	(Rs. in lakhs)
Payables				
- USD	96	5,300	94	4,900
- EURO	0 #	20	0 #	20
- HKD	3	20	8	55
- CHF	0 #	20	0 #	-
Receivables				
- USD	5	260	9	468

Amount is below rounding off threshold adopted by the Company.

41. Amount remitted during the year ended 31 March 2013 in foreign currency on account of dividend was Rs. 274 lakhs (previous year Rs. 274 lakhs).

Non Resident shareholders (numbers)	Number of shares on which dividend was due	Year to which dividend relates
One	41,100,000	2011-2012

42. As at 31 March 2013, the Company has foreign currency receivables amounting to Rs. 49 lakhs (previous year Rs. 34 lakhs) outstanding for a period exceeding one year. As per Reserve Bank of India's (RBI) Master Circular on Export of Goods and Services, foreign currency receivables should be realized, except with prior approval of RBI, within a period of one year. The Company has filed an application with Authorized dealer (AD) / RBI for condonation and extension of period of collection.

43. Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management is of the opinion that its international transactions are at arms length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

44. Managerial remuneration of Rs. 7 lakhs provided by the Company in the previous year is in excess of the limits specified in the relevant provisions of the Companies Act, 1956 and the amount approved by the Central Government. Further, as required by the relevant provisions of the Act, the Company is taking necessary steps to seek approval from the Central Government for excess remuneration paid.

Further, the Company had applied to the Central Government seeking approval of managerial remuneration for the period 29 April 2012 till 28 April 2013 vide its application dated 7 September 2012. The remuneration paid is in excess of the limits specified in the Companies Act, 1956. The managerial person of the Company in respect whom the approval was sought has since resigned with effect from 31 January 2013. As required by the relevant provisions of the Act, the Company is taking necessary steps to seek approval from the Central Government for excess remuneration paid.

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm Registration No.: 101248W

Vikram Advani

Partner

Membership No.: 091765

Place : Gurgaon

Date : 30 May 2013

Gary Piscatelli

Chairman

Date : 30 May 2013

M.K Bandyopadhyay

Acting Managing Director

Date : 30 May 2013

Sachin Selot

Chief Financial Officer

Date : 30 May 2013

Shilpa Verma

Company Secretary

Date : 30 May 2013

For and on behalf of the Board of Directors of **Timex Group India Limited**

TIMEX GROUP INDIA LIMITED

Regd. Office : 117, Ground Floor, World Trade Centre, Babar Road, New Delhi - 110 001

Folio No. DP ID/Client ID.

No. of Shares

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company being held on Wednesday, 07 August, 2013 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110 001.

NAME & SIGNATURE OF SHAREHOLDER/PROXY

Note : Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall.

ADMISSION AT THE ANNUAL GENERAL MEETING VENUE WILL BE ALLOWED ONLY ON VERIFICATION OF THE MEMBERSHIP DETAILS AND SIGNATURE(S) ON THE ATTENDANCE SLIP.

TIMEX GROUP INDIA LIMITED

Regd. Office : 117, Ground Floor, World Trade Centre, Babar Road, New Delhi - 110 001

PROXY

I/We of in the
district of being member/ members of
TIMEX GROUP INDIA LIMITED hereby appoint.....
of in the district of or failing
him/her of in the
district of as my / our proxy to attend and vote
for me / us and on my / our behalf at the Annual General Meeting of the Company to be held
at 10.00 A.M. on Wednesday, 07 August, 2013 and any adjournment thereof.

Signed this day of 2013

Signature(s).....

Folio No.

DP ID No.

Client ID No.

1 Re.
Revenue
Stamp

Note : The Proxy completed, in all respects, must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.

