

FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Timex Group India limited
2	Annual financial statements for the year ended	31 March 2014
3	Type of Audit qualification *	Except for
4	Frequency of qualification	Since 31 March 2012
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Managerial remuneration of Rs 7.46 lakhs paid by the Company during the year ended 31 March 2012 was in excess of the amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application had been made in this regard by the Company vide its letter dated 30 August 2012.</p> <p>The Company has received a direction to recover the excess remuneration of Rs. 7.09 lakhs paid during the year ended 31 March 2012. The Company has not recovered such excess remuneration paid till date and is in the process of filing an application with the Central Government for waiver of such excess remuneration paid, since the concerned managerial person has resigned w.e.f 31 January 2013.</p> <p>Please refer- Page no. 30 of the Annual report for Auditors Report and Page no. 15 for management response in Directors report.</p>
	Additional comments from the board/audit committee chair:	None

*Following 'Emphasis of Matter' has also been given in the Independent Auditors' Report for the year ended 31 March 2014:

Attention is invited to note 2 (b) of the financial statements, wherein it is explained that the Company has significant accumulated losses which have resulted in complete erosion of the net worth of the Company as at 31 March 2014. The ability of the Company to continue as a going concern is dependent on improvement of the Company's future operations and continued financial support from the holding and ultimate holding company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

5	To be signed by-	
	<input checked="" type="checkbox"/> CEO/Managing Director	Sd/-
	<input type="checkbox"/> General Manager-Finance	Sd/-
	<input type="checkbox"/> Auditor of the company	Sd/-
	<input type="checkbox"/> Audit Committee Chairman	Sd/-

TIMEXGROUP



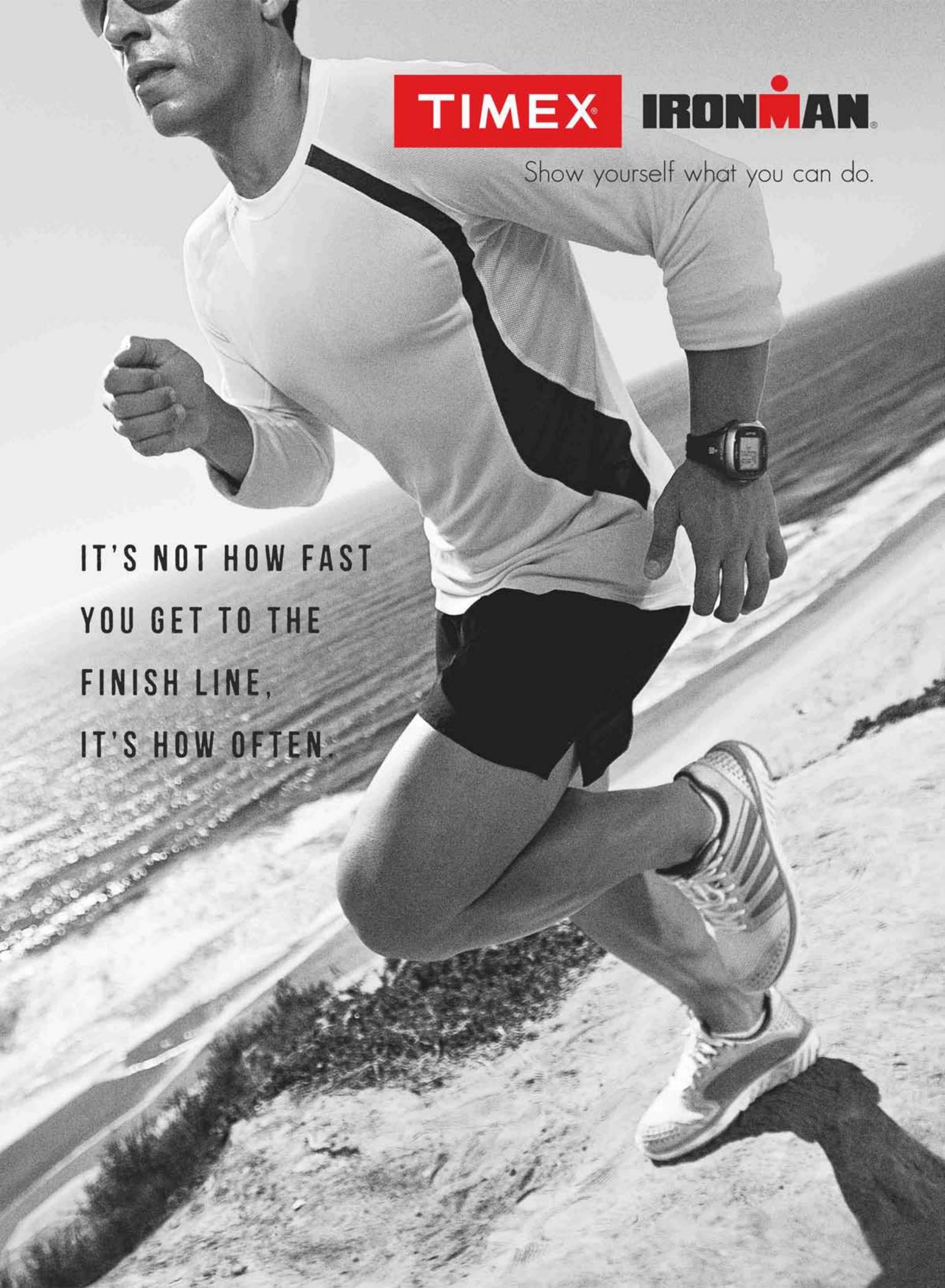
TRUE
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TIMEX®



**ANNUAL REPORT
2014**

WEAR IT WELL™

A black and white photograph of a man running on a dirt trail. He is wearing a white long-sleeved shirt with a black stripe on the sleeve, black shorts, and running shoes. He is wearing a Timex Ironman watch on his left wrist. The background shows a dirt trail leading down to a beach and ocean.

TIMEX

IRONMAN

Show yourself what you can do.

IT'S NOT HOW FAST
YOU GET TO THE
FINISH LINE,
IT'S HOW OFTEN.

Director(s)	Robert Obed Barberi Sharmila Sahai (Ms.) M K Bandyopadhyay Anil Malhotra Daya Dhaon Gagan Singh (Ms.) Pradeep Mukerjee Bijou Kurien Ryan Todd Roth	Non-Executive Director & Chairman Managing Director Managing Director-Operations & Supply Chain Non-Executive Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Alternate Director to Mr. Robert Obed Barberi
General Manager Finance	Amit Jain	
Company Secretary	Shilpa Verma	
Bankers	HDFC Bank Limited The Hongkong & Shanghai Banking Corporation Limited J.P. Morgan	
Auditors	BSR & Co., LLP Chartered Accountants	
Registered Office	JA-1203, 12th Floor, DLF Tower-A, Jasola, New Delhi – 110025.	
Works	Plot No.10 Baddi Industrial Area Katha Bhatoli Baddi, Distt. Solan (H.P)	
Share Registrar & Transfer Agent	Alankit Assignments Limited 1E/13 Alankit Heights Jhandewalan Extension New Delhi 110 055 Tel.: 011-42541234/42541960 Fax: 011-23552001 Email: rta@alankit.com Website : www.alankit.com	

NOTICE

Notice is hereby given that the Twenty-sixth Annual General Meeting of the Members of TIMEX GROUP INDIA LIMITED will be held on Thursday, 14 August 2014 at 4.30 P.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 financial statements of the Company for the year ended 31 March 2014, and the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. M.K. Bandyopadhyay (DIN No.: 02323566) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**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 such remuneration as shall be fixed by the Board of Directors of the Company 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, the following resolution as an **ORDINARY RESOLUTION**.
“**RESOLVED THAT** Mr. Robert Obed Barberi (DIN No.: 06799747), who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 161 (1) and other relevant provisions of the Companies Act, 2013 and Article 103(a) of the Articles of Association of the Company with effect from 31 January, 2014, holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.
“**RESOLVED THAT** Ms Sharmila Sahai (DIN No.: 00893750) who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 161(1) and other applicable provisions of the Companies Act, 2013 and Article 103(a) of the Article of Association of the Companies with effect from 18 November, 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 under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a 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 an **ORDINARY RESOLUTION**:
“**RESOLVED THAT** Mr. Anil Malhotra (DIN No.: 00713889), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30 October 2013 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 readwith Article 103(a) of the Article of Association of the Company and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
7. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Gagan Singh (DIN No.: 00678511), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office up to 31 March 2019, not liable to retire by rotation.”
8. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the

Listing Agreement, Mr. Bijou Kurien (DIN No.: 01802995), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office up to 31 March 2019, not liable to retire by rotation.”

9. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Daya Dhaon (DIN No.: 00179839), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office up to 31 March 2019, not liable to retire by rotation.”

10. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pradeep Mukerjee (DIN No.: 02287773), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office up to 31 March 2019, not liable to retire by rotation.”

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

“**RESOLVED THAT** subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such other approvals as may be required, consent of the Company be and is hereby accorded to the appointment of Mr. M.K. Bandyopadhyay (DIN No.: 02323566) as a Whole-time Director of the Company from 1 August 2014 to 20 November 2014 on the terms and conditions including remuneration set out in the Agreement to be entered into between the Company and Mr. Bandyopadhyay with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Bandyopadhyay within the parameter as provided in the Explanatory Statement and that the Company also accords its approval for the action(s) taken / to be taken by Board of Directors in this regard.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary, be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules including Companies (Meetings of Board and its Powers) Rules, 2014 and pursuant to applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof and also revisions made in terms of SEBI Circular dated April 17, 2014), consent of the members of the Company be and is hereby accorded to continue with the contracts/ arrangements/ agreements entered into between the Company and related parties of the Company as detailed below on the terms as provided in the relevant contracts/ arrangements/ agreements and as briefly mentioned in the explanatory statement annexed to this Notice and to make any further amendments to the said contracts/ arrangements/ agreements as may be required from time to time and approved by the Board of Directors and the Audit Committee of the Board of Directors.

Names of the Related Parties	Nature of Agreement in terms of Section 188(1) of the Companies Act, 2013
TMX Limited N.V.	Sale, purchase or supply of any goods or materials (Section 188(1)(a) of the Companies Act)
Vertime B.V.	Sale, purchase or supply of any goods or materials (Section 188(1)(a) of the Companies Act)

RESOLVED FURTHER THAT all the executive directors and Company Secretary of the Company be and are hereby individually authorised to sign any document as may be required and/ or any amendment to the above agreements from time to time on behalf of the Company and take necessary steps and to do all acts, deeds and things as may be necessary and incidental to give effect to this resolution, and any such acts, deeds or things heretofore undertaken by the aforesaid individuals in furtherance of the purposes and intent hereof on behalf of the Company are hereby authorized, approved and ratified in every respect.”

Registered Office :
JA-1203, 12th Floor,
DLF Tower-A, Jasola,
New Delhi-110 025

Dated: 29 May 2014

**By Order of the
Board of Directors**

Sd/-
Shilpa Verma
Company Secretary

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 person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 12 August, 2014 to Wednesday, 13 August, 2014, both days inclusive.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 4 to 12 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.
10. 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)
JA 1203, 12th Floor, DLF Tower A
Jasola, New Delhi-110025
11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. Members desirous of seeking any information relating to the Accounts of the Company may write to the Company at JA-1203, 12th Floor, DLF Tower A, Jasola, New Delhi – 110 025 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. 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.
14. Attention of members is hereby invited towards provisions of Section 188 (1) of the Companies Act 2013 wherein under second proviso thereto, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.
15. Electronic copy of the Annual Report and Notice of the 26th Annual General Meeting of the Company along with Attendance Slip and Proxy Form and instructions for e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice of the 26th Annual General Meeting of the Company along with Attendance Slip, Proxy Form and instructions for e-voting is being sent in the permitted mode.

16. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice. The Company has appointed Mr. Neelesh Kumar Jain, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 8 August, 2014 (9.00 a.m.) and ends on 9 August, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4 July 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Timex Group India Limited which is 140709018.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
17. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2014 will also be available on the Company’s website www.timexindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s investor email ID: investor.relations@timex.com.
18. **Members who have not registered their e-mail address so far are requested to register their email addresses for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No 4

The Board of Directors of the company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Robert Obed Barberi as an Additional Director of the Company with effect from 31 January 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Barberi would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from the member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Barberi for the office of Director of the Company.

Mr. Robert Obed Barberi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Brief resume of Mr. Robert Obed Barberi, nature of his expertise in specific functional areas, names of companies in which he holds directorship and the membership/ chairmanships of Board Committee, shareholding in the company and relationship between the Directors inter-se as required under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of Annual Report.

None of the Directors and key managerial personnel and their relatives, other than Mr. Barberi himself, are deemed to be concerned or interested in this resolution, as it relates to his appointment.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

Item No 5

The Board of Directors of the company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Sharmila Sahai as an Additional Director of the Company with effect from 18 November 2013.

In terms of the provisions of Section 161(1) of the Act, Ms. Sahai would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from the member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Sahai for the office of Director of the Company.

Ms. Sharmila Sahai is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Brief resume of Ms. Sharmila Sahai, nature of her expertise in specific functional areas, names of companies in which she holds directorship and the membership/ chairmanships of Board Committee, shareholding in the company and relationship between the Directors inter-se as required under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided

in the Corporate Governance Report forming part of Annual Report.

None of the Directors and key managerial personnel and their relatives, other than Ms. Sharmila Sahai herself, are deemed to be concerned or interested in this resolution, as it relates to her appointment.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

Item No 6

The Board of Directors of the company appointed Mr. Anil Malhotra as an Additional Director of the Company with effect from 30 October 2013. Mr. Malhotra holds office as Director up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from the member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Malhotra for the office of Director of the Company.

Mr. Anil Malhotra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Brief resume of Mr. Anil Malhotra, nature of his expertise in specific functional areas, names of companies in which he holds directorship and the membership/ chairmanships of Board Committee, shareholding in the company and relationship between the Directors inter-se as required under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of Annual Report.

None of the Directors and key managerial personnel and their relative, other than Mr. Malhotra himself, are deemed to be concerned or interested in this resolution, as it relates to his appointment.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

Item No 7 to 10

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, are proposed to be appointed as Independent Directors of the Company for a term of five years.

Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, are not disqualified from being appointed as Directors in terms of Section 164 of the Act and they have given their consent to act as a Director of the Company. The Company has also received declaration from them that they meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has received a notice in writing from the member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon respectively.

Brief resume of Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, nature of their expertise in specific functional areas, names of companies in which they holds directorship and the membership/ chairmanships of Board Committee, shareholding in the company and relationship between the Directors inter-se as required under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

A copy of the draft letter of appointments of Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, setting out the terms and conditions of their appointment, are available for inspection by members at the registered office of the Company.

In the opinion of the Board, each of these Directors fulfill the conditions for appointment as independent Directors as specified in the Act and Rules made there under and Listing Agreement and each of these Directors are independent of the Management.

None of the Directors and key managerial personnel and their relatives, other than the appointee himself, are deemed to be concerned or interested in this resolution, as it relates to his appointment.

Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, respectively, are concerned or interested in the Resolutions relating to their own Appointment.

The Board recommends the resolution set forth in Item No. 7 to 10 for the approval of the members.

Item No. 11

The Board of Directors at its meeting held on 29 May, 2014, on the recommendation of the Remuneration Committee and subject to the approval of shareholders and such other approvals, as may be required, approved the appointment of Mr. M K Bandyopadhyay as a Whole time Director of the Company with effect from 1 August 2014 till 20 November 2014 without any change in the terms of employment and remuneration.

The main terms and conditions set out in the Agreement between the Company and Mr. M K Bandyopadhyay are as mentioned below-

(A) Period of Appointment : With effect from 1 August 2014 until 20 November 2014.

(B) Terms of Appointment:

1. As Whole time 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 except the responsibilities entrusted upon him as Director of Timex Group Precision Engineering Limited. 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 Managing Director of the Company. The Board of Directors may, from time to time, require him to report on the matters delegated to him.

(C) Terms of Remuneration

1. Mr. M.K. Bandyopadhyay is entitled to draw the remuneration amounting to Rs. 12,138,936 per annum effective 1 August, 2014.
2. Remuneration payable to Mr. Bandyopadhyay shall be fixed by the Board of Directors of the Company in accordance with the approval given by the shareholders of the Company which shall constitute the minimum remuneration payable to him irrespective of the fact that the Company has inadequate profits/ or has losses. Further, Mr. Bandyopadhyay shall be eligible for compensation for loss of office for the purposes of Section 202 of the Companies Act, 2013.
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 Provident Fund, Superannuation Fund, Gratuity, 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.

The draft of agreement between the Company and Mr. Bandyopadhyay is available for inspection by members at the Registered Office of the Company. The Statement pursuant to Schedule –V of the Companies Act, 2013 for the appointment of Mr. M. K Bandyopadhyay as Whole time Director is attached to the Notice.

Brief resume of Mr. M.K. Bandyopadhyay, nature of his expertise in specific functional areas, names of companies in which he holds directorship and the membership/ chairmanships of Board Committee, shareholding in the company and relationship between the Directors inter-se as required under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

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

The Board recommends the resolution set forth in Item No. 11 for the approval of the members.

Item No. 12

The Company seeks approval for the continuation of the relevant contracts/ arrangements/ agreements entered into with TMX Limited N.V. and Vertime B.V. which are subsidiaries of its ultimate parent/ holding company i.e. Timex Group B.V. (each company hereinafter referred to individually as a "Group Company" and Timex Group B.V. and its subsidiaries collectively as "Timex Group"). Timex Group designs, manufactures and markets innovative timepieces and jewellery globally. Timex, founded in 1854, is one of the largest watch makers in the world. Timex Group built its reputation as the pioneer in timekeeping by harnessing the power and possibility of time. Timex Group produced from its first affordable clock and wristwatch timepieces for everyone, and it now also produces exclusive, luxury and collector's pieces under a number of internationally-known brand names. Timex Group companies continue to deliver unparalleled quality with technological innovation and cutting edge designs to highly diverse and global customers. To exploit this prowess of the Timex Group in the India market, it is essential for the Company to continue the purchase, import and utilize watches/ watch components from the Timex Group companies.

The Company has been receiving the supplies for manufacture of its products from Timex Group companies which qualify as related parties as defined under Section 2(76) of the Companies Act, 2013. In order for the Company to have continued benefit of the supplies, the Company has in the ordinary course of its business executed agreements/ contracts/ arrangements with the Timex Group companies. The agreements executed with each of the Group Company as stated in the resolution above are expected to be the material agreements.

As stated above, while the Timex Group companies qualify as related parties within the meaning of Section 2(76) of the Companies Act 2013, they would also be so under the revised Clause 49 of the Listing Agreement which will be applicable

to the Company from October 1, 2014 in terms of SEBI Circular CIR/CFD/POLICY CELL/2/2014, dated April 17, 2014 (“Circular”). Further the Circular provides that all existing material related party contracts or arrangements as on the date of the Circular which are likely to continue beyond March 31, 2015 are required to be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014. However, a company may choose to get such contracts approved by the shareholders even before October 01, 2014. Furthermore, Section 188 of the Companies Act 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedures for approval of related party transactions. Revised Clause 49 of the Listing Agreement also requires the approval of material related party transactions by the shareholders of the Company. In brief, a combined effect of all these provisions and other applicable provisions mandates that in certain conditions, approval of Audit Committee, Board approval and shareholders’ approval by way of Special Resolution is required for related party transactions entered after April 1, 2014. Third proviso to Section 188 also states that nothing in Section 188(1) will apply to any transaction entered into by a company in its ordinary course of business and at an arm’s length basis. Further in terms of the revised Clause 49 in terms of Circular provides that all material related party transactions require approval of the shareholders through special resolution and the related parties are required to abstain from voting on such resolutions.

In view of the aforesaid provisions, while the Audit Committee and Board of Directors of the Company have approved the material agreements executed prior to April 1, 2014 with related parties for procurement of goods which were executed in the ordinary course and on arms length basis, the approval of the shareholders is now required as they are expected to continue beyond March 31, 2015.

The other related information as required to be provided under Section 102 and under the applicable provisions of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 is as below:

Name of related party and nature of relationship	Nature, material terms and particulars of the contract or arrangement.	Monetary Value
TMX Limited N.V. (hereinafter referred to as “TMX”) TMX is a subsidiary of, Timex Group B.V., the holding company to which Company is also a subsidiary	Product Supply Agreement between TMX and the Company dated 15 February 2014 for the purchase of TIMEX branded watches and watch components including fully assembled watch movements and non-assembled movement “kits”; by Company from TMX, in accordance with the orders placed by Company and in accordance with the terms and conditions specified in the aforesaid agreement.	Up to 60 % of turnover as per the last audited Balance Sheet of the Company.
Vertime B.V. (hereinafter referred as ‘Vertime’) Vertime is a subsidiary of, Timex Group B.V., the holding company to which Company is also a subsidiary	Product Supply Agreement between Vertime and Company dated 15 February 2014 for the purchase of SALVATORE FERRAGAMO, VERSACE, and VERSUS branded watches, as well as components and spare parts for such watches and components for watches assembled by Company within India in accordance with the orders placed by Company and in accordance with the terms and conditions specified in the aforementioned agreement. Company may export back the watches purchased from Vertime for liquidation purposes.	Up to 40 % of turnover as per the last audited Balance Sheet of the Company.

The supplies to be received by the Company are key elements in the manufacture of watches having the requisite quality and for ensuring timely supplies to the customers of the Company.

The agreements entered into with TMX and Vertime are available for inspection during business hours at the Registered Office of the Company.

The Directors recommend the passing of the above resolution.

As per second proviso to section 188(1) of the Companies Act 2013, if any member is a related party in any contract or arrangement, then that party shall not vote in the special resolutions, wherein such contract or arrangement is considered for approval. Further in terms of the revised Clause 49 of the Circular all material related party transactions require approval of the shareholders through special resolution and the related parties are required to abstain from voting on such resolutions. None of the Directors, except those representing the holding company, are deemed to be concerned or interested in this resolution.

Registered Office :
JA-1203, 12th Floor,
DLF Tower-A, Jasola,
New Delhi-110 025

Dated: 29 May 2014

**By Order of the
Board of Directors**

Sd/-
**Shilpa Verma
Company Secretary**

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 2012 – 2013 & 2013 - 2014 are as follows:

Particulars	F.Y. 2013-14 Amount (Rs. in lakhs)	F.Y.2012-13 Amount (Rs. in lakhs)
Sales and other Income	12,367	12,168
Less:- Total Expenditure	15,665	16,364
Profit (Loss) Before Tax	(3,298)	(4,196)
Profit(Loss) After Tax	(3,298)	(4,196)

- 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 the appointee

	Mr. M K Bandyopadhyay
Background details	<p>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.</p> <p>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).</p>
Past Remuneration:	There is no change in the remuneration. His remuneration in his earlier role was same i.e. Rs. 12,138,936 pa.
Recognition or awards:	-

Job Profile & his Suitability	As Whole time Director of the Company, Mr. M K Bandyopadhyay is responsible for spearheading the supply chain function of the company.
Remuneration Proposed:	As set out in the above Notice.
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):	<p>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 conservation approach while finalization of remuneration.</p> <p>Taking into consideration the size of the Company, the profile of the appointee, responsibility to be shouldered by him/her and the industry bench mark, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other companies</p>
Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any:	<p>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.</p> <p>Further, he has no relationship with any of the managerial personnel of the company</p>

III. Other Information

❖ **Reasons of loss or inadequate profits:**

As per the plans of the Company mentioned in the last year Annual Report, 2013-2014 has been a transition year wherein significant progress has been achieved in terms of liquidation of slow moving inventory and improvement in overall trade collection. Although, the revenues improved marginally, the losses have declined by 21% as compared to previous year. The losses were driven by combination of factors including weaker economic environment and sharp devaluation of Rupee.

