

TIMEX GROUP INDIA LIMITED

Regd. Office: JA-1203, 12th Floor, DLF Tower A, Jasola, New Delhi-110 025 Tel. 011-41021297
CIN: L33301DL1988PLC033434
Web : www.timexindia.com E-mail Id: investor.relations@timex.com

NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-seventh Annual General Meeting of the Members of TIMEX GROUP INDIA LIMITED will be held on Thursday, 6 August 2015 at 10.00 A.M. at the Air Force Auditorium, Subroto Park, New Delhi - 110010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2015, and the Report of the Auditors and Board of Directors thereon.
2. To appoint a Director in place of Mr. Anil Malhotra (DIN: 00713889), 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., LLP 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(s), the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Colin Davis Arsenault (DIN: 07156629), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Colin Davis Arsenault for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.”

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

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ryan Todd Roth (DIN: 05189012), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for

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appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Ryan Todd Roth for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.”

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

Dated: 21 May 2015

**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 (AGM). Proxies submitted on behalf of Companies, societies etc. must be supported by appropriate resolution/ authority as applicable.
3. The Members/ Proxies/ Authorized Representative 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 AGM venue. The same shall be issued at the Registered Office of the Company up to a day preceding the day of the AGM.
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 AGM. 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 Friday, 31 July 2015 to Wednesday, 5 August 2015.
9. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 4 and 5 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 annexed to this Notice.
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

Member whose shareholding is in electronic mode, are requested to direct change of address to their respective depository participant.

11. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days notice in writing is given to the Company.
12. 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 AGM. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will also be available for inspection by the members at the AGM.
13. 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.
14. All documents referred to in the Notice will be 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 AGM.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
16. Electronic copy of the Annual Report and Notice of the 27th Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository participants(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 27th Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent in the permitted mode.
17. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2015 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. Securities and Exchange Board of India (SEBI) & the Ministry of Corporate Affairs (MCA) encourages paperless communication as a contribution to greener environment.

Members holding shares in physical mode are requested to register their e-mail ID's with Alankit Assignments Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

19. In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rules made there under, 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 facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the company. The Scrutinizer shall submit a consolidated report of the total votes casted in favor of or against, if any, not later

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than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman shall declare the result of the voting forthwith.

The result, along with Scrutinizers Report will be placed on the Company's website www.timexindia.com and on the website of CDSL immediately after the result are declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the Bombay Stock Exchange Ltd.

The instructions for e-voting are mentioned hereunder.

20. Mr. Neelesh Kumar Jain, practising Company Secretary, (Membership Number FCS 5593), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given below:-

- (i) The voting period begins on 3rd August 2015 at 10.00 AM and ends on 5th August 2015 at 5.00 PM. 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 30 July 2015, 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.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 8 digits of the sequence number in the PAN field. (Sequence Number is as mentioned on the Attendance Slip)• In case the sequence 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 sequence number 1 then enter RA00000001 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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for ‘Timex Group India Limited’ to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as on the cut-off date date i.e. 30 July, 2015 may follow the same instructions as mentioned above for e-voting and, if required, may obtain the sequence number by sending a request at rta@alankit.com or investor.relations@timex.com.
- (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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No 4

The Board of Directors based on the recommendations of Nomination and Remuneration Committee, appointed Mr. Colin Davis Arsenault as an Additional Director of the Company with effect from 21 May 2015 (pursuant to the provisions of Section

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161(1) of the Act and the Articles of Association of the Company).

In terms of the provisions of Section 161(1) of the Act, Mr. Arsenault 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. Arsenault for the office of Director of the Company.

Mr. Arsenault 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. Colin Davis Arsenault, nature of his expertise in specific functional areas, names of companies in which he holds directorship and the membership/ chairmanship of Board Committees, 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 annexed to this Notice.

None of the Directors and key managerial personnel and their relatives, other than Mr. Colin Davis Arsenault himself, are deemed to be concerned or interested in this resolution.

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

Item No 5

The Board of Directors appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Ryan Todd Roth as an Additional Director of the Company with effect from 13th November, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Ryan Todd Roth 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. Ryan Todd Roth for the office of Director of the Company.

Mr. Ryan Todd Roth 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. Ryan Todd Roth, nature of his expertise in specific functional areas, names of companies in which he holds directorship and the membership/ chairmanship of Board Committees, 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 annexed to this Notice.

None of the Directors and key managerial personnel and their relatives, other than Mr. Ryan Todd Roth himself, are deemed to be concerned or interested in this resolution.

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

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

Dated: 21 May 2015

**By Order of the
Board of Directors**

Sd/-
Shilpa Verma
Company Secretary

ANNEXURE TO ITEMS 2, 4 & 5 OF THE NOTICE

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:

Name of the Director	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with Other Directors)	Nature of Expertise	Name of Companies in which he/she holds Directorship	Name of Committees of the Companies of which he/she holds Membership
Mr Colin Davis Arsenault	09-09-1974 (NIL)	Bachelor of Arts Degree in Accounting from Bentley University (Not related with any Director of the Company)	Mr. Colin Arsenault is a seasoned financial executive with more than 17 years of Finance experience most recently as Chief Financial Officer of Timex Group USA Inc. He is experienced in Financial Planning, internal and external financial reporting, finance transformation, systems implementation, restructuring & strategy. Prior to joining Timex, Colin has worked for Gillette, Procter & Gamble, Nestle & Starwood Hotels with roles of increasing responsibility within Manufacturing, Commercial Operations & Corporate Finance including International assignments in Mexico & France.	<ul style="list-style-type: none"> • Timex Group Italia S.r.l • Timex Group Polaska Sp.zo.o. • Timexpo Corporation • TX Group Europe Ltd. • Vertime B.V. 	NIL
Mr Ryan Todd Roth	01-01-1977 (NIL)	Bachelor of Arts degree in Economics from the University of Connecticut, and a Jurist Doctor degree from the University Of Connecticut School Of Law. (Not related with any Director of the Company)	Mr. Ryan Roth is Vice President Legal and HR and Deputy General Counsel for Timex Group, specializing in licensing, employment law, employee benefits, corporate finance, international distribution, advertising and trademark law. Since joining Timex in 2005, Mr. Roth has advised the company in significant transactions including the negotiation of license agreements with major fashion and luxury brands, mergers and acquisitions and bank financing agreements, as well as the implementation of employee benefit plans. Prior to joining Timex, Mr. Roth represented insurance companies, banks, mezzanine funds and other lenders in secured and unsecured financing transactions, including private placements of debt and equity securities of foreign and domestic issuers, and the negotiation of out-of-court workouts, reorganizations and debt restructurings.	<ul style="list-style-type: none"> • Indigo Corporation • Ingersoll Watch Company • Time Factory, Inc. • Time Master India Private Ltd. • Timex Espana S.A • Timex Group Luxury Watches B.V. • Timex Group Magyarorszag Kft. • Timex Group USA, Inc. • Timex Licensing Corporation • Timex Limited • Timex Pension Trustee Company Limited • Timex Portugal- Relojoaria Lda. • Timex Resources Limited • Timex (Shanghai) Trading Company Ltd. • Timex Trustee Corporation • Timex. com, Inc. • Timexpo Corporation • TMX Limited N.V. • TMX Philippines, Inc. • TX Watch Company, Inc. • U.K. Time Manufacturing Ltd. 	Timex Group USA, Inc. - Employee Benefits (Chairman) - Corporate Responsibility and Compliance (Chairman)

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Name of the Director	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with Other Directors)	Nature of Expertise	Name of Companies in which he/she holds Directorship	Name of Committees of the Companies of which he/she holds Membership
Mr Anil Malhotra	01-03-1960 (NIL)	Graduated with Economics Honours from Shri Ram College of Commerce, Delhi University and underwent training as an Officer Cadet at the India Military Academy. (Not related with any Director of the Company)	<p>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.</p> <p>Mr. Malhotra 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.</p> <p>Mr. Malhotra 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.</p>	<ul style="list-style-type: none"> • ICS Credits Ltd • ICS International Pvt Ltd • JTV Consultants Pvt Ltd • Kings Township Pvt Ltd 	NIL

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

I certify that I am a member /proxy /authorized representative for the member of the Company.
I hereby record my presence at the Annual General Meeting of the Company being held on Thursday, 6th August 2015 at 10.00 a.m. at Air Force Auditorium, Subroto Park, New Delhi 110 010
Further, please register/ update my/ our under mentioned E-mail ID for sending all future Company's correspondence:

E-mail ID.....

Name & Signature of Shareholder/ Proxy/ Authorised Representative

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
Ph. No. 011-41021297; E-mail ID: investor.relations@timex.com

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 27th Annual General Meeting of the company, to be held on the 6th day of August 2015 at 10.00 a.m. at Air Force Auditorium, Subroto 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, 2015 and the Report of the Auditors and Directors thereon.
2	Re-appointment of Mr. Anil Malhotra, Director who retires by rotation
3	Appointment of Auditors and fixing their Remuneration
Special Business	
4	Appointment of Mr. Colin Davis Arsenault as a Director
5	Appointment of Mr. Ryan Todd Roth as a Director

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

Signature of shareholder

Signature of Proxy holder(s)

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.

FORM B

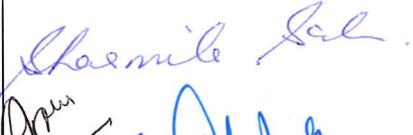
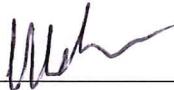
Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Timex Group India limited
2	Annual financial statements for the year ended	31 March 2015
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 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.</p> <p>In response, the Company received direction from Central Government to recover the excess remuneration of Rs. 7.09 lakhs paid during the year ended 31 March 2012. Subsequently, the Company filed 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. The Central Government vide its letter dated 18 November 2014, has rejected the application filed for waiver of excess remuneration paid. The Company is in the process of taking necessary steps for recovery of this amount from the erstwhile Managing Director.</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 2015:

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 2015. 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 modified in respect of this matter.