LIST OF SHOPS TO REDEEM COUPONS

WEST

Anupam Watch Co., 122 Farda Sankul, M.G. Road, Nashik-01, C.T. Pundole & Sons Pvt Ltd., (HS-M.G. Road) 262, 263, M.G. Road, Camp, Pune-01, C.T. Pundole & Sons Pvt. Ltd., (M.G. Road) 262, 263, M.G. Road, Camp, Pune-01, C.T. Pundole & Sons Pvt. Ltd., (SGS Mall) 231, Moledina Road, Camp, Pune-01, Just in Time (Chinchwad-Pune), A Wing, Shop No. 5/6, Premier Mall, Next to MC Donalds, Opp. Dmart, Chinchwad, Pune-19, Just in Time, (J.M. Road), Shop No.3, 4 & 5, Mittal Chamber CHS, S. No. 418, Shivaji Nagar, J.M. Road, Pune-05, Just in Time, (Pune) 270, M.G. Road, Camp, Pune-01, Just in Time Trading Pvt Ltd., (Pune) Shop No. 2, Bldg. A-1, Alpataru Enclave, Opp. Shivasagar Restaurant, D.P. Road, Aundh, Pune-07, Jyoti Enterprises, Shop No. 26, Ground Floor, Dev's Arcade, Samarth Nagar, Nashik-05, Kohinoor Company, Shop No. 19, Sanskriti Sankul Zansi Rani Square Building, Nagpur-12, Pundole Shubh Time, 1317, Pundole Bldg., Opp. Modern High School, J.M. Road, Shivaji Nagar, Pune-05, Pundole Shubh Time-2, Shop No. 3C, Punjai Sabhagrav, Opp. P.N. Gadgil, S.No.127, C.T.S No. 833, Pund Road, Pune-38, Pundole Shubh Time-5, Shop No. 13, 23 & 24 Sagar Arched, SRV No. 1230, F.C. Road, Shivaji Nagar, Pundole Shubh Time-6, Shop No.7 & 8, Anand Nilay, Opp. Talwalkar GYM, Near Karve Statuekothrud, Pune-39, Pundole Shubh Time-7, Shop No. 3 & 4, Vishnu Complex, Opp. Pp Deshpande Garden, Singhad Road, Pune-05, Pundole Shubh Time-8, Shop No. 3 & 4, Ground Floor, Stellar Enclave, Sub Plot No.10, D.P. Road, Next to McDonalds, Aundh, Pune, Watch World NX (Pune), Shop No.2, Legacy Plaza, 33, M.G. Road, Camp, Pune-01, Eternity (Dadar), Shop No. 4 & 5, Anrit Mahotsav Bldg, Corner of Dilsila Road & N.C. Kelkar Road, Dadar (W), Mumbai-01, Time Square (Dadar), Shop No. 5 & 6, Amrit Mahotsav Bldg., Corner of Dilsila Road & N.C. Kelkar Road, Dadar (W), Mumbai-01, Pravasi (Dadar), Shop No. 9, Venkatesh Prasad Bldg, 352-A, N.C. Kelkar Road, Opp Plaza Cinema, Dadar (W), Mumbai-28, Samay (Borivali), Shop No. 3, Haveli, Chandavarkar Cross Road, Borivali (W), Mumbai-92, Time World (Borivali), Shop No. 3 & 3A, Khot Chawl, S.V. Road, Borivali (West), Mumbai-92, Watches of Europe (Borivali), Shop No. 2/3, Ground Floor, Raviy Appartement, S.V. Road, Borivali (W), Mumbai-92, Maru (Malad), Abhishek Commercial Complex, S.V. Road, Malad (W), Mumbai, Swiss Time (Andheri), Unit Mansion, Near Andheri Railway Station, Andheri-West Mumbai-58, World Time (Santacruz), Podar Building, Opp. Parekh Hospital, S.V. Road, Santacruz (West), Mumbai-54, Maru Watches, Shop No. 2 & 3, Varad Annex, M.G. Road, Near Naupolis Police Station, Thane-602, Maru Time (Thane), Shop No. 3 & 4, Lotus Plaza, Gokhale Road, Naupolis, Thane (West) Titan Time (Thane), Rappy Villa, Dr. Ambedkar Chowk, Thane (W) The Titan Gallery (Mulund), Sainath Plaza, J.N. Road, Mulund (W), Mumbai, Time World (Ghatkopar), Akriti Apartments, Near Tel Exch, L.B.S. Marg, Ghatkopar (W), Mumbai-77, Time Gallery (Dadar), Shop No. 18 & 19, Gurudwara Building, Opp-Chitra Cinema, Dr. B A Road, Dadar (East), Mumbai-14, Maru Time, Ghatkopar Ground Flr, Akriti Apartment, Near Telephone Exchange, LBS Marg, Ghatkopar (West) Mumbai- 86, Maru Time (Parel), Ruby Terace, Dr. Ambedkar Road, Opp. Central Railway Work Shop, Parel, Mumbai-12, Time Showroom (Parel), Fidvi Mansion, Dr. Ambedkar Road, Parel, Mumbai-12, World Time (Andheri), Opp. Shopper Stop, S. V. Road, Andheri (W), Mumbai-58, Maru Time (Vashi), Sector 17, Big Splash, Vashi, New Mumbai-703, Titan Time (Vashi), Sector 17, Big Splash, Vashi, New Mumbai-703, Time Showroom (Chembur), Shop No. 1 & 34, Station View Buil, Opp. Chembur St. Chembur, Mumbai -71, Time Showroom, Next (Dadar) Shop No. 3, Sunoo Lodge Building, Tilak Bridge, Dadra (TT), Mumbai-14, Time Showroom (Vashi-2), Ground Floor, Real Tech Building, Pan Beach Road, Vashi, New Mumbai-703, Time Showroom (Thane), Shop No.2 & 3, Hemend R.R. Society, Ghokhale Road, Naupolis, Thane (Thane), 302, Just in Time (Andheri), Shop No. 3,4,5, Plot No. 54, Golden Chambers CHS Ltd, Oshiwara Link Road, Andheri (West), Mumbai-05, Just in Time (Vashi) Shop No. 16, Big Splash, Sector-17, Vashi, Navi Mumbai-703, Just in Time Trading Pvt Ltd (Vashi), Shop No. 12, Sector 30A, Ground Floor, Real Tech Park, Near Palan Beach Road, Vashi, Navi Mumbai-07, Just in Time (Ghatkopar), Shop No. 08, Prash Darshan, Opp. Haribhau Kandoli, M.G. Road, Ghatkopar (E), Mumbai-77, Just in Time (Dadar), 34/244, N.C. Kelkar Road, Opp. Plaza Cinema, Dadra (West), Mumbai-28, Just in Time (Thane), Shop No.03, Sharda Mandir, Ghokhale Road, Naupolis, Thane (West)- 602, Just in Time (IRLA), G-3, Prime Mall, New Road, Off Ghodberad Road, IRLA Society Lane, Vile Parle (West), Mumbai-56, Watch World (Chembur), B-4, Amul Commercial Permisses, Read No. 01, Opp. BMC Office, Chembur (East), Mumbai-71, Fifth Season (Chembur), 2, Abhishek Com. Complex Road, No. 1, Opp B.M.C.M. Ward, Chembur, Mumbai-71, Khimani Watch Co (Borivali), Chikkal Aptt, L T Road, Borivali (W), Mumbai-92, Swiss Paradise (Bhyander), Maxus Mall, Tumbar, Road, Near Flyover Birde, Bhyander (W), Thane-01, Patil Electronics (Bhyander), Shop No. 09, Venkateswara Chs, Station Road, Bhyander (West), Bhyander (West), Thane-01, Om Watch Co. C/4, Shop No. 6, Manek Nagar, Near Ajanta Cinema, Borivali (E), Mumbai-56, Jain N J Anita Chambers, Ambedkar Road, Vasan (West), Dist. Thane-02, Parikh Watch Co. (Goregaon), Shop No. 05, Radha Krishna Niwas, Opp. Vijay Sales, S.V. Road, Goregaon (West), Mumbai-62, Suyog Watches Shop, No. 1, Alaknanda Bldg., Dattani Park, Opp. Sai Dham, Kandivali (E), Mumbai-01, Arhant Time Gallery (Virar), No.1 & 2 Gopani Centre, Opp Parikh Commercial Center Near Natural Ice Cream,