❖ **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 is ensuring a right balance of collections and credits with its Trade partners. 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 Inventory, Forecasting process and Product portfolio. The Company would be investing in brand through innovative marketing initiative. Actions have been taken to cut down cost and generate positive cash to re-invest in profitable growth.

❖ **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 V of the Companies Act, 2013 in the Corporate Governance Report forming part of the Directors' Report of the Company.

DIRECTORS' REPORT

To the Members of Timex Group India Limited

Your Directors are pleased to present the Twenty-sixth Annual Report and Audited Statement of Accounts for the year ended 31 March 2014.

FINANCIAL RESULTS

	2013-2014	Rs. in Lakhs 2012-2013
Income	12,367	12,168
Less: Expenditure	15,665	16,364
EBIDTA	(2,948)	(3,875)
Less: Interest	117	98
Less: Depreciation	234	223
Profit Before Tax (PBT)	(3,298)	(4,196)
Provision for Taxes	-	-
Profit after Tax	(3,298)	(4,196)

As per our plans and as mentioned in the last year Annual Report, 2013-2014 has been a transition year wherein significant progress has been achieved in terms of liquidation of slow moving inventory and improvement in overall trade collection. Although, the revenues improved marginally, the losses have declined by 21% as compared to previous year. The losses were driven by combination of factors including weaker economic environment and sharp devaluation of Rupee.

The transition towards healthier & profitable business is still continuing through greater focus on top and bottom line financial growth performance by focusing on the following agenda: 1) Generate positive cash to reinvest in profitable growth, 2) Grow revenues by more closely aligning product offerings with consumer demand, 3) Rationalize and realign spending to drive profitable growth, 4) Improve the brand imagery, and 5) Improve the employee productivity.

In line with your Company's Product strategy, many new international products have been launched in the recent past with many more in the pipeline. Your Company has launched its largest-ever marketing and rebranding initiative entitled "**WEAR IT WELL**". Watches of your Company allow people to express their true personal style. Unpretentious and timeless, our passion for style, fashion and sport comes across in a clear, conversational tone as if we're talking amongst friends. These efforts will lead to improved domestic brand equity which will have a positive impact on market share and revenue growth.

TIMEX ranked 76th in the list of brands featured in Brand Equity's Most Exciting Brands in 2014.

Further, your Company has also re-branded its franchisee stores under the title 'Timex World'. With the new identity of the stores as '**Timex World**', the brand hopes to achieve a compelling repositioning in the watch industry vis-à-vis the constantly evolving market. The new name will not only serve to reposition and reinforce the brand as one of the prominent players in the watch industry but also further enhance its retail imagery.

During fiscal 2013-2014, Ms. Sharmila Sahai was appointed as the Managing Director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

THE INDIAN WATCH MARKET – Industry Structure and Development

The present size of the Indian watch industry is estimated at over INR 5,000 crore and is expected to touch Rs. 15,000 crore by 2020. Every year around 50 million watch pieces are sold in India. The organized watch market is estimated at 35% of the total industry and the other 65% of the revenues come from the unorganized market*. A steep increase in the levels of disposable income has resulted in more and more consumers showing allegiance towards branded products and the organized retail chain is driving overall category value. Growth in the industry has also been fuelled through lifestyle changes as watches are not merely a time keeping device but also seen as a fashion accessory leading to multiple watch ownership. Entry of international players both in premium & middle tier have also galvanized and expanded the category, and this has fuelled expansion in premium retail outlets as the end consumers have become more discerning.

In terms of customer behavior the lion's share of timepieces sold are from the lower to mid segment range. Moreover, around 20 to 25 watches are being sold for every 1000 citizens revealing enormous potential for growth in this untapped segment. Some customers look out for features like fashion appeal, technology, sophistication and status. Others go for durability, economy and precision.

[Source: ASSOCHAM Retail Report 2012-13]

Digital Story

Declining broadband subscription prices aided by the launch of 3G services, have been powering this trend to become an integral part of this growing population segment dedicated to remaining connected. The changing lifestyles of the country's urban population have also led many people relying on the internet for their shopping needs. The e-Commerce market in India has enjoyed phenomenal growth of almost 50% in the last five years. As more and more Indians use the internet, revenues of e-commerce companies could triple over the next three years to 504 billion rupees (\$8.13 billion), according to Crisil Research, a unit of Mumbai-based ratings firm Crisil Ltd. The Indian E-Commerce platform reaches over 26000 zip codes. Timex has successfully utilized this phenomenon by carving partnerships with major Online Marketplace/ Aggregators like Flipkart and Amazon & is currently in the process of establishing its brand stores on these portals.

OPPORTUNITIES AND CHALLENGES

The factors below hold a lot of promise for the watch industry in the country:

1. **The current urban middle and upper class Indian consumers buying behavior is largely influenced by western fashion.** There is a marked increase in positive attitude towards western trends. The Indian consumer has become much more open-minded and experimental in his/her perspective. There is now an exponential growth of western trends reaching the Indian consumer by way of the media and Indians working abroad. Foreign brands have gained wide consumer acceptance in India.
2. **The seller's market is slowly moving towards becoming the buyers' market.** Since India's economic liberalization policies were initiated in 1991, many new product offerings have entered the Indian market and product variety has also increased manifold. Import licensing restrictions are being eliminated and tariffs significantly reduced and this has led to a large range of consumer goods being made available in India

This encouraging development for the industry could propel watch market growth significantly in future years and your Company with its wide array of brands and styles, ranging from Fashion to Classics and Sports, can take full advantage of these consumer trends.

Your Company shall continue to invest in its product portfolio and strengthen the communication of its brand attributes. Your Company believes that innovation is the key and to be profitable there has to be continuous improvement. The Timex Group has also set standards of high quality watch-making through excellent technology and innovative product development and has been a pioneer in several landmark technologies including the Indiglo®, the watch industry's first electroluminescent watch face. Recently to help commemorate its 160th anniversary Timex unveiled a 360 degree consumer campaign 'Wear It Well' that puts the spotlight on its American heritage and its portfolio of watches. With constant marketing innovation becoming the need of the hour and most brands raising their game in agility and customer insight, these potent engagement initiatives from the house of Timex clearly signals the watch maker's corporate intent to embrace the ongoing retail revolution.

RISKS/ THREATS

Lack of confidence among the consuming class due to compromised job prospects and income growth has led a rising proportion of income going towards secure savings rather than consumption spending. High inflation and borrowing rates further derailed hopes of an early economic recovery. Moderated consumption spending and high inflation has had a direct impact on the retail sector in the previous financial year, slowing the growth momentum.

However, with the political stability in 2014, it is expected that the incoming government will boost economic growth of the country. The watch industry depends on the new government to provide a hindrance free operating environment that will hopefully be unequivocally pro-reform.

Further, Market scenario is becoming more 'Competitive' with new players entering the market and aggressive marketing investments from the competition. The 'wearable' electronics business is vying for a 'share of the wrist'.

GOVERNMENT POLICY

Your Company has been actively involved with the "All India Federation of Horological Industries" (AIFHI), an apex body of the Horological Industry in India. Your Company together with AIFHI has been taking up issues concerning the Watch Industry with the various government agencies. We shall continue our efforts to represent the interests of the Company whether directly or indirectly or through our membership in AIFHI.

FINANCE

The Company does not hold any fixed deposits from the public, shareholders & employees. There were no overdue / unclaimed deposits as on 31 March 2014.

During the year under review, the Company made payment aggregating to Rs. 30.35 Crore by way of Central, State and local sales taxes and duties as against Rs. 32.54 Crore in the previous year.

DIVIDEND

In view of the losses for the year ended March 31, 2014 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 2014-2015 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 both relating to financial reporting and operations. Your Company has well established procedures for internal control, which are commensurate with its size and operations.

The internal control mechanism comprises of a well-defined organization, which performs time bound audits and reports findings to the Audit Committee of the Board on a quarterly basis,

The systems and operations are regularly reviewed by the Audit Committee to ensure and review their effectiveness and implementation. The Statutory Auditors of the Company also regularly 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 a challenging and remunerative work environment that encourages high performance, ownership and team work. Your Company has established the principles of good labor standards, equal opportunity for employment, ethical work environment, respect and healthy 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 2014, your Company had 280 employees on the Company rolls.

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

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 objectives, 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 relations etc.

DEMATERIALIZATION

Since year 2000, the equity shares of your Company are being compulsorily traded in dematerialization form. As on 31 March 2014, 31338 no. of shareholders representing 97.04% of the Equity Share are holding shares in the dematerialized form.

DIRECTORS

Mr. Robert Obed Barberi was appointed Additional Director during the year to hold office upto the date of forthcoming shareholders meeting. Mr. Barberi 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 requisite notice from a member proposing Mr. Barberi as a Director of your Company.

Mr. Anil Malhotra was appointed Non-Executive Additional Director during the year to hold office upto the date of forthcoming shareholders meeting. Your Company has received a requisite notice from a member proposing Mr. Malhotra as a Director of your Company.

Ms. Sharmila Sahai was appointed Additional Director during the year to hold office upto the date of forthcoming shareholders meeting. She was also appointed as a Managing Director of your Company. Your Company has received a requisite notice from a member proposing Ms. Sahai as a Director of your Company

Mr. M.K. Bandyopadhyay was re-appointed as Managing Director-Operations and Supply Chain of the Company with effect from 1 February 2014 for a period of six months. The Board of Directors, on the recommendation of Remuneration Committee and subject to the approval of shareholders and such other approvals as may be required, approved the appointment of Mr. Bandyopadhyay as Whole time Director with effect from 1 August 2014 until 20 November 2014.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, are proposed to be appointed as Independent Directors of the Company for a term of five years.

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 have been followed along with proper explanation relating to material departures.
- (ii) The Directors have 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 have 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., LLP Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

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 2014 and their comment about the managerial remuneration. The Company is in the process of filing an application for seeking waiver of excess remuneration paid to a former Managing Director of the Company.

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
Sd/-
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

	2013-14	2012-13
UPSEB/ HPSEB Power purchase (units)	557658	596739
Total Amount (in Rs.)	3993977	3841434
Rate per unit (in Rs.)	7.16	6.44
Own generation (units)	16670	63229
Cost per unit (in Rs.)	13.82	10.71
Units per litre of diesel	3.74	3.77

TECHNOLOGY ABSORPTION

Research and Development (R&D)

Areas in which R&D carried out by the Company

Development -

- 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

Future plan of action

- 1) E-tester development for 930 module for fast run testing which will improve the productivity
- 2) Spring bar fixing tooling to be upgraded for enhancing the attachment assembly productivity
- 3) Automation Tooling to be developed for bracelet lock opening/closing for reliability testing.
- 4) Automation for pendant fixing in bezel

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. Rs 880 Lakh in Foreign exchange and used Rs. Rs 3078 Lakhs.