5	To be signed by-	
	<input type="checkbox"/> CEO/Managing Director	
	<input type="checkbox"/> Chief Financial Officer	
	<input type="checkbox"/> Auditor of the company	
	<input type="checkbox"/> Audit Committee Chairman	

TRUE
SINCE
1854

TIMEX®

Celebrating
160 YEARS

ANNUAL REPORT 2015
TIMEX GROUP INDIA LIMITED

Founded in 1854 as the Waterbury Clock Company in Waterbury, Connecticut, Timex has since grown into a watch brand worn by hundreds of millions of people around the world.

TIMEX®

IRONMAN®

SHOW
YOURSELF
WHAT YOU
CAN DO™



Activity Tracker
Move X20

Distance, Steps & Calories

Sleep Time & Quality

Workout Tracking

Caller ID & Texts

Compatible with iOS®

Compatible with Android®

Find your Phone

Director(s)	Colin Davis Arsenault Ryan Todd Roth Sharmila Sahai (Ms.) Anil Malhotra Daya Dhaon Gagan Singh (Ms.) Pradeep Mukerjee Bijou Kurien	Non-Executive Director & Chairman Non-Executive Director & Vice Chairman Managing Director Non-Executive Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
CFO	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	

DIRECTORS' REPORT

To the Members of Timex Group India Limited

Your Directors are pleased to present the Twenty-seventh Annual Report and Audited Statement of Accounts for the year ended 31 March 2015.

FINANCIAL RESULTS

	Rs. in Lakh	2013-2014
	2014-2015	2013-2014
Revenue from operations (including other income)	14,243	12,367
Profit before Interest and Depreciation	(792)	(2,947)
Less: Interest	253	117
Less: Depreciation	224	234
Add: Exceptional item	171	-
Profit/ Loss for the year	(1,098)	(3,298)

Your Company has grown during the financial year 2014-2015 by 15% over the previous year and the losses have reduced by 66% over the previous year. This has been possible due to the initiatives taken in the previous years to reposition its brand, rationalizing the spends, improving the product portfolio, improvement in merchandising and retailing presence and improved employee productivity.

Your Company continues to pursue its strategy to reposition TIMEX as American, Iconic brand. The Company celebrated group's 160th anniversary during the year. On the occasion, the Company felicitated Indian football icon Mr. Bhaichung Bhutia and World and Olympic champion Mr. Abhinav Bindra with its exclusive limited Waterbury collection.

The Company also forayed into the wearable segment in Q1 of the current financial year with the launch of its smart watch and fitness band-Move x20 and Run x20 GPS to cater to the current age of fitness enthusiasts and tech-savvy audience.

The Company laid great emphasis to connect well with the consumers during the year by establishing brand stores on various e-commerce platforms besides setting up its franchisee stores 'Timex World' and ensuring its presence in NTO/ MBO's. Your Company started the Timex Call centre to address consumer queries.

Your Company won Gold in highly acclaimed POPAI awards held in February 2015 for its Indigo retail concept. **POPAI** is a global platform to promote world-class retail practices. Incorporated in the USA in 1936, POPAI has now more than 1700 members worldwide covering 40 countries.

The Company continues to focus on the improvement of top and bottom line financial growth performance and to tap the overall optimism in the Indian economy with a renewed vigour and enthusiasm while ensuring good corporate governance practices.

Dividend

In view of the losses for the year ended March 31, 2015 and accumulated losses, the Board of Directors of your Company is constrained not to recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

The International Monetary Fund forecast India's growth to strengthen to 7.5 per cent in 2015. The World Bank too projected India's growth to accelerate to 7.5 per cent in 2015. While all the economic indicators look positive, the consumer sentiments are yet to pick up specifically in the retail category.

OVERVIEW OF WATCH INDUSTRY

The size of the watch market in India has grown at a modest pace of 9-10% in the past few years. The watch market in India has evolved into a competitive market with a large number of brands (national & international) attempting to lure consumers with new innovative products in order to capture bigger market shares. The primary reasons leading to the growth in the wrist watch industry are-

- **Change in the perception of Indian consumers about the wrist watches:** Earlier, the wrist watches were seen solely as a time keeping devise. But with the super innovations in the watch industry, 'watches' are witnessing a fundamental change. Large numbers of players in the watch industry are offering new and innovative multi tasking watches for different sections of the society and different age groups. Wrist watches are expected to soon evolve into a hi-tech interactive devise.
- **Influx of International Brands:** These international watch companies have acquainted the Indian consumers with new innovative technologies and creative designs of watches.
- **Improved purchasing power:** Significant surge in the incomes during the last decade has impacted the demand of the designer high end watches among the population of the country. A watch is increasingly being seen as to define the wearer's identity and personality.

GROWTH DRIVERS OF YOUR COMPANY

Your Company has well adapted itself to the changing dynamics of watch industry and is been successfully catering to the different consumer segments. The below have been and are foreseen to be the key growth drivers of your Company:

Consumerism & Retail:

The consumer's disposable income is going higher and hence his needs are escalating as well. The Indian consumer, due to his exposure, of the global market, strives to get the best of the goods in his home land. The watches have become much more than just a timekeeping device and are being used as a fashion accessory. The trend of multiple watches is taking prevalence among the consumers in the country. More consumers increasingly prefer to own different watches for different occasions or purposes. This shift in mindset is likely to spread rapidly across the country in the coming years since more Indians can now afford luxury owing to their increased spending capacity.

The distribution reach and penetration of e commerce market place will attract more consumers with options & offers. The consumers for premium price segments of wrist watches purchasing from malls, EBOs, MBOs and showrooms will expect a pleasant retail experience attached to the actual purchase of the wristwatch and hence the place of purchase will retain its importance. In organized retail, display space for these watches will considerably increase the wristwatch sales in these price segments. This is evident from the growth of the organized retail stores across India.

Digital:

The e-commerce channel has seen unprecedented growth in 2014. Consumers now have plethora of product choices at tempting rates. E-Commerce is probably creating the biggest disruption in the retail industry and this trend will continue in the year to come. Almost everything has started to sell on e-commerce. Now, with increasing penetration of smart phone with 3G & 4G the buying pattern is going to become even more convenient. Your company's sales & share on all leading e-commerce site have grown rapidly, which is also evident from the fact that now your company has exclusive stores on all leading e-commerce sites.

As per one CRISIL report, online market will grow at 50-55 % CAGR in next few years.

Luxury:

The Indian luxury market grew at a healthy rate; it is likely to grow at a healthy rate in next few years due to increasing base ofHNIs, opening of luxury hotels & spas and the investment by foreign luxury brands in India.

The Indian consumer is ready to splurge on luxury items and is increasingly doing so. Your company is increasing investment to increase distribution and display of luxury brands in all major markets. Your company has plans to launch more international brands in India this year.

Product Portfolio:

Your Company believes that consistent innovation is the key and to be profitable, there has to be continuous improvement. Your company's product portfolio is abundantly equipped to fulfill consumer expectations of different segments.

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.

OPPORTUNITIES & CHALLENGES

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

- The current urban middle and upper class Indian consumers buying behavior is largely influenced by western fashion.** With the geographical lines blurring as internet gives consumers access to get closer to trends anywhere across the globe. The Indian consumer has become much more open-minded and experimental in his/her perspective. Global brands have gained wider consumer acceptance in India.
- The seller's market is slowly moving towards becoming the buyers' market.** International brands eying India watch market for future growth. 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 has made Indian market more competitive than ever before. The increase in options has reduced customer loyalty as consumers are more open to experiment with their choices than ever before.

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 by addressing their specific needs.

Your Company shall continue to invest in its product portfolio and strengthen the communication of its brand attributes. 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 product and 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

The Company has laid down a well defined risk management mechanism to identify and assess the potential risks and determine the process to mitigate the same. A Committee comprising of senior management executives has been constituted pursuant to the Risk Management Policy to periodically review and assess the key risks in consultation with functional managers. A detailed exercise is carried out to identify, evaluate, manage and monitor the potential risk to the strategy of the Company. The Board periodically reviews the risks and suggests steps to be taken to mitigate the same.

Based on detailed review, the Company has recognized the below specific key risks relating to the Company-

- Financial Risk**

The accumulated losses of the Company as at 31 March 2015 are Rs. 6887 lakhs, which have resulted in complete erosion of the net worth of the Company.

However, the Company expects growth in its operations in coming years and is taking measures to improve its operational efficiency. As per the business plans of the Company, the funding requirements of the company will be met through funds from operations, operational efficiency, bank borrowings which have been guaranteed by holding company.

Besides, adverse exchange rate of dollar can seriously impact the margin of the Company in the short and medium term. However, the Company is working towards localization of imported parts/ goods.

- External Environment**

Handset/IT/Telecom/CD companies as part of their convergence strategy are investing heavily on wearable technology & Watches is the primary device on which majority of the investments have been. Wellness companies also are launching bands which are an extension to their health apps.

Technology companies i.e. Google are tying up with various watch manufacturers to integrate handsets to provide unparalleled consumer experience across walks of life

Your Company sincerely believes that innovation is the key and to be profitable there has to be continuous improvement. Timex Group Global Design Centre located in Milan and also Global Supply Chain organization render support to the business in India in terms of improved technology and styling of the products. Our global resources give Timex Group India a true advantage in a highly competitive marketplace. By thinking and acting both locally and globally, we are constantly challenging ourselves to look at the future.

With this in view, your Company forayed into wearable technology by introducing Timex Ironman Move x20, and Timex Ironman Run x20 in Q1 of FY 2015-2016 to cater to the current age of fitness enthusiasts and tech-savvy audience.

III. Internal Environment

Other players in the industry are setting up their own manufacturing base. This may impact the economics of scale of watch industry vendors and may lead to increase in the cost of procurement. To combat this risk , the Company is integrating with global supply chain to develop alternate vendors.