Agashi Road, Virar (W) Thane-03, S.K. Ranade & Co. (Dadar), 380, Kohinoor Apartments, (Formerly Known-Ramkrishna Niwas), NC Kelkar Road, Dadar (W), Mumbai-28, Nirvana Constructions, 1st Floor, Near Shoppers Stop, Inorbit Mall, Mumbai-64, A-1 Sales Agency (Kiosk), Ground Floor, Atrium Space, Inorbit Mall, Vashi, Navi Mumbai-05, Kumar Associates, (TTF-Oberoi Mall) 1st Floor, Near Croma, Oberoi Mall, International Business Park, Western Express Highway, Goregaon East, Confidence Mens Wear (TTF) Shop No.17, Lower Ground Floor, Phoenix Market City Mall, LBS Road, Kurla-W, Mumbai-70, The Golden Time, E-10, Jai Darshan Apartment, Nr. H.K. College, Ashram Road, Ahmedabad-15, The Prime Times, 5, Ashish Complex, Swastik Char Rasta, C.G. Road, Navrang Pura, Ahmedabad-09, Jai Hind Watch Co., 220/269, Gandhi Road, Ahmedabad, The Watch Galler, E10, Jai Darshan Apartments, Opp. Natraj Cinema, Ashram Road, Ahmedabad-06, Dolphin Watch (P) LTD, Opp. Municipal Hospital, Station Road, Anand, Gujarat-01, Padmavati Trading Co., (TTF) 3117, First Floor, Above Master Watch Co., Gandhi Road, Ahmedabad-01, Sumeru Enterprise (Himalaya), Timex Showroom, Himalaya Mall, Gurukul Road, Ahmedabad, Sumeru Enterprise, Timex Showroom, Crystal Mall, Kalawad Road, Opp. Water Tank, Rajkot-05, Time NXT Ground Floor, Centre Square Mall, Sarabhai Circle, Vadodara-01, Time Square-II, G-8, Aklipuri Arcade, Aklipuri, Baroda-05, Time World, G-9, Aklipuri Arcade, Aklipuri, Baroda-05, Ambaji Sales Corporation, C/o, Time Corner, Gole Bazar, Billaspur-Chattisgarh-01, Cell Tel Communication, The Time Factory, Ground Floor, (Opp Metro Shoes), Magneto Mall, Telibanda, Rajpur-01, King Watch Co., Silver Arcade, 56, Shop New Palasia, Indore-01, Poorendra Watch Parts, (TTF), City Centre Mall, Devendra Nagar, Pandri, Rajpur-09, Dolphin, Opp. Municipal Hospital, Station Road, Anand, Gujarat-01, Bharat Sales Corporation, 91, Harikrupa Bungalow, Opp. OBC Bank, Aklipuri, Baroda-07.