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 the Company. The driving forces of Corporate Governance at the Company are its vision and core values, as described hereunder:

VISION

The Company 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 as a member of a truly multinational enterprise and intent on developing the international mindset of our people, we are building one of the most powerful portfolios of brands in the domestic watch 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 the Company's 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 Eight 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 are 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. Robert Obed Barberi (3)	Chairman and Non-Executive Director	Nil	Nil	-	-
Ms. Sharmila Sahai (4)	Managing Director	Nil	Nil	-	-
Mr. M K Bandyopadhyay	Managing Director –Operations & Supply Chain	Nil	1	1	-
Mr. Anil Malhotra (5)	Non-Executive Director	Nil	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 Roth (6)	Alternate Director to Mr. Robert Obed Barberi	Nil	Nil	-	-

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.
3. Mr. Robert Obed Barberi was appointed as an Additional Director and Chairman of the Company with effect from 31 January, 2014.
4. Ms. Sharmila Sahai was appointed as Managing Director of the Company w.e.f 18 November, 2013
5. Mr. Anil Malhotra was appointed as an Additional Director of the Company with effect from 30 October 2013.
6. Mr. Ryan Roth was appointed as an Alternate Director to Mr. Robert Obed Barberi w.e.f. 29 May 2014.
7. No Director is inter-se related to any other Director on the Board.

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

Mr. Robert Obed Barberi, Ms. Sharmila Sahai and Mr. Anil Malhotra were appointed as Additional Directors of the Company w.e.f. 31 January 2014, 18 November 2013 and 30 October 2013 respectively and they hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Robert Obed Barberi, Ms. Sharmila Sahai and Mr. Anil Malhotra for appointment as Directors.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, as Independent Directors, liable to retire by rotation at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, Mr. Pradeep Mukerjee, Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Daya Dhaon, are proposed to be appointed as Independent Directors of the Company for a term of five years.

Mr. M.K. Bandyopadhyay was re-appointed as Managing Director-Operations and Supply Chain of the Company with effect from 1 February 2014 for a period of six months. The Board of Directors, on the recommendation of Remuneration Committee and subject to the approval of shareholders and such other approvals as may be required, approved the appointment of Mr. Bandyopadhyay as Whole time Director with effect from 1 August 2014 until 20 November 2014.

Mr. Gary Piscatelli ceased to be the Director and Chairman of the Company with effect from 24 January 2014 and consequently, Mr. Ryan Todd Roth also ceased to be an Alternate Director to Mr. Gary Piscatelli.

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

Mr. Robert Obed Barberi

Robert O. Barberi is Senior Vice President - Human Resources and Legal, General Counsel and Secretary of Timex Group USA, Inc. Prior to his position at Timex, Mr. Barberi worked for over 30 years as the international or North American general counsel of several multinational consumer products and manufacturing groups, and 20 years as an outside corporate practitioner at prominent U.S. law firms advising international and American clients. In his various positions, Mr. Barberi has worked with senior and line management to formulate and successfully implement corporate and commercial objectives and corporate governance processes. He holds a B.A. from Amherst College and a J.D. from Columbia University School of Law.

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

Directorship in other Companies

Foreign Companies

Indiglo Corporation
Ingersoll Watch Company
Roberts Sports Management, LLC
Sequel AG
Sequel International, Inc.
Time Factory, Inc.
Time Master Limited
Timex Group Luxury Watches B.V.
Timex Group USA, Inc.,
Timex Japan Limited
Timex Licensing Corporation
Timex Pension Trustee Company Limited
Timex.com.Inc.
Timexexpo Corporation
TMX International Limited
TMX Ltd
Tx Watch Company, Inc.
U K Time Manufacturing Ltd
Vertime B.V

Mr. Anil Malhotra

Mr. Anil Malhotra is the Founder and Chairman of The ICS Group with diversified interests in IT Education, Institutional Training, Consulting and Technology Entrepreneurship. He also has interests in the real estate sector encompassing institutional, commercial and high end residential segments. Anil founded ICS in 1983 at the age of 23, and became one of India's most well known success stories, pioneering computer education in over 1000 schools across the country and being instrumental in the IT education of over a million students.

Anil is also the Chairman of Investopad, a new venture aimed at developing the next generation of Indian Internet entrepreneurs. The Investopad campus will foster aspiring entrepreneurs by helping provide access to institutional facilities of entrepreneurship education, seed, angel and venture capital, technology & business mentoring across a global network.

Anil has been Chairman of the Training Division of the Computer Industry's National apex body – Manufacturers Association for Information Technology (MAIT). He was conferred Honorary Membership of the India Public Schools' Conference and Honorary Fellowship of the Secondary Heads Association of Great Britain for his contribution in providing Quality Computer Education in India. He has been honored with the Rashtriya Samman, which is the Govt.

of India's highest award to the country's top income tax payers over five consecutive years. Anil has also been honored with the Governor General of Canada's medallion for his contribution to entrepreneurship and innovation in Canada and India. Anil is a Board Member of the Golf Foundation, a registered charitable society in India, aimed at promoting talented Golfers.

Anil graduated with Economics Honours from Shri Ram College of Commerce, Delhi University and underwent training as an Officer Cadet at the India Military Academy.

Mr. Anil Malhotra does not hold any shares in the Company as on date.

Other Directorship

Public Limited Companies

ICS Credits Limited

Private Limited Companies

ICS International Private limited

JTV Consultants Private Limited

Kings Township Private Limited

Ms. Sharmila Sahai

Ms Sharmila Sahai brings over 23 years of extensive experience of selling consumer goods within India, Asia, the Middle East and Africa. She played a key role in successfully strategizing and launching new categories and concepts for leading brands in the Indian market. Prior to joining Timex, Ms. Sahai served as the Managing Director of Sennhieser India Limited. Her other experiences were with Philips, Sony, Dabur India, Fedders Lloyd Corporation Limited and Kelvinator of India Limited. She has been part of two startups Sony India and Sennheiser India.

Sharmila holds a B.A. from Lady Sriram College – University of Delhi, India and a Post Graduate Diploma in Marketing Management from The Centre for Management & Development, India.

Ms. Sharmila Sahai does not hold any shares in the Company as on date.

Other Directorship

Nil

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 Limited Companies

Timex Group Precision Engineering Limited

Private Limited Companies

Time Master India Private Limited

Mr. Pradeep Mukerjee

Mr. Pradeep Mukherjee is an independent Director on the Board of Timex Group India Limited. He has done Masters in Personnel Management and Industrial Relations from Tata Institute of Social Sciences & Industrial Relations, Mumbai and Bachelor of Science from Indian Institute of Technology, Kharagpur. He is presently the CEO & Country Leader for Mercer Consulting in India. Previously he has been the Founder- Director of Confluence Coaching & Consulting and prior to that, he was associated with Companies like Potential Unlimited as the Chief Executive Officer, Citigroup on various positions including Human Resources Director and Vice President, India, Sri Lanka and Bangladesh and as a Vice President in the United States and in Gulf Countries.

Mr. Pradeep Mukerjee does not hold any shares in the Company as on date.

Other Directorship**Private Limited Company(ies)**

Confluence Coaching & Consulting Private Limited
Mercer Consulting India Private Limited

Ms. Gagan Singh

Ms. Gagan Singh is an Independent Director on the Board of Timex Group India Limited. She has more than 30 years of experience across several Industries. She is currently the Chief Executive Officer- Business of Jones Lang LaSalle India. Ms. Singh is a Trustee of Salaam Baalak Trust and Founder Member and Vice President of Youthreach. She served as Managing Director of Benetton India Private Limited until April 2007. In this position, she played a key role in the transition of Benetton India Private Ltd from a Joint venture to a 100% subsidiary of Benetton Group.

Ms. Gagan Singh does not hold any shares in the Company as on date.

Other Directorship**Private Limited Company(ies)**

Gamma Pizzacraft Private Limited
Gamma Pizzacraft Overseas Private Limited
Jones Lang LaSalle Residential Private Limited
Jones Lang LaSalle Lanka Private Limited

Mr. Bijou Kurien

Mr. Bijou Kurien has 30 year of experience in the Consumer Products Industry. He has worked with industries like Reliance Retail Limited, Titan Industries and Hindustan Unilever Limited. He has also held the position of Chairman of the India Retail Forum, Member of CII National Retail Committee and Member of Advisory Board of the World Retail Congress. He is a science graduate and also did PG Diploma in Business Management from XLRI, Jamshedpur.

Other Directorship**Public Limited company**

Stella Treads Private Limited
Reliance Lifestyle Holdings Limited
Genesis Luxury Fashion Limited
Stella Rubber Works Limited

Private Limited Company

Oceanic Rubber Works Private Limited
Reliance Grand Optical Private Limited

Mr. Bijou Kurien holds 3800 shares in the Company as on date.

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 had 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.

Other Directorship

Nil

(c) Board Meetings

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

The Board met eight times during financial year 2013-2014 on 9 April, 2013, 25 April, 2013, 30 May 2013, 7 August, 2013, 30 October 2013, 18 November, 2013, 28 January, 2014 and 31 January, 2014 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 2013-14 is as under:

Name	No. of Meetings attended	Attendance at last AGM
Mr. Robert Obed Barberi*	1	N/A
Mr. Anil Malhotra**	3	-
Ms. Sharmila Sahai***	2	-
Mr. M K Bandyopadhyay	8	Yes
Mr. Daya Dhaon	8	Yes
Ms. Gagan Singh	8	Yes
Mr. Pradeep Mukerjee	5	Yes
Mr. Bijou Kurien	5	-
Mr. Gary Piscatelli****	4	-
Mr. Kapil Kapoor*****	3	N/A

* *Mr. Robert Obed Barberi has been appointed as Additional Director and Chairman of the Company w.e.f 31 January, 2014*

** *Mr. Anil Malhotra has been appointed as Additional Director of the Company w.e.f 30 October, 2013*

*** *Ms. Sharmila Sahai has been appointed as additional Director and Managing Director w.e.f 18 November, 2013*

**** *Mr. Gary Piscatelli's membership on the Board ceased with effect from 24 January 2014.*

***** *Mr. Kapil Kapoor resigned with effect from 30 May 2013*

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

The Company Secretary of the Company acts as the Secretary of the Committee.

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company and also approval for payment for any other services
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

Audit Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year under review, the Audit Committee met four times on 30 May 2013, 7 August 2013, 30 October, 2013 and 31 January 2014. The details of member's attendance at the Audit Committee Meetings during the financial year 2013-2014 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	3
Mr. Robert Obed Barberi*	Nil
Mr. Gary Piscatelli**	3
Mr. Kapil Kapoor***	1

* Mr. Robert Obed Barberi has been appointed as an additional director and Chairman of the Company w.e.f 31 January, 2014

** Mr. Gary Piscatelli's membership on the Committee ceased w.e.f 24 January, 2014

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

The Chief Financial Officer, Head of Internal Audit function 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) Nomination & Remuneration Committee

Currently, the Committee comprises of four Non- Executive Directors, namely Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee and Mr. Robert Obed Barberi. 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 Executive Directors draws remuneration from the Company.

Terms of reference of the Committee, inter alia, includes the following:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal and to carry out evaluation of every director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. To formulate the criteria for evaluation of Independent Directors and the Board;
4. To devise a policy on Board diversity;
5. To recommend/ review remuneration of Managing Director(s)/ Whole time Director(s)

The Nomination & Remuneration Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year under review, the Nomination & Remuneration Committee met four times on 25 April 2013, 7 August 2013, 30 October, 2013 and 31 January 2014. The details of member's attendance at the Nomination & Remuneration Committee Meetings during the financial year 2013-2014 are as under:

Name of Director	No of meetings attended
Mr. Daya Dhaon	4
Ms. Gagan Singh	4
Mr. Pradeep Mukerjee	4
Mr. Robert Barberi*	Nil
Mr. Gary Piscatelli**	2
Mr. Kapil Kapoor ***	1

* Mr. Robert Obed Barberi has been appointed as an additional director and Chairman of the Company w.e.f 31 January, 2014

** Mr. Gary Piscatelli's membership on the Committee ceased w.e.f 24 January, 2014

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

(c) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of five Non-Executive Directors namely Mr. Robert Obed Barberi, 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.