IV. Other Risks

Other risks including the risks relating to retention of key personnel, compliance to various laws, contractual obligations, risks relating to the general macroeconomic environment including risks associated with political and legal changes, changes in tax structures, and commercial rules & laws are analyzed and measures are taken to mitigate the same, if required.

KEY INITIATIVES BY TIMEX

In line with the strategy, your company has primarily focused on and continues to focus on–

- Introducing international range of products, bring consumers closer to the international trends. Company will focus on local product development to meet market specific requirement. New product launches, improved quality and service levels shall be the core focus.

Your company has forayed into wearable technology with the successful launch of Ironman collection.

- Control pricing, offer value for money, raise average selling price by executing effective marketing campaigns to build solid brand perception.

Your Company recently launched some of the international best sellers in India and your Company has planned to launch some latest exciting international collection for India consumers.

- City centric demand generation marketing campaigns and sometimes seasonal & regional sales led promo-off campaigns. Use international imagery; focus on growing lifestyle of consumers. Your company has increased investment on marketing; driving brand imagery through global best sellers and harping truly American connect.
- On the Channel segmentation front, e-commerce was the focused channel to reach-out to larger consumer base across cities. Modern trade & showrooms drive imagery as well as average UCP. Distribution lead mass markets will drive volumes and share.

Your company's visibility and sales are increasing on each channel, especially online & retail. Your Company has planned to expand further to untapped segments.

DIRECTORS

Composition

Your Company has eight (8) Directors consisting of four (4) Independent Directors, three (3) Non Executive Directors and One (1) Managing Director.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a company shall have at least one Woman Director on the Board of the company. Your Company has two woman Directors on the Board of the Company – Ms. Gagan Singh since 31 January 2007 and Ms. Sharmila Sahai since 18 November 2013.

Appointment/ Resignation from the Board of Directors

Mr. Ryan Todd Roth was appointed as an Additional Director and Vice Chairman with effect from 13 November, 2014.

Further, Mr. Colin Davis Arsenault was appointed as an Additional Director and Chairman of the Company with effect from 21 May 2015.

They hold the office until the forthcoming Annual General Meeting. The Company has received requisite notice pursuant to Section 160 of the Companies Act, 2013 from the members of the Company proposing Mr. Ryan Todd Roth and Mr. Colin Davis Arsenault as Directors of your Company.

Mr. M K Bandyopadhyay and Mr. Robert Obed Barberi resigned from the directorship with effect from 20 November, 2014 and 27 February, 2015 respectively.

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Further, in accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Anil Malhotra retires by rotation as a Director of the Company, and being eligible, offers himself for re-appointment.

Appointment / Resignation of Key Managerial Personnel

Mr. Amit Jain has been appointed as Chief Financial Officer of the Company with effect from 2 March, 2015.

Mr. M.K. Bandyopadhyay, whole time director resigned with effect from 20 November, 2014.

Declaration by the Independent Director

Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Number of meeting of Board of Directors

The Board met five times during financial year 2014-2015 on 29 May, 2014, 14 August, 2014, 13 November, 2014, 29 January, 2015 and 2 March, 2015 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.

COMMITTEES OF THE BOARD

Your Company has constituted various committees pursuant to the requirement of Listing Agreement and Companies Act 2013. Your Company has the following committees of the Board-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Share Transfer Committee
5. Corporate Social Responsibility Committee

The details with respect to the compositions, powers, roles, terms of reference, etc. of relevant committees are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

REMUNERATION POLICY

The policy of the Company on Director appointments and remunerations, including interest for determining qualification positive attribute independence of the directors and other matter provided under sub-section (3) of section 178 of the Companies Act 2013 adopted by the board, is attached as **Annexure A**.

EMPLOYEE REMUNERATION

Statement pursuant to the requirement of Section 197 (12) read with Rule 5 of Companies (Appointment and Remuneration) Rules, 2014 is attached as **Annexure B**.

FORMAL ANNUAL EVALUATION

1. Nomination and Remuneration Committee of the Board had prepared draft parameterized feedback forms for evaluation of the Board, Board Committees, Directors and Chairman.
2. Independent Directors at a meeting without anyone from the non independent directors and management, considered/ evaluated the Board's performance, performance of the Chairman and other non-independent Directors.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director)

VIGIL MECHANISM

Your Company has implemented a Whistle Blower Policy to provide a mechanism for employees / Board Members and others to raise good faith concerns about violation of any applicable law/ Code of Conduct of the Company, gross wastage or misappropriation of funds, substantial or specific danger to public health and safety, abuse of authority or unethical behavior and to protect the individuals who take such actions from retaliation or any threat of retaliation and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance and also available on the website of the Company at the following link: www.timexindia.com

POLICY ON PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and b) Code of Fair Disclosure. 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.

FAMILIARISATION PROGRAMME

The details of familiarization programmes arranged for the Independent Directors have been disclosed on the website of the company and are available at the following link-www.timexindia.com

LOANS AND GUARANTEE U/S 186

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable

PARTICULAR OF CONTRACT AND ARRANGEMENT U/S 188

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions except the transactions that were approved by the shareholders of the Company at the last Annual General Meeting and disclosed in the Form AOC- 2 enclosed herewith as **Annexure C**.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy as considered and approved by the Board has been uploaded on the website of the Company at www.timexindia.com.

FINANCE

The Company does not hold any fixed deposits from the public, shareholders & employees. There were no overdue / unclaimed deposits as on 31 March 2015.

During the year under review, the Company made payment aggregating to Rs. 35.35 Crore by way of Central, State and local sales taxes and duties as against Rs30.35 Crore in the previous year.

SEGMENT WISE REPORTING

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

LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The annual listing fee for the year 2015-2016 has been paid to the Exchange.

INTERNAL FINANCIAL 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 established procedures for internal control, which are commensurate with its size and operations.

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

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, Statutory Auditors and the Function Heads are periodically apprised of the internal audit findings. Corrective actions taken by the management on the audit observations are presented to the Audit Committee. The Audit Committee also issues directives for enhancement in scope and coverage of specific areas, wherever felt necessary.

AUDITORS and AUDITORS' REPORT

a. Statutory Auditors

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 2015 and their comment about the managerial remuneration. The Company is in the process of recovering the excess remuneration paid to a former Managing Director of the Company.

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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.

b. Secretarial Auditors and Secretarial Audit Report

Pursuant to the Companies Act, 2013, M/s NKJ and Associates were appointed as the Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2014 – 2015. The report of the Secretarial Auditor for the FY 2014-2015 is attached as **Annexure D**.

There were no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their report.

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

Your Company comprises a small team of professionals, who are result oriented, committed and loyal. As on 31 March 2015, your Company had 345 employees on the Company rolls.

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

MATERIAL CHANGES

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31 March 2015 and the date of Directors' Report i.e. 21 May 2015.

Further, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

EXTRACT OF ANNUAL RETURN U/S 92

The extracts of Annual Return pursuant to the provisions of Section 92 of Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure E** and is attached to this Report

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 134 (3)(m) read with Companies (Accounts) Rules, 2014, regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo is given in **Annexure F** forming part of this report.

DEMATERIALISATION

Since year 2000, the equity shares of your Company are being compulsorily traded in dematerialization form. As on 31 March 2015, **28764** no. of shareholders representing **97.09%** of the Equity Share are holding shares in the dematerialized form.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your directors confirm as under—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and

- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

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.

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-A

NOMINATION & REMUNERATION POLICY

In accordance with the provisions of the Companies Act, 2013 the policies governing the appointment, removal and remuneration of the Board of Directors, Key Managerial Personnel and Senior Management Personnel of Timex Group India Ltd. (hereinafter referred to as "the Company") are outlined below.

The policy is framed with the following objective(s):

- a) to lay down the criteria to identify person/s who are qualified to become Directors, Key Managerial Personnel and Senior Management on the basis of which the Committee can recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to lay down the criteria to evaluate the performance of the Board as an entity, the members of the Board, Board Committees, Key Managerial Personnel and Senior Management
- c) to define the policy for remuneration of directors, Key Managerial Personnel, senior management and other employees.

In the context of the aforesaid objectives, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 29th January, 2015.

I. DEFINITIONS

- a. Key Managerial Personnel: Key Managerial Personnel means—
 - (i) Chief Executive Officer or the managing director or the manager;
 - (ii) Company Secretary,
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer; and
 - (v) Such other officer as may be prescribed by the Committee from time to time.
- b. Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This will include all members of management one level below the executive directors including all functional heads. Senior Management of Timex Group India Limited includes personnel heading the following functions of the Company: Finance, Sales, Luxury, Legal, Marketing, Human Resources, Supply Chain and Product. The positions included in Senior Management could change in future if there are changes in roles and structure of the Company.
- c. Board: Board means the Board of Directors of Timex Group India Limited.
- d. Committee: Committee means the Nomination and Remuneration Committee of Timex Group India Limited.

II. CRITERIA FOR IDENTIFYING PERSONS WHO ARE QUALIFIED TO BE APPOINTED AS DIRECTORS / KEY MANAGERIAL PERSONNEL /SENIOR MANAGEMENT PERSONNEL OF THE COMPANY:

a. Directors

The Nomination and Remuneration Committee shall identify the persons who are qualified to become Directors in

accordance to the criteria which includes, but are not be limited to-

- Financial and Business skills and experience to contribute to the strategy / risk / people / financial / legal / governance aspects of the Company's business;
- Personal specifications including integrity and probity, interpersonal communication and representational skills, Demonstrable leadership skills;
- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board;
- the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- At the time of appointment, the number of Boards on which such Director serves (including as an alternate director) are not more than 9 public companies and 19 companies overall (excluding Directorship of the Company if appointed),
- The proposed appointee is not disqualified to become a director in terms of Section 164 of the Companies Act, 2013.

b. Independent Directors

In addition to the above, a person proposed to be appointed as an Independent Director should meet the below mentioned parameters

- Should be in compliance to the definition of Independent Director as given under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- Possess qualifications as mentioned in Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to six listed companies (excluding the directorship of the Company) as an Independent Director; however if the person is a Whole Time Director in any listed company, then the number of directorships the person can hold excluding directorship of the Company, cannot exceed two.

c. Senior Management Personnel and Key Managerial Personnel and Other Employees

The Company has drafted job descriptions and job specifications against all positions. The proposed appointees are hired as per the laid down job description and job specifications.