NORTH

Gangoly Brothers, 26, Regal Building, Connaught Place, New Delhi, Mahindra Watch Co., 9-Pushpa Market (Opp 3CS Mall) Lajpat Nagar, New Delhi, Ganga Ram's Gallery, C-62 Preeti Vihar Vikas Marg, New Delhi-92, Sunay Watches (Kamala Nagar), 10 - F, Bara Gol Chakkar, Kamla Nagar, New Delhi-54, New Prakash Watch Co., WZ-195, Main Road, Palam Colony, New Delhi-45, Arun Watch Co., 11-12, DAV School Building, Yusuf Sarai, New Delhi-16, Music Mahal, B-36, Shrankacharya Road, Adarsh Nagar, Delhi - 33, Time Point (E), 9 - J.D. Market, Main Road, Pitampura, New Delhi-34, Ram Prasad Agencies, 252, 253-Upper Ground Floor, Baldev Plaza, Golghar Gorakhpur, Ram Prasad Optician, Reti Chowk, Gorakhpur-01, Sanvi International Pvt Limited, Shop No.38 Kuber Complex, Rathayatra Varansi, The Heavens Shop No 7 Dharma Market, Sec 27, Noida, M/s Diwan Enterprises, Shri Chawki, Muzaffarnagar, Universal Watch House, 30, Hazratganj Opp. Halijabia, Lucknow-01, Empire Watch Co., Shop No.18, J.O.P. Plaza, Sec-18, Noida, Sai Creations- D-2, Shop No. 6- Sec-18 Noida, M/s Krishna Watch Co., Begum Bridge, Meerut, M/s Lucky Watch House Shop, No.-03, Tahsil Complex, Phase-II, Bhagat Singh Marg, Muzaffarnagar, M/s Ahuja Brothers, Road No. 20, Budh Bazar, Muradabad, M/s Darshan Times, Gali Bazaar, Main Market, Baraut, Bali Watch Co., 163-2, Patton Bazar, Dehradun, Gali Watch Co., 18, Patton Bazar, Dehradun-01, Mehta Watch Co., 39, New Market, Clock Tower, Dehradun, Classic Watch Center, 44/45 Market, Opp. GPO Clock Tower, Dehradun, M/s Punjab Genral Store, Main Bazar, Kashipur, M/s Sharma Watch Co., Gali Jaganjhan Haldwani, Lovely Watch Palace, 22 Civil Lines, Roorkee, M/s Bombay Watch Electricals, Nanital Road, Haldwani, M/s Jimmy Times (Moradabad), Budh Bazar, Railway Road, Moradabad, Janta Watch House, Main Bazar, Roorkee, Samay Kendra, 176 Begum Bridge Meerut Cant, Chandras Time Centre, B & Shyam Park Extr, Sahibabad (UP) Moments, G-6, J.S. Arcade, Sector-18, Noida-01, Timing Opp. Hotel Hindustan International, Malidhaya Varansi, Guptha Watch Co., Kuan Bazaar, 116, Civil Lines, Bareilly, HMT House, Naya Guptha, Lohiya Traders, Gurudwara Road (Jalupur), Hardwar, New Jain Watches Opp. Halwasia Petrol Pump, 30, Hazratganj, Lucknow, M/s Rupani Bros., Hazrat Ganj, Lucknow, M/s R.R. Enterprises, 184 - A, Abu Lane, Meerut Cant, Meerut, Prince Watch Co., Main Market, Rudrapur-Utranchal-53, Watch World, Taj Road, Nand Crossing, Sadar Bazar, Agra, Watch Home, 3, Mahendra Market, Hotel Goverdhan, Delhi Gate, Agra-02, Alanya Plaza, B-49 Shastry Nagar, Jodhpur-01, Krishna Times Pvt. Ltd., Gumanpara, Chawney Road, Kota, Prakash Watch Co., 18, Outside Surajpura, Udaipur, Roda Watch Company, Station Road, Bikaner, Sainik Time House, Circuit House Road, Jodhpur, Deepak Watch Co., 17A Public Park, Sri Ganagar, Mahavir Watch Co., Raghunath Bazar, Jammu, Army Watch Co., Yole, Camp Shimla Chowk, Golden Watch Company, 03, Red Cross Market, C.T. Road, Jalandhar-01, Oberoi Time, N-Sound Chowk, Ghuman, Main Ludhiana 01, New Rajan Watch Co., SCO 35, Sector-17 E, Chandigarh-17, World of Watches, 1st Floor, MGF Mall Gurgaon, Sai Creations J-5, Sec-18 Noida U.P.