The Stakeholders Relationship Committee is primarily responsible for looking into the redressal of grievances of shareholders, debenture holders and other security holders, if any. The Committee considers and resolves the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. To expedite the process of share transfers, the Board of the company has delegated the power of share transfer to an officer/ Company Secretary who attends to share transfer formalities at least once in a fortnight.

The Stakeholders relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

During the year under review, the Stakeholders Relationship Committee met four times on 30 May 2013, 7 August 2013, 30 October, 2013 and 31 January 2014. The details of member's attendance at the Stakeholders Relationship Committee Meetings during the financial year 2013-2014 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	3
Mr. Robert Obed Barberi*	Nil
Mr. Gary Piscatelli**	3
Mr. Kapil Kapoor***	1

* Mr. Robert Obed Barberi has been appointed as an additional director and Chairman of the Company w.e.f 31 January, 2014

** Mr. Gary Piscatelli's membership on the Committee ceased w.e.f 24 January, 2014

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

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.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 31 of Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on arms length basis, and are intended to further the Company's interests

(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) **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.

- (d) **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.
- (e) **CEO/CFO Certification :** The Managing Director (CEO) and GM- Finance 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 2014 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, 2013. 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 2014 are as follows:

Salary Component	M.K. Bandyopadhyay	Sharmila Sahai
Basic	3,512,784	1,330,000
HRA/Special Allowance/Bonus	3,984,686	2,055,724
Reimbursements- Medical, Car lease, Vehicle fuel	915,000	144318
Leave Encashment	80,000	15,000
Gratuity	-	-
Performance Bonus (Paid in May 2013)	1,204,875	-
PF	421,533	159,600
Supperannuation	526,918	-
	10,645,796	3,704,642

MEANS OF COMMUNICATION

- Website, where results are displayed : 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 : Financial Express, Jansatta
- 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 email to the Bombay Stock Exchange and the same is then either hand delivered or sent by courier to the Stock Exchange.

GENERAL SHAREHOLDERS' INFORMATION

AGM: Date,time and venue	:	Thursday, 14, August 2014 at 4:30 p.m. at Air Force Auditorium, Subroto Park New Delhi -110010.
Financial Year	:	April 1, 2013 to March 31,2014
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 2014-15 (April – March)	:	To review and approve unaudited Financial Results for the quarter First quarter - ended July 2014 Second quarter -ended October 2014 Third quarter - ended January 2015 Fourth quarter - ended May 2015

Book closure Date	:	12 August, 2014 to 13 August 2014 (both days inclusive)
Listing of shares on Stock Exchanges	:	Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Registered Office	:	JA-1203, 12 th Floor, DLF Tower A, Jasola, New Delhi – 110025.
Listing Fees	:	Listing fees as prescribed has been paid to the Stock Exchange up to 31 March 2015
Share Registrar & Transfer Agents	:	Alankit Assignment Limited 1E/13 Alankit Hights, Jhandewalan Extension, New Delhi – 110055 of the Company for both physical and electronic mode of share transfers. Contact Person: Mr. J K Singla, . Phones : 011-42541234/011-42541960 Fax : 011-23552001 Email : rta@alankit.com info@alankit.com Website : www.alankit.com

SHARE TRANSFER SYSTEM

The Company has appointed Alankit Assignment 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.

The Board has delegated the authority for approving transfer, transmission etc of the company's securities to the Company Secretary/ officer. A summary of transfer, Transmission of securities of the company so approved by the Company Secretary/ officer is placed at every Stakeholders Relationship Committee Meeting/ Board Meeting.

INVESTOR SERVICES

Number of Complaints received from the shareholders during the year ended March 31, 2014.

Complaints outstanding as on April,1, 2013	1
Complaints received during the year ended March 31, 2014	3
Complaints resolved during the year ended March 31, 2014	4
Complaints pending as on March 31, 2014	0

OTHERS

Compliance officer

Ms. Shilpa Verma, Company Secretary.

Address: JA-1203, 12th Floor, DLF Tower A, Jasola, New Delhi-110025

Venue and Time of the Last Three General Body Meetings

Date	Category	Venue	Time	No. of Special Resolutions
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
07.08.2013	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 envelope 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:

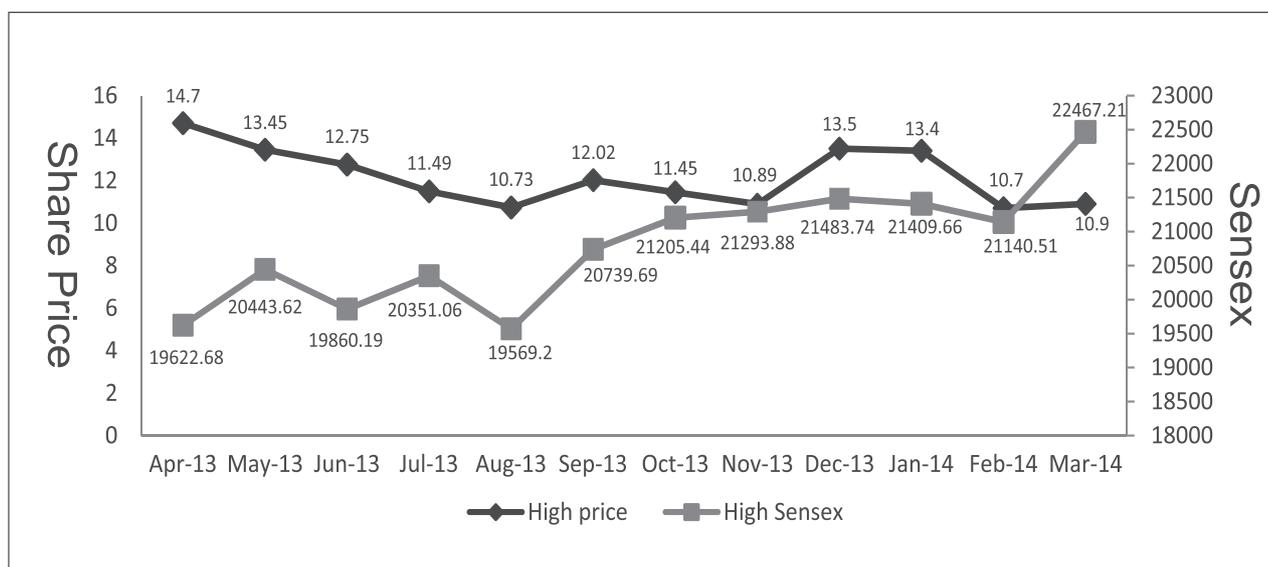
Date of Declaration of Postal Ballot Results	Name of Scrutinizer	Brief particulars of resolution	Percentage of votes cast in favour of the resolution
23 May 2013	Mr. Neelesh Kumar Jain	Special Resolution to consider the variation in terms of 25,00,000 0.1% Non Cumulative Redeemable Non Convertible Preference Shares	99.88%

Further, the Company is in the process of seeking equity shareholders approval through postal ballot for the extension of maturity period of preference shares by five years, appointment of Ms. Sharmila Sahai as Managing Director, revision in the remuneration of Mr. M.K. Bandyopadhyay and re-appointment of Mr. M.K. Bandyopadhyay as Managing Director-Operations and Supply Chain.

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-13	14.70	12.56
May-13	13.45	11.05
Jun-13	12.75	8.00
Jul-13	11.49	8.33
Aug-13	10.73	7.91
Sep-13	12.02	8.00
Oct-13	11.45	9.10
Nov-13	10.89	9.11
Dec-13	13.50	9.81
Jan-14	13.40	8.60
Feb-14	10.70	8.76
Mar-14	10.90	9.05



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 2014, the distribution of Company's shareholding was as follows: -

No. of Shares	No. of Share holders	% of Shareholders	Share Amount	% of Amount
UPTO - 2500	62803	98.17	11709079	11.59
2501 - 5000	609	0.95	2310305	2.29
5001 - 10000	314	0.49	2389438	2.37
10001 - 20000	124	0.19	1890074	1.87
20001 - 30000	44	0.07	1102336	1.09
30001 - 40000	22	0.04	733929	0.73
40001 - 50000	25	0.04	1180908	1.17
50001 - 100000	20	0.03	1491863	1.48
100001 AND ABOVE	13	0.02	78142068	77.41
TOTAL	63974	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. As on 31 March 2014, **31338** no. of shareholders representing **97.04%** of the Equity Share are holding shares in the dematerialized form.

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, JA-1203, 12TH Floor, DLF Tower-A, Jasola, New Delhi - 110025.

B. NON MANDATORY

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. Employees may also call the compliance line, toll free 24 hours a day. 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/-
Sharmila Sahai
Managing Director

Sd/-
Amit Jain
GM-Finance

Dated: 29 May, 2014

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 2013-2014.

Sd/-
Sharmila Sahai
Managing Director

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements(s)

To the Members

Timex Group India Limited

JA 1203, 12th Floor, DLF Tower A,

Jasola, New Delhi, India - 110025

1. We have reviewed the implementation of the corporate governance procedures by Timex Group India Limited (the Company) during the year ended March 31st 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate governance, as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further 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.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the company has been complying with the conditions of Corporate Governance, as stipulated in the clause 49 of the Listing agreements (s) with the Stock Exchanges, as in force.

For N.K.J. & ASSOCIATES
Company Secretaries

Sd/-
NEELESH KR. JAIN
Proprietor

Place: New Delhi

Date: 29 May, 2014

Membership No. FCS 5593
Certificate of Practice No. 5233

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 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 paid by the Company during the year ended 31 March 2012 was in excess of the amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by the Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application had been made in this regard by the Company vide its letter dated 30 August 2012.

The Company has received a direction to recover the excess remuneration of Rs. 7.09 lakhs paid during the year ended 31 March 2012. The Company has not recovered such excess remuneration paid till date and is in the process of filing an application with the Central Government for waiver of such excess remuneration paid, since the concerned managerial person has resigned w.e.f. 31 January 2013.

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 2014;
- (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.