Any new hire in the Company are assessed against a range of criteria which includes but are not limited to –

- Job knowledge, relevant experience, ability, academic achievements and qualifications, performance track record, potential, maturity, customer focus, integrity, skills, background and other qualities required to operate successfully in the position.
- Personal specifications including integrity and trust, communication and business acumen, interpersonal skills, teamwork and collaboration.
- The extent to which the appointee is likely to contribute to the overall effectiveness of the organization

III. EVALUATION OF DIRECTORS/ SENIOR MANAGEMENT / KEY MANAGERIAL PERSONNEL

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at a separate meeting –

- review the performance of non- independent directors
- review the performance of the Board as a whole
- review the performance of the Chairperson of the Company, taking into account views of executive directors and non executive directors

The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated. The performance evaluation of Board Committees shall be done by the entire Board of Directors.

The evaluation/assessment of the Directors, Board, Board Committees, Chairperson, Key Managerial Personnel's and the senior officials of the Company is to be conducted on an annual basis.

a. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets and responsibilities assigned to executive Directors by the board from time to time. In addition, executive directors shall also be evaluated on the basis of below personal abilities.

- Innovation and Creativity
- Integrity and Trust
- Business Acumen
- Professional Courage
- Communicates Effectively
- Initiative
- Teamwork and Collaboration
- Customer Focus
- Global Mindset / External Focus
- Practices Continuous Improvement

b. Non Executive Director:

The Non Executive Directors shall be evaluated on the basis of the following criteria:

- Commitment to the fulfillment of a director's obligations and responsibilities as defined in the Appointment letter, Companies Act, 2013 and Listing Agreement;
- Active participation in, and contributions to, long term strategic planning / risk assessment and mitigation / talent and people management / financial management / governance aspects of the Company's business.
- Assist the company in implementing the best corporate governance practices;
- Assist the company by outlining best practices to address key issues of the company;
- Assist the company in getting access to information or resources externally as and when required

c. Chairperson

The performance of the Chairperson of the Company shall be evaluated taking into account views of executive directors and non executive directors on the following parameters-

- leadership of the board
- role insetting its agenda;
- ensuring the provision of accurate, timely and clear information to directors;
- ensuring effective communication with shareholders;
- arranging the regular evaluation of the performance of the board, its committees and individual directors; and
- facilitating the effective contribution of non-executive directors and
- ensuring constructive relations between executive and non-executive directors.

d. Board and Board Committees

The Board and Board Committees shall be evaluated on the basis of broad parameters laid down below and as detailed in the evaluation forms prescribed by the Committee/Board.

- Board/ Committee Composition
- Board/ Committee Meetings
- Information to the Board/ Operating Procedures
- Responsibilities

e. Key Managerial Personnel and Senior Management Personnel

The Key Managerial Personnel and Senior Management Personnel shall be evaluated by the Managing Director on the basis of targets / smart goals given to them and shared with the Board from time to time and on the basis of below personal abilities-

- Innovation and Creativity
- Integrity and Trust
- Business Acumen
- Professional Courage
- Communicates Effectively
- Initiative
- Teamwork and Collaboration
- Customer Focus
- Global Mindset / External Focus
- Practices Continuous Improvement

f. Criteria for evaluating performance of Other Employees

The power to decide criteria for evaluating performance of Other Employees has been delegated to MD and HR Department of the Company.

IV. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Guiding principles for determining remuneration of Directors, Key Managerial Personnel & Senior Management

- a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/ Key Managerial Personnel / Senior Management of the quality required to run the Company successfully.
- b) That the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- d) That the trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration having due regard to financial and commercial health of the Company.
- e) No Director/ Key Managerial Personnel / other employee is involved in deciding his or her own remuneration.

a. REMUNERATION TO DIRECTORS

The remuneration to the Executive Directors, Non Executive Directors and Independent Directors will be determined by the Committee and recommended to the Board for approval. The remuneration shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, Companies Act, 2013 and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.

b. REMUNERATION TO INDEPENDENT DIRECTOR

Sitting Fees

The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable regulations and no sitting fee is paid to Non-executive Non Independent Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors on actuals should they need to travel inter-city out of their base location for attending Board meetings or other official engagements, for and on behalf of the Company. Additionally, should the Board decide, the Independent Directors may be considered for additional remuneration in a financial year if the Board believes that they have contributed significantly to the business of the Company, and the Company's financial results reflect such contribution subject to the various regulations that apply to remuneration to Directors.

c. REMUNERATION TO KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The remuneration is negotiated with the prospective appointee 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 of Key Managerial Personnel and Senior Management Personnel shall be approved basis the guiding principles for determining remuneration stated above.

The Key Managerial Personnel, Senior Management Personnel and other employees of the Company shall be paid monthly and/or annual remuneration as per the Company's HR policies and / or as may be approved by the Committee.

V. ANNUAL APPRAISAL PROCESS

Organization-wide Increments to the existing remuneration / compensation structure shall be approved by the Committee on an annual basis. The Committee shall take into account the business results, competitive compensation market scenario, and other factors in approving the organization wide overall increments.

The Increments in the remuneration of Managing & Executive Director shall be approved by the Board on the recommendation of the Committee based on individual performance in addition to factors stated above in the previous paragraph. The Increments to the Managing Director should be within the slabs approved by the Shareholders.

The Increments in the remuneration of Key Managerial Personnel, Senior Management Personnel and other employees shall be made on the basis of achievement of smart goals/ targets set and shall be approved by the Managing Director within the overall organization wide increment recommendation of the committee.

Increments will be effective from 1 March in respect of a Managing Director as well as in respect of other employees of the Company, unless otherwise decided.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Nomination and Remuneration Committee and the Board.

REMUNERATION RELATED DISCLOSURES, PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director Ms. Sharmila Sahai Mr. M.K. Bandyopadhyay	Ratio to the Median 39 : 1 # Ratio not calculated as he was a Director only for part of the financial year 2014-15 i.e. up to 20 November 2014															
Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<p>The Company has the appraisal cycle of January to December. The increments were released effective 1 July every year until 2014. During the year under review, the Company changed the release date from 1 July to 1 March.</p> <p>Hence, the employees were granted appraisal effective 1 July 2014 for the review period Jan-Dec 2013 and effective 1 March 2015 for the review period Jan – Dec 2014.</p> <p>The next increment release for the review period Jan- Dec 2015 shall be effective 1 March 2016.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Effective from</th><th style="width: 20%;">Sharmila Sahai</th><th style="width: 20%;">Amit Jain*</th><th style="width: 20%;">Shilpa Verma</th><th style="width: 20%;">M.K. Bandyopadhyay**</th></tr> </thead> <tbody> <tr> <td>1 July 2014</td><td>Nil</td><td>10%</td><td>10%</td><td>Nil</td></tr> <tr> <td>1 March 2015</td><td>Nil</td><td>13%</td><td>13%</td><td>N/A</td></tr> </tbody> </table>	Effective from	Sharmila Sahai	Amit Jain*	Shilpa Verma	M.K. Bandyopadhyay**	1 July 2014	Nil	10%	10%	Nil	1 March 2015	Nil	13%	13%	N/A	<p>*Promoted as Chief Financial Officer with effect from 2 March 2015.</p> <p>** Resigned as the Director with effect from 20 November 2014</p>
Effective from	Sharmila Sahai	Amit Jain*	Shilpa Verma	M.K. Bandyopadhyay**													
1 July 2014	Nil	10%	10%	Nil													
1 March 2015	Nil	13%	13%	N/A													
Percentage increase in the median remuneration of employees in the financial year;	Increment effective 1 July 2014 Increment effective 1 March 2015	9% 7%															
Number of permanent employees on the rolls of company;	345 (as on 31 March 2015)																
Explanation on the relationship between average increase in remuneration and company performance;	<p>Factors including Individual's performance, Company's performance, competitive compensation market scenario and Inflation rate are considered while recommending increase in the fixed remuneration of employees.</p> <p>The average increase in remuneration in FY 2014-2015 for the increments effective 1 July 2014 and 1 March 2015 was 7% each.</p> <p>The Turnover of the Company increased by 14% and the losses reduced by 66% during the FY 2014-15.</p>																
Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	<p>Factors including Individual's performance, Company's performance, competitive compensation market scenario and Inflation rate are considered while recommending increase in the fixed remuneration of employees.</p> <p>The average increase in remuneration of the Key Managerial Personnel in FY 2014-2015 for the increments effective 1 July 2014 was 2 % and for the increments effective 1 March 2015 was 4%. (There was no increase in the remuneration of the executive directors of the company during the financial years).</p> <p>The Turnover of the Company increased by 14% and the losses reduced by 66% during the FY 2014-15.</p>																