SOUTH

The Time Factory, F-52, Spencer Plaza, Phase-2, 769, Anna Salai, Chennai-02, Timex Showroom, No. 25, Sir, Thyagray Road, Pondy Bazaar, T. Nagar, Chennai-17, The Time Factory, Ground Floor, Phoenix Market City, Velachery Main Road, Velachery, Chennai 24, Zimzon Watch World, DB Road, RS Puram, Coimbatore-2, Zimzon Times, No. 84, Cross Cut Road, Coimbatore-12, Zimzon Times Pvt. Ltd, 82, Usman Road, T. Nagar, Chennai-17, Pori & Sons, No-855, Anna Salai, Chennai-02, The Time Factory, Shop No. 1, Lakshmi Complex, Kottivakkam, East Coast Road (ECR), Chennai, The Time Factory, Express Estates, No. 2, Club House Road, Mount Road, Anna Salai, Chennai-2.

The Time Factory, Shop No. 5, Ground Floor, Spectrum Mall, Paper Mill Road, Perumbur, Chennai, The Time Factory, No. 120, Bharathiya Salai Cantonment, Trichy-1, Timex Showroom, No. 4, Ground Floor, Plaza Plaza, Infantry Road, Bangalore-01, The Time Factory, No. 6, Shop No.1, Ground Floor, 27th Cross Road, Geetha Colony, 4th Block, Jayanagar, Bangalore-11, The Time Factory, No. 104, 1st Floor, Gurada Mall, Magrath Road, Bangalore-25, The Time Factory, 9A, Ground Floor, Gopalan Arch No.18/2, Rajarajeshwari Nagar, Mysore Road, Bangalore-98, The Time Factory, Sri Rama Complex, No 4, DVG Road, Basavanagudi, Bangalore -04, The Time Factory, Unit 21, Ground Floor, Prestige Value Mall, whitefield, Bangalore - 66, The Time Factory, Esteem Mall, No.1278128, Hebbal Village, Kasaba Holi, Bangalore North Hobli North Taluk, Bangalore-24, The Time Factory, Shop No.UG70, Mantri Square, Sampige Road, Malleshwaram, Bangalore - 03, The Time Factory, Mall of Mysore, No.18, 1st Floor, Indiranagar Extn, Mysore, The Time Factory, G20, Phoenix Market City, Bengaluru East, Mahadevapura, KR Puran Extr, Bangalore-48, The Time Factory, G20, Phoenix Market City, Bengaluru East, Mahadevapura, KR Puran Extr, Bangalore-48, The Time Factory, Shop No. 465 1st Block, 3rd Road, Basaveshwarnagar, Bangalore-79, The Time Factory, No.2101, Divya Shakti, 100 Ft Road, HAL 2nd Stage, Indiranagar, Bangalore, The Time Factory, No.985, Ground Floor, 80 ft Peripheral Ring Road, ST Bed, Koramangala, Bangalore-95, The Time Factory, No. 2799 & 2800, 27th Main, HSR Layout Bangalore, The Time Factory, Shop No. GF2, 1-19-97, Plot No. G12/F, Office Colony, AS Rao Nagar, Hyderabad, Timex Showroom, Near Swagat Hotel, Chaitanya Puri, Dilsukh Nagar, The Time Factory, Shop No. 17 & 18, Premises No. 36/10, Anusuya Complex, Himayathagar, Hyderabad, The Time Factory, Shop No. B4, City Centre Complex, Jagadamba Junction, D No.12-4/2011(12), Vizag,Kamat Watch Co, CMR Central, Vizag, Kamal Watch Co, ASI Mehta Junction, Beside Chaitanya Collage, Ramalkis Road, Vishakapatnam, The Time Factory, Shop No 1, M.G. Road building A Excelsoir Chambers Panjim Goa-01, MSBC Cauda, Dr. Pusilekar Road, Panjim, Goa-01, Javeries, Dr. Pusilekar Road Panjim, Goa, Jai Watch Company, Near Bus Stand, Market Mapusa, Mahalakshmi Watch Company, City Market, Mapusa, Prime Time, Vasco Residency, Opp. Citadel Hotel, Vasco-Da-Gama, Rajani Trading, The Watch House, Damodar Mangali Building, Near Municipal, Garden, Panaji, Time World, Shop No. 7, Cosmos Darshan, Marod, Mapusa, Time Collection, 2nd Floor, Caculo Mall, St. Inez, Panaji, Time Collection, Shop No.8/9, Municiple building, 18th June Road, Panjim, RS Haldakar & Sons, Near Bussand, Ponda, Goa, Costa Time Collection, No. 1, D'Souza Chambers, V. R. Road, Behind Grace Church, Margao, The Time Factory, Shop No. 40/1808, B-4, Pioneer Tower, Shamugam Road, Marine Drive, Cochin, The Time Factory, Shop No. C-11, Oberon Mall, NH Bye Pass Road, Edapally, Ernakulam, The Time Factory, Chandrika Building, 40/437, Opp. Malabar Jewellery, 40, MG Road, Ernakulam-11, The Time Factory, F81, 1st Floor, Lulu International Shopping Mall, 50/239, NH 4, Edapally, Cochin, Swiss Time House, GCDA Complex, Marine Drive, Ernakulam, Cochinn, New Swiss Time House, Broadway, Ernakulam, Cochinn, Time Zone, Opp. KSRCT Bus Stand, Cannore, Sulaimans, Jos Junction, MG Road, Cochinn, Bharat Times, GCDA Complex, Marine Drive, Cochinn, Jamai & Sons, GB Road, Palakkad, Krishna Nair Watch House, Opp. Municipal Complex, TB Road, Kottayam, Krishna Nair & Sons, Watch Dealers & Jewelry, Padmavilasam Road, Fort, Trivandrum.