Emphasis of Matter

Attention is invited to note 2 (b) of the financial statements, wherein it is explained that the Company has significant accumulated losses which have resulted in complete erosion of the net worth of the Company as at 31 March 2014. The ability of the Company to continue as a going concern is dependent on improvement of the Company's future operations and continued financial support from the holding and ultimate holding company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

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:
- 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;
 - 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;
 - 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;
 - 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;
 - on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, 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. LLP
Chartered Accountants
Firm Registration No.: 101248W

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurgaon
Date: 29 May 2014

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 2014

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 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.
 - 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.
- According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - 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.
 - 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.
- 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.
- 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.
- 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.
 - 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 specialised 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.
- The Company has not accepted any deposits from public.
- 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 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 2014 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 Commissioner, Ernakulam
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
Central Sales Tax Act, 1956	Sales Tax	12	-	2010-11	Assistant Commissioner – Commercial taxes
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)
Income Tax Act, 1961 *	Income Tax	2,086	-	2009-10	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 at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current year and 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 funds raised on short term basis amounting to Rs. 1,902 lakhs have 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. LLP
Chartered Accountants
Firm Registration No.: 101248W

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurgaon
Date: 29 May 2014

TIMEX GROUP

Balance Sheet as at 31 March 2014

		(Rs. in lakhs)	
	Note	31 March 2014	31 March 2013
Equity and liabilities			
Shareholders' funds			
Share capital	3	5,120	5,120
Reserves and surplus	4	(5,371)	(2,073)
		<u>(251)</u>	<u>3,047</u>
Non-current liabilities			
Long-term provisions	5	258	298
		<u>258</u>	<u>298</u>
Current liabilities			
Short-term borrowings	6	1,710	1,027
Trade payables	7	7,236	6,520
Other current liabilities	8	2,203	1,890
Short-term provisions	5	905	482
		<u>12,054</u>	<u>9,919</u>
TOTAL		<u>12,061</u>	<u>13,264</u>
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	9	1,285	1,482
Intangible fixed assets	10	7	12
Capital work-in-progress	10	49	-
		<u>1,341</u>	<u>1,494</u>
Long-term loans and advances	11	451	352
Other non-current assets	12	117	179
		<u>568</u>	<u>531</u>
Current assets			
Inventories	13	2,441	3,702
Trade receivables	14	6,889	6,604
Cash and bank balances	15	523	561
Short-term loans and advances	16	284	342
Other current assets	17	15	30
		<u>10,152</u>	<u>11,239</u>
TOTAL		<u>12,061</u>	<u>13,264</u>
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. LLP

Chartered Accountants

Firm Registration No.: 101248W

Jiten Chopra

Partner

Membership No.: 092894

Place : Gurgaon

Date : 29 May 2014

Robert Obed Barberi

Chairman

Place : New Delhi

Date : 29 May 2014

Sharmila Sahai

Managing Director

Place : New Delhi

Date : 29 May 2014

Amit Jain

*General Manager-
Finance*

Place : New Delhi

Date : 29 May 2014

Shilpa Verma

Company Secretary

Place : New Delhi

Date : 29 May 2014

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

Statement of Profit and Loss for the year ended 31 March 2014

		(Rs. in lakhs)	
	Note	31 March 2014	31 March 2013
Revenue from operations			
Sale of products (gross)	18	12,067	11,974
Less: Excise duty		262	228
Sale of products (net)		11,805	11,746
Sale of services		551	366
Other operating revenues		2	32
Total		12,358	12,144
Other income	19	9	24
Total revenue		12,367	12,168
Expenses			
Cost of materials and components consumed	20	6,426	7,191
Purchase of stock-in-trade	21	216	255
Changes in inventories of finished goods, work in progress and stock-in-trade	22	817	353
Employee benefits	23	2,102	2,152
Finance costs	24	117	98
Depreciation and amortisation	25	234	223
Other expenses	26	5,753	6,092
Total expenses		15,665	16,364
Loss for the year		(3,298)	(4,196)
Loss per equity share [(nominal value of share Re 1 (previous year Re.1)]	28		
Basic		(3.58)	(4.47)
Diluted		(3.58)	(4.47)
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. LLP

Chartered Accountants

Firm Registration No.: 101248W

Jiten Chopra

Partner

Membership No.: 092894

Place : Gurgaon

Date : 29 May 2014

Robert Obed Barberi

Chairman

Place : New Delhi

Date : 29 May 2014

Sharmila Sahai

Managing Director

Place : New Delhi

Date : 29 May 2014

Amit Jain

General Manager-

Finance

Place : New Delhi

Date : 29 May 2014

Shilpa Verma

Company Secretary

Place : New Delhi

Date : 29 May 2014

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

TIMEX GROUP

Cash flow statement for the year ended 31 March 2014

	(Rs. in lakhs)	
	31 March 2014	31 March 2013
A. Cash flows from operating activities		
Profit before tax	(3,298)	(4,195)
Non cash adjustments :		
Depreciation and amortisation	234	223
Bad debts written off	-	94
Provision for doubtful debts and doubtful advances	26	332
Assets written off	41	1
Loss on sale of assets (net)	3	4
Unrealised foreign exchange loss	506	301
Provisions no longer required written back	-	(8)
Interest expense	117	98
Interest income	(9)	(18)
Operating profit before working capital changes	(2,379)	(3,169)
Movements in working capital:		
Increase/(decrease) in trade payables	183	250
Increase/(decrease) in long term provisions	(40)	23
Increase/(decrease) in short term provisions	423	129
Increase/(decrease) in other current liabilities	324	71
Decrease/(increase) in inventories	1,261	429
Decrease/(increase) in trade receivables	(284)	3,004
Decrease/(increase) in non-current trade receivables	62	48
Decrease/(increase) in loans and advances	(32)	47
Decrease/(increase) in other current assets	15	(30)
Cash generated from/(used) in operations	(467)	802
Income taxes paid (net of refunds)	(12)	(73)
Net cash generated from/(used in) operating activities (A)	(479)	729
B. Cash flows from investing activities		
Purchase of fixed assets	(138)	(257)
Interest received	9	19
Net cash generated from/(used in) investing activities (B)	(130)	(238)
C. Cash flows from financing activities		
Short term bank borrowings availed (net)	683	162
Interest paid	(112)	(98)
Dividend paid on preference shares	-	(274)
Tax paid on preference dividend	-	(46)
Net cash generated from/(used in) financing activities (C)	571	(256)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(38)	235
Cash and cash equivalents at the beginning of the year	561	326
Cash and cash equivalents at the end of the year	523	561
Notes :		
Component of cash and cash equivalents :		
Cash on hand	5	7
Cheques on hand	346	387
Balances with banks:		
On current accounts	172	167
Deposits with original maturity of less than 3 months	-	-
Cash and cash equivalents at the end of the year	523	561

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. LLP
Chartered Accountants
Firm Registration No.: 101248W

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

Jiten Chopra
Partner
Membership No.: 092894

Robert Obed Barberi
Chairman

Sharmila Sahai
Managing Director

Amit Jain
General Manager-
Finance

Shilpa Verma
Company Secretary

Place : Gurgaon
Date : 29 May 2014

Place : New Delhi
Date : 29 May 2014

Place : New Delhi
Date : 29 May 2014

Place : New Delhi
Date : 29 May 2014

Place : New Delhi
Date : 29 May 2014

Notes to the financial statements for the year ended 31 March, 2014

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 accounting and 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 going concern assumption

The accumulated losses of the company as at 31 March 2014 are Rs. 5,722 lakhs, which have resulted in complete erosion of the net worth of the Company. The Company has also incurred losses of Rs 3,298 lakhs for the year ended 31 March 2014 and as at that date, the Company's current liabilities are in excess of its current assets by Rs. 1,902 lakhs. The Company expects growth in its operations in coming years and is taking measures to improve its operational efficiency. However, the company expects to incur losses during the year 2014-15. As per the business plans approved by the board of directors, the funding requirements of the company will be met through funds from operations and bank borrowings, which have been guaranteed by Timex Group Luxury Watches B.V., the holding company. The holding company has also deferred the redemption of preference share capital from 26 March 2014 to 26 March 2019. In view of the above, the use of going concern assumption has been considered appropriate in preparation of financial statements of the Company.

c. 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.

d. 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.

e. 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.

f. 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.

g. 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.

h. 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.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

i. 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.

j. 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.

k. 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.

l. 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.

m. Provision for sales returns

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

n. 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.

o. 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.

p. 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.

q. 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.

r. 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.

s. 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.

	31 March 2014	(Rs. in lakhs) 31 March 2013
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
	17,000	17,000
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
	5,120	5,120

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	31 March 2014		31 March 2013	
	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
	1,010	1,010	1,010	1,010
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	386	3,860	386	3,860
	411	4,110	411	4,110

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 distrib-

uted 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 redemption of such shares, pursuant to the provisions of Section 106 of the Companies Act, 1956 has been extended by the preference shareholders by five years i.e. till 24 March 2018 and the Company has completed all formalities related to the same.

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. The shares were due for redemption on 26 March 2014. 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. till 26 March 2019. 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 received approval from the Reserve Bank of India vide its letter dated 09 April 2014 for extension of redemption date to 26 March 2019.

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 2014			31 March 2013		
	No. lakhs	Amount Rs. in lakhs	% holding	No. lakhs	Amount 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						
0.1% non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	25	250	100	25	250	100
7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	386	3,860	100	386	3,860	100
	411	4,110	100	411	4,110	100

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

(Rs. in lakhs)

31 March 2014 31 March 2013

4. Reserves and surplus

Securities premium account

Balance at the commencement and the end of the year	351	351
	351	351

Statement of Profit and Loss

Balance at the commencement of the year	(2,424)	1,772
Add: Loss for the year	(3,298)	(4,196)
Balance as at the end of the year	(5,722)	(2,424)
Total reserves and surplus	(5,371)	(2,073)

(Rs. in lakhs)

5. Provisions

	Long-term		Short-term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Provision for employee benefits				
Gratuity (refer note 29)	146	167	17	7
Compensated absences (refer note 29)	112	131	19	9
	258	298	36	16
Other provisions				
Provision for warranties	-	-	107	41
Provision for sales returns	-	-	201	189
Provision for unearned margin	-	-	508	183
Provision for litigations	-	-	43	43
Provision for current tax [net of advance tax of Rs. 203 lakhs (previous year Rs. 203 lakhs)]	-	-	10	10
	-	-	869	466
Total provisions	258	298	905	482

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

	Unearned margin		Warranty		Sales return		Litigations	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
At the commencement of the year	183	-	41	69	189	216	43	43
Provision created during the year	325	183	218	109	12	-	-	-
Provision utilised during the year	-	-	(152)	(137)	-	(27)	-	-
At the end of the year	508	183	107	41	201	189	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 2014	31 March 2013
6. Short-term borrowings		
Loan repayable on demand		
- Cash credit from bank (unsecured)*	310	27
Working capital loans from bank (unsecured) **	1,400	1,000
	<u>1,710</u>	<u>1,027</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. 3,380 lakhs) to the bankers of the Company as a guarantee for use of cash credit and overdraft facilities.

** Working capital loans carry interest ranging between 10% to 11% p.a. The working capital loans are guaranteed by Timex Group B.V, the holding company and are repayable within 30- 60 days.

	31 March 2014	31 March 2013
7. Trade payables		
Trade payables	7,236	6,520
	<u>7,236</u>	<u>6,520</u>

For dues to micro and small suppliers, refer note 39

	(Rs. in lakhs)	
	31 March 2014	31 March 2013
8. Other current liabilities		
Discount, selling and other expenses	1,417	1,181
Interest accrued but not due on borrowings	5	0 #
Interest free security deposits received from dealers	17	17
Advance received from customers	208	155
Dues to employees	267	217
Excise duty payable	39	88
Sales tax payable	107	99
TDS payable	47	42
Provident fund payable	14	12
Other statutory dues payable	12	3
Book overdraft	62	52
Capital creditors	8	24
	<u>2,203</u>	<u>1,890</u>

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 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
Balance as at 1 April 2013	155	334	155	1,827	919	103	483	3,976
Additions	-	-	-	1	41	2	32	76
Disposals	-	-	93	58	187	21	173	532
Balance as at 31 March 2014	155	334	62	1,770	773	84	342	3,520
Depreciation								
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
Balance as at 1 April 2013	12	65	151	1,397	450	41	378	2,494
Depreciation for the year	2	11	-	45	136	7	28	229
Accumulated depreciation on disposals	-	-	90	54	159	15	170	488
Balance as at 31 March 2014	14	76	61	1,388	427	33	236	2,235
Net block								
As at 31 March 2013	143	269	4	430	469	62	105	1,482
As at 31 March 2014	141	258	1	382	346	51	106	1,285

* 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 2014 is Rs. 76 lakhs (previous year Rs. 98 lakhs), gross carrying amount is Rs. 798 lakhs (previous year Rs. 798 lakhs) and accumulated depreciation Rs. 722 lakhs (previous year Rs. 700 lakhs). Depreciation charged during the year Rs. 227 lakhs (previous year Rs. 218 lakhs).