<p>Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;</p>	<p>The Market capitalization of the Company has increased from ` INR 102.26 Crores as of March 31, 2014 to INR 191.80 Crores as on March 31, 2015. Price earnings ratio of the period cannot be calculated as the earning per share is negative. The Company's stock price as at March 31, 2015 was INR 19 per equity share of INR 1 each. The Company made the initial Public Offer in the year 1993. The Company issued Partly Convertible Debentures of INR 140 each and it comprised of two parts viz. Part A – convertible part of INR 40. This was convertible into 4 equity shares of Rs. 10 each. Part B – Non convertible part of INR 100.</p>									
<p>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;</p>	<table border="1" data-bbox="685 626 1415 782"> <thead> <tr> <th>Average Increase</th><th>Managerial Personnel (inc. KMP)</th><th>Other than Managerial Personnel</th></tr> </thead> <tbody> <tr> <td>1 July 2014</td><td>5%</td><td>8%</td></tr> <tr> <td>1 March 2015</td><td>5%</td><td>7%</td></tr> </tbody> </table>	Average Increase	Managerial Personnel (inc. KMP)	Other than Managerial Personnel	1 July 2014	5%	8%	1 March 2015	5%	7%
Average Increase	Managerial Personnel (inc. KMP)	Other than Managerial Personnel								
1 July 2014	5%	8%								
1 March 2015	5%	7%								
<p>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;</p>	<p>Factors including Individual's performance, Company's performance, competitive compensation market scenario and Inflation rate are considered while recommending increase in the fixed remuneration of employees. The average increase in remuneration of the Key Managerial Personnel in FY 2014-2015 for the increments effective 1 July 2014 was 2 % and for the increments effective 1 March 2015 was 4%. (There was no increase in the remuneration of the executive directors of the company during the financial years). The Turnover of the Company increased by 14% and the losses reduced by 66% during the FY 2014-15.</p>									
<p>Key parameters for any variable component of remuneration availed by the directors;</p>	<p>The broad factors and guidelines considered for the variable component are: (a) Financial Results of the Company (Company attainment factor) (b) Achievement of goals and objectives (Individual attainment factor)</p>									
<p>Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and</p>	<p>N/A</p>									
<p>Affirmation that the remuneration is as per the remuneration policy of the company.</p>	<p>Yes</p>									

Calculated on Annualized salaries of employees existing on 31 March 2015

Percentages have been rounded off.

STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

NOT APPLICABLE

Annexure-C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **NOT APPLICABLE**

2. Details of material contracts or arrangements or transactions at arm's length basis are as follows:

Name(s) of the related party and nature of relationship	TMX Limited N.V., Subsidiary of Timex Group B.V., the holding Company to which Company is also a subsidiary.	Vertime B.V., Subsidiary of Timex Group B.V., the holding Company to which Company is also a subsidiary.
Nature of contracts/arrangements/transactions	Product Supply Agreement	Product Supply Agreement
Duration of the contracts/arrangements/transaction	The term of the Agreement will remain effective until terminated by either party. Either party may terminate the Agreement at any time upon providing 90 days notice to the other party.	
Salient terms of the contracts or arrangements or transactions including the value, if any	<p>Purchase of Timex branded watches and watch components including fully assembled watch movements and non-assembled movement "kits" in accordance with the orders placed by the Company and in accordance with the terms and conditions specified in the Agreement.</p> <p>The value of such transactions shall not exceed 60% of the turnover as per the last audited balance sheet of the Company.</p>	<p>Purchase of SALVATORE FERRAGAMO, VERSACE, and VERSUS branded watches as well as components and spare parts of such watches and components for watches assembled by Company within India in accordance with the Orders placed by the Company and in accordance with terms and conditions specified in the Agreement. Company may export back the watches purchased from the Vertime for liquidation purposes</p> <p>The value of such transactions shall not exceed 40% of the turnover as per the last audited balance sheet of the Company.</p>
Date(s) of approval by the Board	29 May 2014	29 May 2014
Amount paid as advances, if any	Nil	Nil

Annexure-D

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

To,
The Members,
Timex Group India Limited
JA 1203, 12th Floor, DLF Tower A
Jasola, New Delhi – 110025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Timex Group India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

TIMEX GROUP

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : New Delhi
Date : 20.05.2015

For NKJ & Associates
Company Secretaries

Neelish Kr. Jain
FCS No. : 5593
C P No. 5233

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

To,
The Members
Timex Group India Limited
JA 1203, 12th Floor, DLF Tower A
Jasola, New Delhi – 110025

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date : 20.05.2015
Place : New Delhi

Neelesh Kumar Jain
FCS No. 5593
CP No. 5233

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March 2015
(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

1	CIN	L33301DL1988PLC033434	
2	Registration Date	4 October 1988	
3	Name of the Company	Timex Group India Limited	
4	Category/Sub-Category of the Company	Public Company/Limited by shares	
5	Address of the Registered office and contact details	JA-1203, 12 th Floor, DLF Tower-A, Jasola, New Delhi-110025 Phones Nos. 011-41021297 Email Id: investor.relations@timex.com	
6	Whether listed company	Yes	
7	Name, Address and Contact Details of Registrar and Transfer Agent:	Alankit Assignment Limited 1E/13 Alankit Heights, Jhandewalan Extension, New Delhi-110055 Telephone: 011-42541234 Fax Number: 011-23552001 Email Id : rta@alankit.com	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Watches	910219	100%*

*Rounded off

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/subsidiary/ Associate of the Company	% of shares held	Applicable section
1.	Timex Group Luxury Watches B.V. Herengracht 466, 1017 CA Msterdam The Netherland Netherlands	-	Holding Company	74.93%	Section 2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. Of Shares held at the beginning of the year (1 st April 2014)				No. Of Shares held at the end of the year (31 st March 2015)				% Change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
A. Promoter										
(1) Indian										
a) Individual/HUF	0	0	0	0	0	0	0	0	0	
b) Central Government	0	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	0	0	0	0	0	0	0	0	
e) Banks/PFI	0	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	0	
Sub-total(A)(1):	0	0	0	0	0	0	0	0	0	
(2) Foreign										
a) NRIs-Individual	0	0	0	0	0	0	0	0	0	
b) Other-Individuals	0	0	0	0	0	0	0	0	0	
c) Bodies Corp.	75645100	0	75645100	74.93	75645100	0	75645100	74.93	0	
d) Banks/ FI	0	0	0	0	0	0	0	0	0	
e) Any other....	0	0	0	0	0	0	0	0	0	
Sub-total (A)(2):	75645100	0	75645100	74.93	75645100	0	75645100	74.93	0	
Total shareholding of Promoter(A)=(A)(1)+(A)(2)	75645100	0	75645100	74.93	75645100	0	75645100	74.93	0	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	0	7800	7800	.01	0	7800	7800	.01	0	
b) Banks/FI	700	3100	3800	0.00	700	1100	1800	0.00	0	
c) Central Govt	0	0	0	0	0	0	0	0	0	

Category of Shareholders	No. Of Shares held at the beginning of the year (1 st April 2014)				No. Of Shares held at the end of the year (31 st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	260000	16100	276100	.27	195000	15600	210600	.21	(.06)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others(specify) Foreign National	400	0	400	0.00	400	0	400	0.00	0
Sub-total(B)(1):	261100	27000	288100	0.29	196100	24500	220600	0.22	(.07)
2. Non-Institutions									
a) Bodies Corp.									
i) Indians	3381109	18000	3399109	3.37	3703578	17600	3721178	3.69	.32
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individu al share h o l d e r s holding nominal share capital up to Rs. 1 lakh	17162018	2532691	19694709	19.51	15936216	2499682	18435898	18.26	(1.25)
ii) Individual s h a r e h o l d e r s holding nominal share capital in excess of Rs. 1 lakh	879857	0	879857	0.87	1364791	0	1364791	1.35	.48
c)Others (specify)									
NRI Trust	635425	406300	1041725	1.03	1160333	400700	1561033	1.55	0.52
1400	0	1400	0.00	1400	0	1400	0.00	0	0
Sub-total (B)(2):-	22059809	2956991	25016800	24.78	22166318	2917982	25084300	24.85	0.07
Total Public Shareholding (B)=(B)(1)+(B)(2)	22320909	2983991	25304900	25.07	22362418	2942482	25304900	25.07	0
C. Share held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	97966009	2983991	100950000	100.00	98007518	2942482	100950000	100.00	0

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (1 st April 2014)			Shareholding at the end of the year (31 st March 2015)			% Change in shareholding during the year
		No of shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1.	Timex Group Luxury Watches BV	75645100	74.93	0	75645100	74.93	0	0
	Total	75645100	74.93	0	75645100	74.930	0	0

(iii) Change in Promoters Shareholding

No Change in the shareholding of the promoters.

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year				
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			Not Applicable	
3.	At the end of the year				

(iv) Shareholding Pattern of the top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
	For Each of the Top 10 Shareholders						
1.	Sanjeev Arora						
	At the beginning of the year			0	-		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		11/07/2014	839			839	.000
		18/07/2014	9161			10000	.009
		25/07/2014	55762			65762	.065
		01/08/2014	60000			125762	.124
		08/08/2014	5200			130962	.129
		22/08/2014	19224			150186	.149
		05/09/2014	47044			197230	.195
		12/09/2014	50878			248108	.246

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
		19/09/2014	49495			297603	.295
		30/09/14	144823			442426	.438
		10/10/2014	88756			531182	.526
		17/10/2014	67173			598355	.593
	At the end of the year (or on the date of separation, if separated during the year)			598355	.593		
2.	Rishra Investments Limited						
	At the beginning of the year			518000	.513		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
	At the end of the year (or on the date of separation, if separated during the year)			518000	.513		
3.	Vishanji Shyamji Dedhia						
	At the beginning of the year			0			
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		31/12/2014	350000			350000	.346
	At the end of the year (or on the date of separation, if separated during the year)			350000	.346		
4.	Ojas Consulting Private Limited						
	At the beginning of the year			0	-		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		16/01/2015	97000			97000	.096
		30/01/2015	17427			114427	.113
		06/02/2015	25628			140055	.138
		13/02/2015	197450			337505	.334
		06/03/2015	11475			348980	.346
	At the end of the year (or on the date of separation, if separated during the year)			348980	.346		