EAST

National Traders, (Mani Square) Mani Square Mall, Shop No.G26,164/1, Manikala Main Road, (next to Apollo Glenagles Hospital) Calcutta-54, Gita Enterprise, City Center - 2, New Town, Rajarhat, Kolkata-57, D.S. Marketing, 15D, Lindsay Street, Kolkata-87, Viraj Time Industries, Shop No.G2/102, Ground Floor, Wood Square Mall, Narendrapur, Kolkata-03, Swastik Material Traders, G-21, Avani Mall, 32 Jagat Banerjee Ghat Road, Howrah-02, Riddhi -Cosmos, LGF 5, Cosmos Mall, Sevola Road, Siliguri-01, Shree Modern Watch Co., Galaxy Mall, 1st Floor, Block-D (Beside the lift), Chitra More, Bumper Road, Asansol-04, New O.K. Watch, K-01, UGF Level, Junction Mall City Centre, Durgapur-16, R & S Combi, G.S. Road, Lachinagar, Opp. Rangamahal Vivah Bhavan, Guwahati-07, Prent Enterprises, 89, Kharvel Nagar, Forum Mart, Ground Floor, Bhubaneswar - 01, Khan Watch Co., Buxi Bazar, Cuttack - 01, Gindra Electronics, Golbezbar Chawk, Samlipur-01, Time Bz Pal Heights, Ground Floor, Shop No. - G, Jaydev Vihar, Bhubaneswar-15, Ridhi-Siddhi, Plot No-9, The Time Factory (Gurudwara Singh Sabha), Unit-3, Kharvel Nagar, Bhubaneswar-01, Orissa, Guru Salures, G1, NP Centre, NW Dung Bunglow Road, Patna-01, R. Ali Enterprises, R Ali Building, The Time Factory, Main Road, Ranchi-01, Ram's Metro Shopping Centre, 1, Ho-Chi-Minh Sarani Shop No. 1005 / 6 & 7 (G. Floor) Kolkata-71, Anglo Swiss Watch, 6, B.B.D Bagh (E), Kolkata-02, Roy Optical & Watch Co., 16, S.N.Banerjee Road, Chira More, Barrackpore, 24 Pgs, North, Samir Watch Center, Station Road, Sodepur, 24 Pgs (N), Unique Electronics, 1, Sourin Roy Road, Kolkata-34, Elite Radio & Appliances, Frazer Road, Patna-01, Class 136 M.R.D Road, Chandmari, Guwahati, Assam-03, Gouri Watch & Co., Plot No. 90, Bapuji Nagar, Bhubaneswar-09, Asian Times, Collage Road, Cinema Square, Balasore-03, Abhimanyu Time Zone, Infront of Time Hall, O.T Road, Bhadrak, 100, Sarat Emporium, Hatatola, Talcher, 100.