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 2012	32	32
Balance as at 31 March 2013	<u>32</u>	<u>32</u>
Balance as at 1 April 2013	32	32
Disposals	7	7
Balance as at 31 March 2014	<u>25</u>	<u>25</u>
Amortisation		
Balance as at 1 April 2012	15	15
Amortisation for the year	5	5
Balance as at 31 March 2013	<u>20</u>	<u>20</u>
Balance as at 1 April 2013	20	20
Amortisation for the year	5	5
Accumulated depreciation on disposals	7	7
Balance as at 31 March 2014	<u>18</u>	<u>18</u>
Net block		
As at 31 March 2013	12	12
As at 31 March 2014	7	7
Capital work in progress		
Balance as at 1 April 2013	-	-
Additions	49	49
Balance as at 31 March 2014	<u>49</u>	<u>49</u>

	Non current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
11. Long-term loans and advances				
To parties other than related parties				
<i>(Unsecured and considered good)</i>				
Capital advances	-	3	-	-
	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>
Security deposits				
<i>(unsecured)</i>				
Considered good	338	248	3	101
Considered doubtful	51	51	-	-
Less: Provision for doubtful security deposits	(51)	(51)	-	-
	<u>338</u>	<u>248</u>	<u>3</u>	<u>101</u>
Other loans and advances				
<i>Secured and considered good</i>				
Loans to employees **	-	-	1	1
<i>Unsecured and considered good</i>				
Advance income-tax [net of provision for tax Rs. 620 lakhs (previous year Rs. 620 lakhs)]	113	101	-	-
	<u>113</u>	<u>101</u>	<u>1</u>	<u>1</u>
	<u>451</u>	<u>352</u>	<u>4</u>	<u>102</u>

*Amount disclosed under 'Short term loans and advances'

** Secured by hypothecation of respective vehicles.

(Rs. in lakhs)

	31 March 2014	31 March 2013
12. Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Long-term trade receivables		
Unsecured, considered good	115	177
Considered doubtful	100	100
Less: Provision for doubtful receivables	(100)	(100)
	<u>115</u>	<u>177</u>
Bank deposits (due to mature after 12 months from the reporting date) ***	2	2
(refer note 15)		
Interest accrued on fixed deposits	0 #	0 #
	<u>117</u>	<u>179</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	937	1,294
Work-in-progress	109	45
Finished goods	1,373	2,338
Traded goods	22	25
	<u>2,441</u>	<u>3,702</u>

In the year ended 31 March 2014, the write down of inventories to net realisable value amounts to Rs. 386 lakhs (previous year Rs. 5,017 lakhs)

14. Trade receivables

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

Unsecured, considered good	619	402
Doubtful	641	615
Less: Provision for doubtful receivables	(641)	(615)
	<u>619</u>	<u>402</u>
	(A)	
Other receivables		
Unsecured, considered good	6,270	6,202
	<u>6,270</u>	<u>6,202</u>
	(B)	
	(A) + (B)	
	<u>6,889</u>	<u>6,604</u>

Trade receivables (unsecured, considered good) include Rs. 319 lakhs (previous year: Rs. 157 lakhs) due from companies under the same management.

	(Rs. in lakhs)	
	31 March 2014	31 March 2013
15. Cash and bank balances		
Cash and cash equivalents		
- Cash on hand	5	7
- Cheques on hand	346	387
- Balances with banks:		
On current accounts	172	167
	523	561
Details of bank balances/deposits		
Bank balance available on demand included under 'Cash and cash equivalents'	172	167
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 12)	2	2
	174	168
16. Short-term loans and advances		
<i>(unsecured, considered good)</i>		
Current portion of long-term loans and advances (refer note 11)	4	102
To parties other than related parties		
Prepaid expenses	28	35
Advances to employees	14	9
VAT receivable	19	20
CENVAT receivable	22	74
Customs duty recoverable	6	-
DEPB receivable	-	7
Advances to suppliers	185	85
Others	6	10
	284	342
17. Other current assets		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Interest accrued on fixed deposits	0 #	0 #
Insurance claim receivable [net of provision Rs 15 lakhs (previous year Rs Nil)]	15	30
	15	30
# Amount is below rounding off threshold adopted by the Company.		
18. Revenue from operations		
Sale of products *		
Finished goods	11,812	11,655
Traded goods	255	319
Sale of products (gross)	12,067	11,974
Less: Excise duty	262	228
Sale of products (net)	11,805	11,746
Sale of services	551	366
Other operating revenues		
- Dealers signing fees	2	20
- Rental income from assets given on lease	-	4
- Provisions no longer required written back	-	8
	2	32
	12,358	12,144

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

	(Rs. in lakhs)	
	31 March 2014	31 March 2013
Break-up of revenue from sale of products		
Manufactured goods		
- Watches	11,140	11,053
- Components and others	672	602
	<u>11,812</u>	<u>11,655</u>
Traded goods		
- Watches	255	319
	<u>255</u>	<u>319</u>
Break-up of revenue from services rendered		
- Support charges	521	338
- Customer services	30	28
	<u>551</u>	<u>366</u>
19. Other income		
Interest income on		
- bank deposits	0#	0#
- others	8	18
Miscellaneous income	1	6
	<u>9</u>	<u>24</u>
# Amount is below rounding off threshold adopted by the Company.		
20. Cost of raw materials and components consumed		
Inventory of materials at the beginning of the year	1,294	1,329
Purchases	6,069	7,156
Inventory at the end of the year	(937)	(1,294)
	<u>6,426</u>	<u>7,191</u>
Break-up of cost of raw materials and components consumed		
Movements	1,468	1,366
Straps	1,462	963
Other materials	3,496	4,862
	<u>6,426</u>	<u>7,191</u>
Break-up of inventory- raw materials and components		
Raw materials and components		
Movements	78	83
Straps	146	393
Other materials	713	818
	<u>937</u>	<u>1,294</u>
21. Purchase of stock-in-trade		
Watches	216	255
	<u>216</u>	<u>255</u>

	31 March 2014	31 March 2013
	(Rs. in lakhs)	
22. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventory at the end of the year		
Traded goods	22	25
Work-in-progress	109	45
Finished goods	1,373	2,338
	<u>1,504</u>	<u>2,408</u>
Inventory at the beginning of the year		
Traded goods	25	21
Work-in-progress	45	224
Finished goods	2,338	2,557
	<u>2,408</u>	<u>2,802</u>
Excise duty related to increase and decrease in inventory of finished goods	(87)	(41)
(Increase)/decrease in inventory	<u>817</u>	<u>353</u>
Traded goods		
Inventory at the end of the year	22	25
Inventory at the beginning of the year	25	21
(Increase)/decrease in inventory	<u>3</u>	<u>(4)</u>
Work-in-progress		
Inventory at the end of the year	109	45
Inventory at the beginning of the year	45	224
(Increase)/decrease in inventory	<u>(64)</u>	<u>179</u>
Finished goods		
Inventory at the end of the year	1,373	2,338
Inventory at the beginning of the year	2,338	2,557
(Increase)/decrease in inventory	<u>965</u>	<u>219</u>
Excise duty related to increase and decrease in inventory of finished goods	(87)	(41)
	<u>817</u>	<u>353</u>
Details of inventory		
Traded Goods		
Watches	22	25
	<u>22</u>	<u>25</u>
Work in progress		
Watches	109	45
	<u>109</u>	<u>45</u>
Finished goods		
Watches	1,373	2,338
	<u>1,373</u>	<u>2,338</u>
23. Employee benefits #		
Salaries, wages and bonus	1,817	1,808
Contribution to provident and other funds	104	130
Compensated absences	17	37
Staff welfare expenses	164	177
	<u>2,102</u>	<u>2,152</u>

Refer note 29

	(Rs. in lakhs)	
	31 March 2014	31 March 2013
24. Finance costs		
Interest expense	117	97
Interest on delayed payment of statutory dues	-	1
	<u>117</u>	<u>98</u>
25. Depreciation and amortisation		
Depreciation on tangible fixed assets	229	218
Amortisation on intangible assets (refer note 9 and 10)	5	5
	<u>234</u>	<u>223</u>
26. Other expenses		
Consumption of stores and spare parts	13	19
Power and fuel	53	53
Selling and distribution	398	433
Rent (refer note 30)	361	384
Repairs and maintenance		
- Building	25	22
- Machinery	32	43
- Others	7	7
Insurance	24	27
Rates and taxes, excluding taxes on income	166	177
Travelling	337	412
Legal and professional (refer note below)	227	223
Commission	-	40
Advertising, marketing and brand building expenses	2,013	2,393
Bank charges	6	9
Communication	70	81
Warranty	218	109
Director's sitting fees	15	14
Purchased services	441	427
Bad debts written off	-	94
Provision for doubtful debts	26	312
Provision for doubtful advances	-	20
Assets written off	41	1
Loss on sale of assets (net)	3	4
Margin loss and unearned margin on sales return	337	156
Foreign exchange loss (net)	589	349
Miscellaneous expenses	351	283
	<u>5,753</u>	<u>6,092</u>
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	5	4
	<u>51</u>	<u>52</u>

27. Managerial remuneration of Rs 7.46 lakhs paid by the Company during the year ended 31 March 2012 was in excess of amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application had been made in this regard by the Company vide its letter dated 30 August 2012.

The Company has received a direction to recover the excess remuneration paid till date and is in the process of filing an application with the Central Government for waiver of such excess remuneration paid, since the concerned managerial person has resigned w.e.f 31 January 2013.

28. Earnings/ (loss) per equity share (EPS)

Basic earnings/ (loss) per equity share

The calculation of basic earnings/ (loss) per equity share for the year ended 31 March 2014 is based on the loss attributable to equity shareholders of Rs. (3,617) lakhs (previous year loss: Rs. (4,515) lakhs), and weighted average number of equity shares outstanding of 1,010 lakhs (previous year: 1,010 lakhs).

Diluted earnings / (loss) per equity share

The calculation of diluted earnings/(loss) per share for the year ended 31 March 2013 is based on loss attributable to equity shareholders of Rs. (3,617) lakhs (previous year loss: Rs (4,515) 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 2014	31 March 2013
Loss after tax as reported	(3,298)	(4,196)
Less: Preference dividend and tax thereon	319	319
Net loss attributable to equity shareholders for calculation of basic EPS	(3,617)	(4,515)
Loss adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	(3,617)	(4,515)

Shares (Rs. in lakhs)

	31 March 2014	31 March 2013
Weighted average number of equity shares attributable to equity shareholders for calculation of basic and diluted EPS	1,010	1,010

Loss per share

	31 March 2014	31 March 2013
Basic	(3.58)	(4.47)
Diluted	(3.58)	(4.47)

29. 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. 76 lakhs (previous year: Rs. 80 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 (RPF) 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 RPF, 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 2014 works out to Rs. Nil. The balance in the surplus account of the provident fund is Rs. 116 lakhs (previous year 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 (previous year 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. 20 lakhs (previous year: Rs. 44 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. 7 lakhs (previous year: Rs. 6 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 2014	31 March 2013
Present value of obligations	163	174
Liability recognised in balance sheet	163	174

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 2014	31 March 2013	31 March 2014	31 March 2013
Gratuity	146	167	17	7

Movement in present values of defined benefit obligations

(Rs. in lakhs)

	31 March 2014	31 March 2013
Defined benefit obligation at commencement of the period	174	154
Current service cost	22	20
Interest cost	16	15
Actuarial (gains) / losses	(22)	47
Past service cost	-	-
Benefits paid by the plan	(27)	(62)
Defined benefit obligation at end of the period	163	174

Expense recognised in Statement of Profit and Loss

(Rs. in lakhs)

	31 March 2014	31 March 2013
Current service cost	22	20
Interest cost	16	15
Actuarial (gains) / losses	(22)	47
Past service cost	-	-
Total included in 'employee benefits'	16	82

Principal actuarial assumptions

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

	31 March 2014	31 March 2013
Discount rate	9.30%	8.20%
Future salary increases	8% p.a.	8% p.a.

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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 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Defined benefit obligation	163	174	154	136	82
Experience adjustments arising on plan liabilities	0.8	36	1	2	(12)

The Company expects Rs. 17 lakhs benefit payout in the next year (previous year: 7 lakhs)

30. Operating leases as lessee

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. 361 lakhs (previous year Rs. 384 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

(Rs. in lakhs)

Future lease payments due	31 March 2014	31 March 2013
Payable within one year	199	77
Payable between one and five years	64	11
Later than five years	-	-
Total	263	88

31. 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)

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*

Description of Relationship	Name of the Party
	Vertime S.A.** Vertime B.V.**
Key Management Personnel	M.K Bandopadhyay - Acting Managing Director (1 February 2013 to 17 November 2013) - Managing Director – Operations and Supply Chain Management (18 November 2013 onwards) Sharmila Sahai, Managing Director (18 November 2013 onwards)

* No transactions during the current year.