TIMEX GROUP

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
5.	Smart Value Equisearch P Ltd						
	At the beginning of the year			0	-		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		06/03/2015	40000			40000	.039
		13/03/2015	2441			42441	.042
		20/03/2015	106478			148919	.147
		27/03/2015	174690			323609	.320
	At the end of the year (or on the date of separation, if separated during the year)			323609	.320		
6.	S Shyam						
	At the beginning of the year			0	-		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		16/01/2015	1000			1000	.000
		20/02/2015	53161			54161	.053
		27/02/2015	124049			178210	.176
		27/03/2015	35223			213433	.211
		31/03/2015	63675			277108	.274
	At the end of the year (or on the date of separation, if separated during the year)			277108	.274		
7.	Amar Investments Limited						
	At the beginning of the year			220945	.218		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
	At the end of the year (or on the date of separation, if separated during the year)			220945	.218		

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
8.	Kotak Mahindra Investment Ltd						
	At the beginning of the year			227432	.225		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		18/04/2014	-21632			205800	.204
		11/07/2014	63918			269718	.267
		05/09/2014	-63918			205800	.204
		31/10/2014	53918			259718	.257
		20/03/2015	-53918			205800	.204
	At the end of the year (or on the date of separation, if separated during the year)			205800	.204		
9.	Elara India Opportuni- ties fund Ltd						
	At the beginning of the year			260000	.257		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		31/12/2014	-20000			240000	.238
		02/01/2015	-29391			210609	.209
		09/01/2015	-15609			195000	.193
	At the end of the year (or on the date of separation, if separated during the year)			195000	.193		
10.	Suresh Kumar Chauhan						
	At the beginning of the year			149367	.148		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		30/06/2014	-10000			139367	.138
	At the end of the year (or on the date of separation, if separated during the year)			139367	.138		

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 st April 2014)		Increase/decrease in shareholding during the year specifying the reason for increase/decrease	Shareholding at the end of the year (31 st March 2015)	
		Name of Director /KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Colin Davis Arsenault	0	0	-	0	0
2.	Ms. Sharmila Sahai	0	0	-	0	0
3.	Mr. Ryan Todd Roth	0	0	-	0	0
4.	Mr. Anil Malhotra	0	0	-	0	0
5.	Mr. Daya Dhaon	0	0	-	0	0
6.	Ms. Gagan Singh	0	0	-	0	0
7.	Mr. Pradeep Mukerjee	0	0	-	0	0
8.	Mr. Bijou Kurien	3800	0.00	-	3800	0.00
9.	Mr. Amit Jain	0	0	-	0	0
10.	Ms. Shilpa Verma	100	0.00	-	100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		17,10,00,000		17,10,00,000
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		5,00,000		5,00,000
Total (i+ii+iii)		17,15,00,000		17,15,00,000
Change in Indebtedness during the financial year				
• Addition		10,59,00,000		10,59,00,000
• Reduction		-		-
Net Change		10,59,00,000		10,59,00,000
Indebtedness at the end of the financial year				
i) Principal Amount		27,69,00,000		27,69,00,000
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		2,00,000		2,00,000
Total (i+ii+iii)		27,71,00,000		27,71,00,000

VI. REMUNERATION OF THE DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Ms. Sharmila Sahai	Mr. M.K. Bandyopadhyay*	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax act, 1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1962 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	8,176,329	5,652,850	13,829,179
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - As % of profit - Others, specify			
5.	Others, please specify			
	Retirals & Reimbursement	2,246,003	3,829,171	6,075,174
	Total(A)	1,04,22,332	94,82,021	1,99,04,353
	Ceiling as per the Act	Remuneration paid is within the ceiling prescribed under Companies Act 2013/Companies Act 1956 (pursuant to Ministry of Corporate Affairs General Circular No. 7/2015 dated 10 April, 2015).		

*Resigned as the Director with effect from 20 November, 2014.

B. Remuneration of other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Bijou Kurien	Mr. Daya Dhaon	Ms. Gagan Singh	Mr. Pradeep Mukerjee	
	Independent Directors • Fees for attending board committee meetings • Commission • Others, please specify	2,80,000 Nil Nil		2,20,000 Nil Nil	3,20,000 Nil Nil	11,80,000 Nil Nil
	Total (1)	2,80,000	3,60,000	2,20,000	3,20,000	11,80,000
	Other Non-Executive Directors • Fees for attending board committee meetings • Commission • Others, please specify	NA	NA	NA	NA	NA
	Total (2)					
	Total(B)=(1+2)	2,80,000	3,60,000	2,20,000	3,20,000	11,80,000
	Total Managerial Remuneration (A + B)					2,10,84,353
	Overall Ceiling as per the Act	The sitting fee has been paid within the limit prescribed by Companies Act, 2013.				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO/ MD*	Company Secretary- Shilpa Verma	CFO Amit Jain	Total
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income tax act, 1961 (b)Value if perquisites u/s 17(2) Income tax Act, 1962 (c)Profits in lieu of salary under section 17(3) income Tax Act,1961		13,70,057 21,600 -	34,41,163 21,600 -	48,11,220 43,200 -
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - As % of profit - Others, specify				
5.	Others, please specify		3,24,830	5,65,740	8,90,570
Total			17,16,487	40,28,503	57,44,990

*Particulars of remuneration of CEO/MD are given under point VI(A) above.

VII. PENALITIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority(RD/ NCLT/Court	Appeal made, if any (give details)
COMPANY					
Penalty			None		
Punishment					
Compounding					
DIRECTORS					
Penalty			None		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Particulars	Measures
Conservation of energy	
(i) the steps taken or impact on conservation of energy; (ii) the steps taken by the company for utilising alternate sources of energy; (iii) the capital investment on energy conservation equipments.	<ul style="list-style-type: none"> • Developed oil mist collector to condensate the oil from blow by gases from Diesel Generator sets, thereby doubling the life of air filters • Timex factory reuses the sewage water after treatment, for irrigation of the green area. The sludge from the sewage treatment plant is used as compost manure. • 100% usage of CFL across the factory in place of incandescent lights
Technology absorption	
(i) the efforts made towards technology absorption; (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) the expenditure incurred on Research and Development.	<ul style="list-style-type: none"> • E-tester development for 930 module for fast run testing, to improve line productivity for anadigi movement. • Implemented upgradation of spring bar fixing tool to improve productivity for attachment assembly line. • Installed one-minute timer circuit on Hormec Water Resistance tester to remove human intervention and improving quality
Foreign exchange	
The Company has earned Rs. 954 Lakhs in Foreign exchange and used Rs. 363 Lakhs.	

REPORT ON CORPORATE GOVERNANCE

1) MANDATORY REQUIREMENT

CORPORATE GOVERNANCE PHILOSOPHY

Transparency and accountability are the two basic tenets of Corporate Governance. At TIMEX, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At TIMEX, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

VISION

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

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

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

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

VALUES

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

BOARD OF DIRECTORS

a) Composition of Board

The composition of Board of Directors of the Company is in conformity with the requirements of Clause 49 of Listing Agreement as well as section 149 of Companies Act 2013. Currently, the Board of Directors consists of 8 Directors. All the Directors are well qualified professionals in their respective arenas. The Board has no institutional nominee directors.

The composition and category of Directors on Board of the Company are as follows:

Name of the directors	Category	Number of shares held	No of Director-ship held in other Companies (1)	No of Membership/Chairmanship in other Board Committees (2)	
				Membership	Chairmanship
Mr Colin Davis Arsenault(3)	Chairman and Non Executive Director	Nil	-	-	-
Mr Ryan Roth(4)	Vice Chairman and Non-Executive Director	Nil	1	-	-
Ms Sharmila Sahai	Managing Director	Nil	-	-	-
Mr Anil Malhotra	Non-Executive director	Nil	4	-	-
Mr Daya Dhaon	Non-Executive-Independent Director	Nil	-	-	-
Ms Gagan Singh	Non-Executive-Independent Director	Nil	3	-	-
Mr Pradeep Mukerjee	Non-Executive-Independent Director	Nil	1	-	-
Mr Bijou Kurien	Non-Executive-Independent Director	3800	6	-	-

1. Does not include directorships/committee position in Companies incorporated outside India.
2. Only Audit Committee and Stakeholders Relationship Committee of the Public Limited Company has been considered for the purpose of ascertaining no. of membership & Chairmanship of Committee.
3. Mr. Colin Davis Arsenault was appointed as an Additional Director and Chairman w.e.f 21 May 2015.
4. Mr. Ryan Roth was appointed as an Additional Director and Vice Chairman w.e.f 13 November 2014.
5. No director is inter-se related to any other director on the Board.

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

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Colin Davis Arsenault was appointed as an Additional director and Chairman of the Company with effect from 21 May 2015. Further Mr. Ryan Todd Roth was appointed as an Additional Director and Vice Chairman of the Company w.e.f from 13 November, 2014. Prior to this, Mr Ryan Todd Roth was appointed as an alternate director with effect from 29 May 2014 and ceased from this office effective 14 August 2014.

Mr. Colin Arsenault and Mr. Ryan Todd Roth hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing the appointment of Mr. Colin Arsenault and Mr. Ryan Roth as Directors.

Mr. Robert Obed Barberi ceased to be Director and Chairman of the Company with effect from 27 February 2015. Mr. M. K. Bandyopadhyay also ceased to be the Director of the Company with effect from 20 November 2014.

c) Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance. Agenda papers are sent to the Directors generally

one week before the meeting to facilitate meaningful and focused discussions at the meeting. In case of exigencies or urgencies, resolutions are considered by Circulation as well.

The Board met five times during financial year 2014-2015 on 29 May, 2014, 14 August 2014, 13 November, 2014, 29 January, 2015 and 2 March 2015 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 2014-2015 are as under:

Names	No of Meetings attended	Attendance at last AGM
Mr Robert Obed Barberi*	4	Yes
Ms Sharmila Sahai	5	Yes
Mr M K Bandyopadhyay**	3	Yes
Mr Anil Malhotra	5	Yes
Mr Daya Dhaon	5	Yes
Ms Gagan Singh	3	-
Mr Pradeep Mukerjee	5	Yes
Mr Bijou Kurien	5	Yes
Ryan Todd Roth***	2	N/A

* Mr. Robert Obed Barberi resigned with effect from 27 February 2015.