Timex Group India Limited is pleased to issue discount coupons for your own use or for gifting to your friends. Each coupon entitles you to a discount of 25% on the Consumer Price of any Timex Watch. The list of shops where coupons can be redeemed are as above.

SPECIAL OFFER

TIMEX GROUP INDIA LIMITED

25% Discount on the Consumer Price
on any one Timex Watch

VALID UPTO 30.6.2014

DEALER'S SEAL

SPECIAL OFFER

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on any one Timex Watch

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TIMEX GROUP INDIA LIMITED

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on any one Timex Watch

VALID UPTO 30.6.2014

DEALER'S SEAL

Only one coupon can be used against purchase of one watch. This coupon cannot be exchanged for cash. Please ensure safekeeping of the coupons. In case of loss or damage, duplicate coupons will not be issued. This cannot be combined with any other special offer.

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TIMEX®

CORE 10 LAP



TIMEX IRONMAN®

TIMEXGROUP

BOOK-POST

TIMEX GROUP INDIA LIMITED

Registered Office: 117, Ground Floor, World Trade Centre, Babar Road, New Delhi 110001, India
www.timexindia.com



Through Comr.

TIMEX GROUP INDIA LIMITED
Studio No. 217, 2nd Floor,
International Home Deco Park,
Plot No. 7, Sector-127,
Noida - 201301, U.P. (India)
Tel. : 91-120-4741300
Fax : 91-120-4741440
Website : www.timexindia.com

12 July, 2013

The Secretary
Bombay Stock Exchange Ltd
P J Towers, Rotunda Bldg.,
Dalal Street, Fort
Mumbai – 400 001

SUB: Annual Report of the Company

Dear Sir,

Pursuant to clause 31 of the Listing Agreement, please find attached 6 (six) copies of Annual Report of the Company for the year 2013 comprising of Notice calling the 25th Annual General Meeting, Directors Report, Auditors Report, Audited Financial Statement etc. along with Form B for the year ended 31 March 2013.

The Twenty-Fifth Annual General Meeting of the Company is scheduled to be held on Wednesday, 7 August 2013 at 10.00 A.M. at the Air Force Auditorium, Subroto Park, New Delhi - 110 010.

You are requested to take the same on record.

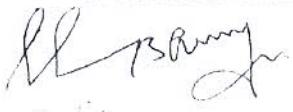
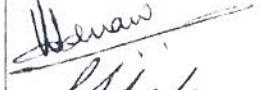
Thanking you,
For TIMEX GROUP INDIA LIMITED

Shilpa Verma
Company Secretary

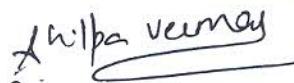
Encl: As above

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	Timex Group India Limited
2	Annual financial statements for the year ended	31 March 2013
3.	Type of Audit qualification	Except for
4	Frequency of qualification	Since 31 March 2012
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Managerial remuneration provided during year ended 31 March 2012 was in excess of central government approval. Also, central government approval for managerial remuneration for year ended 31 March 2013 is pending. Please refer - Page no. 24 of the Annual report for Auditors Report; and Page no. 11 for management response in Directors report.
6	Additional comments from the board/audit committee chair:	None
7.	To be signed by- CEO/Managing Director CFO Auditor of the company Audit Committee Chairman	   

CERTIFIED TRUE COPY
FOR TIMEX GROUP INDIA LIMITED


Company Secretary