** During the year, Timex Group Luxury Watches B.V. (Ferragamo) has merged with Vertime S.A. The name of the merged entity is Vertime B.V.

Party Name	IT Support expenses	Purchase of goods	Reimbursement		Service income	Service charges paid	Sale of goods	Payable	Receivable
			Paid	Received					
Ultimate holding company Timex Group B.V.	- -	- -	- -	- -	132 111	- -	- -	- -	201 76
Holding company Timex Group Luxury Watches B.V.	2 2	- -	- -	4 -	- -	- -	- -	3 4	- -
Fellow Subsidiaries Timex Group B.V. T/A Mersey Manufacturers	- -	- 8	- -	7 -	- -	- -	- -	2 1	7 -
Timex Group USA Inc.	92 64	- 24	- -	2 6	6 61	- -	- -	482 467	23 13
TMX Limited NV	- -	667 465	- -	3 2	272 55	- -	2 527	4,797 4,652	44 61
Timex Nederland B.V.	- -	- -	- -	- -	- -	247 97	- -	440 174	- -
Vertime B.V.	- -	306 299	5 -	- -	- -	- -	143 -	58 20	- -
Timex Group Precision Engineering Limited	- -	8 6	- -	- -	111 111	- -	- -	1 0 #	- -
TMX Limited NV	- -	- -	- -	- -	- -	- -	27 -	- -	26 -
Timex Hong Kong Limited	- -	- -	- -	- -	- -	- -	- -	- -	7 7
Others	- -	- -	- -	- -	- -	- -	- -	24 20	1 -

Amount is below rounding off threshold adopted by the Company.

a. Transactions and outstanding balances with related parties

(Rs. in lakhs)

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

Timex Group Luxury Watches BV, the holding company, has provided a standby letter of credit amounting to Rs. 3,380 lakhs (previous year Rs. 3,380 lakhs) to the bankers of the Company as a guarantee for use of cash credit and overdraft facilities. The working capital loans are also guaranteed by Timex Group B.V, the holding company.

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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 redemption of such shares, pursuant to the provisions of Section 106 of the Companies Act, 1956 has been extended by the preference shareholders by five years i.e. till 24 March 2018 and the Company has completed all formalities related to the same.

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. The shares were due for redemption on 26 March 2014. 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. till 26 March 2019. 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 received approval from the Reserve Bank of India vide its letter dated 09 April 2014 for extension of redemption date to 26 March 2019.

b. Transactions with key management personnel:

(Rs. in lakhs)

	31 March 2014	31 March 2013
Remuneration		
Sharmila Sahai*	37	-
M.K Bandyopadhyay*	106	12
V. D Wadhwa#	-	150

* Excludes provision for 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 on resignation.

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

(Rs. in lakhs)

Particulars	31 March 2014		31 March 2013	
	Value (Rs. lakhs)	% of total consumption	Value (Rs. lakhs)	% of total consumption
Raw materials and components				
Imported	3,239	50	3,650	51
Indigenous	3,187	50	3,541	49
Total	6,426	100	7,191	100
Stores and consumables				
Imported	-	-	0 #	1 #
Indigenous	13	100	19	100
Total	13	100	19	100

Amount is below rounding off threshold adopted by the Company.

33. Value of imports on CIF basis

(Rs. in lakhs)

Particulars	31 March 2014	31 March 2013
Raw material and components	2,385	2,833
Watches	346	549
Total	2,731	3,382

34. Expenditure in foreign currency

(Rs. in lakhs)

Particulars	31 March 2014	31 March 2013
Travelling	6	11
IT support expenses	94	66
Service charges	247	97
Total	347	174

35. Earnings in foreign currency

(Rs. in lakhs)

Particulars	31 March 2014	31 March 2013
Exports on F.O.B basis	470	1,038
Service income	410	227
	<u>880</u>	<u>1,265</u>

36. Taxation

The Company has significant unabsorbed depreciation and carry forward losses. In view of the absence of virtual certainty supported by convincing evidence 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 2014	31 March 2013
Deferred tax liabilities		
Depreciation	1	31
Total deferred tax liability	<u>1</u>	<u>31</u>
Deferred tax assets		
Gratuity	55	56
Leave encashment	45	46
Provision for doubtful debts and advances	269	249
Provision for warranty	36	13
Provision for sales returns and unearned margin	241	121
Provision for litigations	14	14
Carried forward depreciation	937	968
Carried forward loss	2,023	1,133
Total deferred tax asset	<u>3,620</u>	<u>2,600</u>
Deferred tax asset recognised (to the extent of deferred tax liability recognised above)	1	31
Net deferred tax asset/(liability)	Nil	Nil

37. 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.

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Primary segment reporting (by business segment):

(Rs. in lakhs)

	Watches		Others		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenues						
External sales (gross)	12,479	12,168	138	172	12,618	12,340
Excise duty	(262)	(228)	-	-	(262)	(228)
External sales (net)	12,217	11,940	138	172	12,355	12,112
Other business related income	3	38	-	-	3	38
Total revenue	12,220	11,978	138	172	12,358	12,150
Results						
Segment results	(2,166)	(3,677)	27	33	(2,139)	(3,638)
Unallocated expenses					1,050	479
Loss before interest and tax	(2,166)	(3,677)	27	33	(3,189)	(4,117)
Interest expense					(117)	(97)
Interest income					8	18
Loss before tax					(3,298)	(4,196)
Other information						
Assets						
Segment assets	10,976	11,855	229	510	11,205	12,365
Unallocated corporate assets					856	899
Total assets					12,061	13,264

	Watches		Others		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Liabilities						
Segment liabilities	10,508	9,053	13	11	10,521	9,064
Unallocated corporate liabilities					1,791	1,153
Share capital (including share premium amount and balance in Statement of Profit and Loss)					(251)	3,047
Total liabilities					12,061	13,264
Others						
Capital expenditure	93	245	-	-	93	245
Unallocated capital expenditure					32	42
Total capital expenditure					125	287
Depreciation	197	189	0#	1	197	190
Unallocated depreciation					37	33
Total depreciation	195	189	0#	1	234	223

Secondary segment reporting (by geographical location of customer):

(Rs. in lakhs)

	India		Outside India		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenue	11,479	10,885	880	1,265	12,359	12,150
Segment assets	11,699	12,754	362	510	12,061	13,264
Capital expenditure	125	287	-	-	125	287

Amount is below rounding off threshold adopted by the Company.

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.

38. Contingent liabilities and commitments

(to the extent not provided for)

Commitments

(Rs. in lakhs)

Particulars	31 March 2014	31 March 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	0 #

Amount is below rounding of threshold adopted by the Company.

Contingent liabilities

(Rs. in lakhs)

Particulars	31 March 2014	31 March 2013
Claims against the Company not acknowledged as debts		
a) Sales tax	119	107
b) Excise duty	92	92
c) Customs duty	8	8
d) Income tax*	-	-
e) Others	167	167
Dividend on cumulative preference shares		
2012-2013	274	274
2013-2014	274	-
Corporate dividend tax on cumulative preference shares		
2012-2013	47	45
2013-2014	47	-
Bills discounted	-	2

* 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.

39. 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 2014 and 31 March 2013 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

TIMEX GROUP

Enterprises Development Act, 2006.

40. 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.

41. 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 2014		31 March 2013	
	(in original currency)	(Rs. in lakhs)	(in original currency)	(Rs. in lakhs)
Payables				
- USD	96	5,854	96	5,300
- EURO	0 #	24	0 #	20
- HKD	1	9	3	20
- CHF	1	58	0 #	20
Receivables				
- USD	6	356	5	260
- HKD	1	6	-	-

Amount is below rounding off threshold adopted by the Company.

42. Amount remitted during the year ended 31 March 2014 in foreign currency on account of dividend was Rs. Nil (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

43. As at 31 March 2014, the Company has foreign currency receivables amounting to Rs. 40 lakhs (previous year Rs. 49 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 is in the process of filing an application with RBI to seek approval for writing off these amounts.

44. 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.

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W

Jiten Chopra

Partner

Membership No.: 092894

Place : Gurgaon

Date : 29 May 2014

Robert Obed Barberi

Chairman

Place : New Delhi

Date : 29 May 2014

Sharmila Sahai

Managing Director

Place : New Delhi

Date : 29 May 2014

Amit Jain

General Manager-

Finance

Place : New Delhi

Date : 29 May 2014

Shilpa Verma

Company Secretary

Place : New Delhi

Date : 29 May 2014

ATTENDANCE SLIP
TIMEX GROUP INDIA LIMITED

(CIN NO. : L33301DL1988PLC033434)
 Address: JA-1203, 12th Floor, DLF Tower A, Jasola, New Delhi 110 025
 Ph. No. 011-41021297; E-mail ID: investor.relations@timex.com

Folio No./ DP ID and Client ID
Name
Address
No. of Shares
Please register/ update my/ our under mentioned E-mail ID for sending all future Company's correspondence:
E-mail ID.....
Shareholder(s) Signature.....

I hereby record my presence at the Annual General Meeting of the Company being held on Thursday, 14th August 2014 at 4.30 p.m. at Air Force Auditorium, Subrota Park, New Delhi 110 010

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 SIGNATURES ON THE ATTENDANCE SLIP.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

TIMEX GROUP INDIA LIMITED

(CIN NO. : L33301DL1988PLC033434)
 Address: JA-1203, 12th Floor, DLF Tower A, Jasola, New Delhi 110 025

Name of the Member(s):	
Registered Address:	
E-mail ID:	Folio No./ DP ID/ Client ID

I/We, being the member (s) of shares of Timex Group India Limited, hereby appoint

1. r/o having e-mail id....., signature.....or failing him
2. r/o having e-mail id....., signature.....or failing him
3. r/o having e-mail id....., signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the company, to be held on the 14th day of August 2014 at 4.30 p.m. at Air Force Auditorium, Subrota Park, New Delhi-110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Ordinary Business
1	Receive, consider and adopt the financial statement of the Company for the year ended 31 March, 2014 and the Report of the Auditors and Directors thereon.
2	Re-appointment of Mr. M K Bandyopadhyay, Director who retires by rotation
3	Appointment of Auditors and fixing their Remuneration
	Special Business
4	Appointment of Mr. Robert Obed Barberi as a Director
5	Appointment of Ms. Sharmila Sahai as a Director
6	Appointment of Mr. Anil Malhotra as a Director
7	Appointment of Ms. Gagan Singh as an Independent Director
8	Appointment of Mr. Bijou Kurien as an Independent Director
9	Appointment of Mr. Daya Dhaon as an Independent Director
10	Appointment of Mr. Pradeep Mukerjee as an Independent Director
11	Appointment of Mr. M K Bandyopadhyay as a Whole-Time Director
12	Contacts/arrangement /agreements between Company and Related Parties of the Company

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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TIMEX GROUP INDIA LIMITED

Registered Office : JA-1203, 12th Floor, DLF Tower A, Jasola, New Delhi 110025

www.timexindia.com