** Mr M K Bandyopadhyay resigned with effect from 20 November 2014.

*** Mr. Ryan Roth was appointed as an Additional Director and Vice Chairman w.e.f 13 November 2014.

d) Board Independence

The definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation /disclosures received from the Independent Directors and on evaluation of their relationships disclosed, they are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

e) Information provided to the Board

Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company.

BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted as per the requirement of the Companies Act 2013 and Listing Agreement. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees request special invitees to join the meeting, as and when considered appropriate.

a) Audit Committee

The Company has adequately qualified and independent Audit Committee. Currently, Audit Committee comprises of six Directors: Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. Ryan Todd Roth, Mr. Bijou Kurien and Mr. Colin Davis Arsenault. Four of the six members on the Committee are independent directors. The Committee is chaired by Ms. Gagan Singh, who is an independent Director having vast experience and expertise in the area of finance and accounts. Mr. Daya Dhaon is the Vice Chairman of the Committee.

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

The role of the Audit Committee shall include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company and also approval for the payment of any other services;

3. 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 section 134(3)(c) 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
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
5. Approval or any subsequent modification of transactions of the company with related parties;
6. Evaluation of internal financial controls and risk management systems;
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
8. To review/oversee the functioning of the Whistle Blower/ vigil mechanism.

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 five times on 29 May 2014, 14 August 2014, 13 November, 2014, 29 January, 2015 and 2 March, 2015.

Records of member's attendance at the Audit Committee Meetings during the financial year 2014-2015 are as under:

Names	No of Meetings attended
Mr Robert Obed Barberi(1)	2
Mr Daya Dhaon(2)	5
Ms Gagan Singh	3
Mr Pradeep Mukerjee	4
Mr Bijou Kurien	5
Mr Ryan Roth(3)	-

1. *Mr. Robert Obed Barberi resigned with effect from 27 February 2015.*
2. *Mr. Daya Dhaon has been appointed as the Vice Chairman of the Audit Committee with effect from 14 August, 2014.*
3. *Mr. Ryan Roth was appointed as a member of Audit Committee w.e.f 13 November 2014.*

The meetings of Audit Committee are also attended by the Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board.

b) Nomination and Remuneration Committee

Currently, the Committee comprises of five Non-Executive Directors, namely Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. Ryan Todd Roth and Mr. Colin Davis Arsenault. Mr. Daya Dhaon, an Independent Director is the Chairman of the Committee. The Committee meets periodically as and when required. None of the Directors, except Managing Director draws remuneration from the Company.

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

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. 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. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. To recommend/ review remuneration of Managing Director(s)/ Whole time Director(s).

TIMEX GROUP

The Nomination and Remuneration 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 Remuneration Committee met four times on 29 May 2014, 14 August 2014, 29 January 2015 and 2 March 2015.

The details of member's attendance at the Nomination & Remuneration Committee Meetings during the financial year 2014-15 are as follows:

Names	No of Meetings attended
Mr Daya Dhaon	4
Ms Gagan Singh	3
Mr Pradeep Mukerjee	3
Mr Robert Obed Barberi(1)	3
Mr. Ryan Roth(2)	1

1. *Mr. Robert Obed Barberi resigned with effect from 27 February 2015.*

2. *Mr. Ryan Roth was appointed as a member of Nomination & Remuneration Committee w.e.f 13 November 2014.*

Remuneration Policy

In accordance with the provisions of the Companies Act, 2013 and Listing Agreement the policies governing the appointment, removal and remuneration of the Board of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Company.

c) Stakeholders Relationship Committee

The Committee comprises of six Non-Executive Directors namely Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. Ryan Todd Roth, Mr. Bijou Kurien and Mr. Colin Davis Arsenault. 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 shareholders and other security holders, if any. The Committee considers and resolves the grievances of the security holders of the company including complaints relating to transfer of share, 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 Share Transfer Committee which attends to share transfer formalities at least once in a fortnight.

The Stakeholders Relationship 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 Stakeholders Relationship Committee met four times on 29 May 2014, 14 August 2014, 13 November, 2014 and 29 January 2015. The details of member's attendance at the Stakeholders Relationship Committee Meetings during the financial year 2014-2015 are as under:

Names	No of Meetings attended
Mr Daya Dhaon	4
Ms Gagan Singh	2
Mr Pradeep Mukerjee	4
Mr Bijou Kurien	4
Mr Robert Obed Barberi(1)	4
Mr. Ryan Roth(2)	1

1. *Mr. Robert Obed Barberi resigned with effect from 27 February 2015.*

2. *Mr. Ryan Roth was appointed as a member of Stakeholders Relationship Committee w.e.f 13 November 2014.*

d) Corporate Social Responsibility Committee

The Committee comprises of Ms Gagan Singh, Ms Sharmila Sahai and Mr. Ryan Todd Roth. The Company Secretary is the Secretary of the Committee.

Terms of Reference of the Committee includes the following:

- (a) To formulate and recommend to the Board, CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- (b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- (c) To monitor the CSR policy of the Company from, time to time.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has also formed a committee called Internal Complaints Committee for prevention and prohibition of sexual harassment and redressal against complaints of sexual harassment of working women at the workplace as per Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 read with Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Rules, 2013. This Internal Complaints Committee has the power/jurisdiction to deal with complaints of sexual harassment of working women as per the rules specified therein.

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.

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

Audit Committee has been reviewing the disclosure of Related Party Transactions periodically.

None of the transactions with any of the 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.

Company has formulated a "Related Party Transaction Policy" to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

The Audit Committee/ Board may review and amend this policy from time to time.

b) Accounting treatment in preparation of financial statement

The Company has followed the Accounting standards notified by the Institute of Chartered Accountants of India, as amended from time to time, in preparation of its financial statements.

c) Certificate for transfer of Shares and Reconciliation of Share Capital

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) 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.

e) Risk management

The Company has established a risk management framework where in a committee comprising of the senior executives of the Company has been established which periodically indentify potential risks to the strategy of the Company and take effective measures to mitigate the same in the best possible manner.

f) CEO/CFO certification

As required under Clause 49 (IX) of the Listing Agreement with the Stock Exchanges, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended which is annexed to this Report.

g) Whistle Blower Policy

Your Company is committed to adopt the best Corporate Governance Practices and to follow the highest possible moral, legal and ethical standards in the conduct of its business. In line with this commitment, Whistle blower Policy was designed to provide a mechanism for employees / Board Members and others to raise good faith concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct and to protect the individuals who take such actions from retaliation or any threat of retaliation.

No personnel were denied the access to the audit committee.

h) The Company has fully complied with the mandatory requirements of clause 49 of the listing agreement entered into with the Stock Exchange.

FAMILIARIZATION PROGRAMME

In accordance with requirement of listing Agreement, the Company has formulated a Familiarization Programme for the independent directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization programme have been disclosed on the Company's website www.timexindia.com.

DIRECTORS REMUNERATION

Non Executive Directors including Independent Directors do not have any pecuniary relationships or transactions with the Company. However, the independent directors 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 Nomination and Remuneration Committee.

Remuneration paid to the Managing Director/ whole time Director for the year ended 31 March 2015 is as detailed below-

Salary Component	Mr. M.K Bandopadhyay	Ms. Sharmila Sahai
Net Salary	4107783	9638625
Performance Bonus	1350161	306707
Retirals	4024077	477000
Total	9482021	10422332

MEANS OF COMMUNICATION

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.timexindia.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual results are generally published in Business Standard (English and Hindi editions) and also displayed on the Company's website.

Further, the Company disseminates to the Stock Exchange (i.e. BSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and for the information of the public at large.

GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	:	Thursday, 06, August 2015 at 10:00 am at Air Force Auditorium, Subroto Park, New Delhi-110010
Financial Year	:	April 1, 2014 to March 31,2015
Tentative calendar of events for the financial year 2015-16 (April-March)	:	To review and approve unaudited Financial Results for the quarter First quarter - ended July 2015 Second quarter - ended October 2015 Third quarter - ended January 2016 Fourth quarter - ended May/June 2016
Book closure Date	:	31 July 2015 to 5 August 2015
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 2016
Registrar & Share Transfer Agents	:	Alankit Assignment Limited 1E/13 Alankit Heights, Jhandewalan Extension, New Delhi -110055 of the Company for both physical and electronic mode of share transfers. Contact Person: Mr. J K Singla, Phones : 011-42541234 Fax : 011-23552001 Email : rta@alankit.com info@alankit.com Website : www.alankit.com

SHARE TRANSFER SYSTEM

The Company has appointed Alankit 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 Share Transfer Committee. A summary of transfer, transmission of securities of the company so approved by the Share Transfer Committee is placed at the Board Meeting.

INVESTOR SERVICES

Number of Complaints received from the shareholders during the year ended March 31, 2015.

Complaints outstanding as on April,1, 2014	0
Complaints received during the year ended March 31,2015	4
Complaints resolved during the year ended March 31,2015	4
Complaints pending as on March 31, 2015	0

TIMEX GROUP

OTHERS

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

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

Venue and time of the Last Three Annual General Meetings

Date	Category	Venue	Time	No. of Special Resolutions
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
14.08.2014	AGM	Air Force Auditorium, Subroto Park, New Delhi	4.30 PM	2

POSTAL BALLOTS

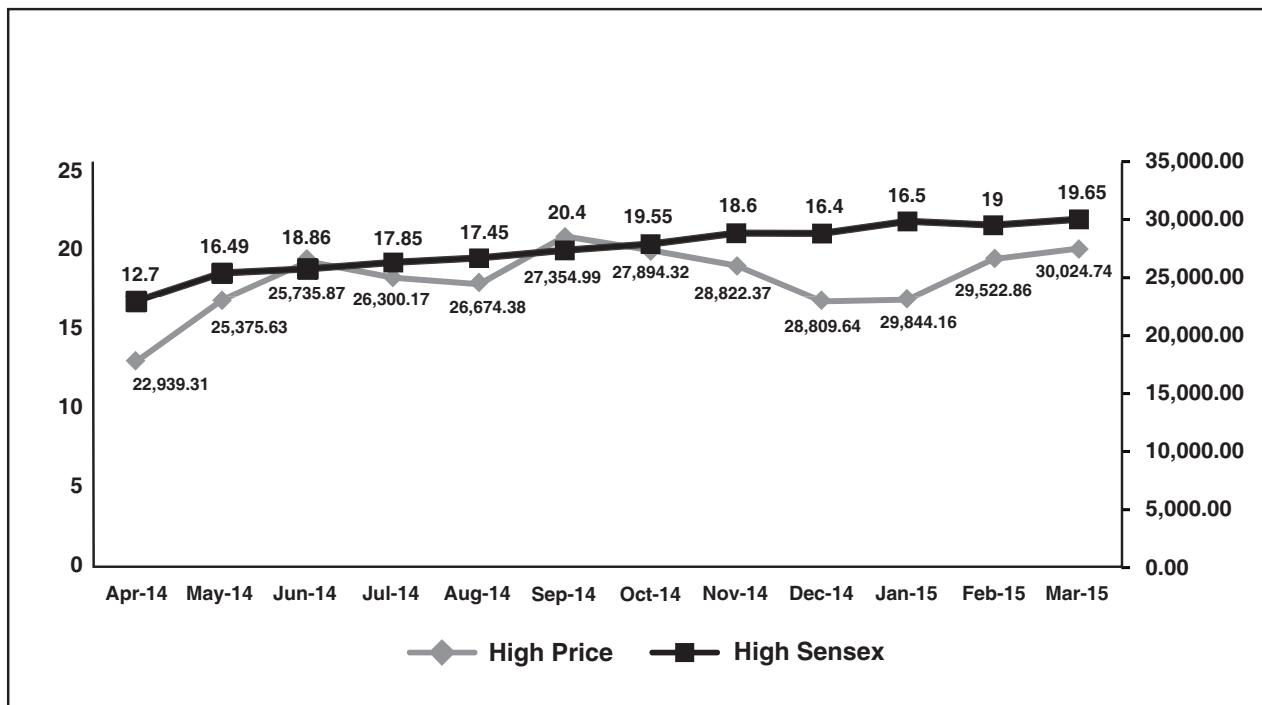
During the year, the company conducted a postal ballot for the equity shareholders in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Pursuant to the requirements of Companies Act 2013, the Company had offered the facility of e-voting to the shareholders in addition to the existing system and for this purpose the Company entered into an agreement with CDSL. The Postal Ballot Notice along with the Postal Ballot form and a postage pre-paid envelope were sent by Courier to all those shareholders whose e-mail IDs were not registered with the Company/ Depositories and by electronic mode by Central Depository Services (India) Limited to all those shareholders who have registered their email IDs with the Company/ Depositories and for the same the Company has published an advertisement providing the details of the postal ballot. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialized form have casted their vote electronically. The Postal Ballot Forms received within 30 days of dispatch along with the votes casted electronically 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
21 August 2014	Mr. Neelesh Kumar Jain	Special Resolution to consider the variation in terms of 1,57,00,000 7.1% Cumulative Redeemable Non Convertible Preference Shares	100%
		Special Resolution to consider the revision in the remuneration of Mr. M K Bandyopadhyay	99.99%
		Special Resolution to consider the re-appointment of Mr M K Bandyopadhyay as a Managing Director-Operations and Supply Chain	100%
		Special resolution to consider the appointment of Sharmila Sahai as Managing Director	100%

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	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sept 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	March 15
High	12.7	16.49	18.86	17.85	17.45	20.4	19.55	18.6	16.4	16.5	19	19.65
Low	9.62	10.10	12.72	13.9	12.75	14.32	15	14.6	12.3	12.37	13.35	16.3

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.

TIMEX GROUP

As on 31 March 2015, the distribution of Company's shareholding was as follows: -

No. of Shares	No. of Share holders	% of Shareholders	Share Amount	% of Amount
UPTO - 2500	69514	98.432	10748830	10.648
2501 - 5000	577	0.817	2217606	2.197
5001 - 10000	295	0.418	2278844	2.257
10001 - 20000	111	0.157	1662258	1.647
20001 - 30000	44	0.062	1072908	1.063
30001 - 40000	19	0.027	640821	0.635
40001 - 50000	19	0.027	912113	0.903
50001 - 100000	24	0.034	1727673	1.711
100001 AND ABOVE	18	0.025	79688947	78.939
TOTAL	70621	100.00	100950000	100.00

DEMATERIALISATION OF SHARES

Members are requested to convert their physical holdings to demat/electronic form through the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held. Shares received for dematerialization are generally confirmed within a maximum period of two weeks from the date of receipt, if the documents are clear in all respects. There are **28764** no. of shareholders holding their shares in dematerialized form, which represent **97.09 %** of the paid up capital of the Company.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY.

There are no GDRs/ADRs/Warrants outstanding as on 31 March, 2015.

PLANT LOCATION

TIMEX GROUP INDIA LIMITED

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

ADDRESS FOR CORRESPONDANCE

Timex Group India Limited, JA-1203, 12th Floor, DLF Tower-A, Jasola, New Delhi-110025.

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

The Board of Director
Timex Group India Limited
New Delhi

Certification to the Board pursuant to clause 49(IX) 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 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.

Sharmila Sahai
Managing Director

Amit Jain
Chief Financial Officer

Dated: 21 May, 2015

DECLARATION BY THE CEO UNDER CLAUSE 49(II)(E) 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 2014-2015.

Sd/-
Sharmila Sahai
Managing Director

Certificate of Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement(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 2015, 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 procedure 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 to conduct the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanation given to us, the company has been complying with 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
Membership No.FCS 5593
Certificate of Practice No. 5233

Place: New Delhi
Date: 21 May, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of
Timex Group India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Timex Group India Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

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.

In response, the Company received direction from Central Government to recover the excess remuneration of Rs. 7.09 lakhs paid during the year ended 31 March 2012. Subsequently, the Company filed 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. The Central Government vide its letter dated 18 November 2014, has rejected the application filed for waiver of excess

remuneration paid. The Company is in the process of taking necessary steps for recovery of this amount from the erstwhile Managing Director.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2015, and its loss and its 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 2015. 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 modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) the matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. The Company did not have any dues on account of Investor Education and Protection Fund.

*For B S R & Co. LLP
Chartered Accountants*

ICAI Firm Registration No.: 101248W/W-100022

Jiten Chopra

Partner

Membership No.: 092894

Place : Gurgaon

Date : 21 May 2015

Annexure to the Independent Auditor's report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. According to this programme, during the year, the Company has verified all fixed assets at the factory location. 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.
- (ii) (a) According to the information and explanations given to us, the inventories have been physically verified by the management as at the year end. In our opinion, the frequency of such verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. As informed to us, the discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion, and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods and services sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) 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 148(1) of the Companies Act, 2013 in respect of its products 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.
- (vii) (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, duty of Customs, duty of Excise, Value added tax, Cess 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 Company did not have any dues on account of Wealth tax.
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, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2015 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, duty of Customs, duty of Excise, Cess and Value Added Tax which have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount Disputed (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	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	7	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
The MP Value Added Tax	Sales Tax	7	1	2009-10	M.P VAT Authority
The UP VAT Act 2008	Sales Tax	84	42	2010-11	Additional Commissioner (Appeals)
Central Sales Tax Act, 1956	Sales Tax	12	-	2010-11	Assistant Commissioner-Commercial tax
The UP Sales Tax Act 1948	Sales Tax	100	-	2011-12	Deputy Commissioner
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	Amount Disputed (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	338	-	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	2,084	-	2009-10	Commissioner of Income Tax, (Appeals)
Income Tax Act, 1961 *	Income Tax	2,434	-	2010-11	Dispute Resolution Panel

* 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 in progress.

- (c) The Company did not have any dues on account of Investor Education and Protection Fund.
- (viii) 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.
- (ix) 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.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the information and explanations given to us, the Company did not have any term loans outstanding during the year.
- (xii) 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*
ICAI Firm Registration No.: 101248W/W-100022

Place : Gurgaon
Date : 21 May 2015

Jiten Chopra
Partner
Membership No.: 092894

TIMEX GROUP

Balance Sheet as at 31 March 2015

	Note	31 March 2015	(Rs. in lakhs) 31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	5,120	5,120
Reserves and surplus	4	(6,536)	(5,371)
		(1,416)	(251)
Non-current liabilities			
Long-term provisions	5	349	258
		349	258
Current liabilities			
Short-term borrowings	6	2,769	1,710
Trade payables	7	7,298	7,236
Other current liabilities	8	2,088	2,203
Short-term provisions	5	659	905
		12,814	12,054
TOTAL		11,747	12,061
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	9	1,063	1,285
Intangible fixed assets	10	70	7
Capital work-in-progress	10	-	49
		1,133	1,341
Long-term loans and advances	11	400	451
Other non-current assets	12	2	117
		402	568
Current assets			
Inventories	13	2,524	2,441
Trade receivables	14	6,870	6,889
Cash and bank balances	15	446	523
Short-term loans and advances	16	357	284
Other current assets	17	15	15
		10,212	10,152
TOTAL		11,747	12,061
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/W-100022

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

Jiten Chopra
Partner
Membership No.: 092894

Colin Davis Arsenault
Chairman

Sharmila Sahai
Managing Director

Amit Jain
Chief Financial Officer

Shilpa Verma
Company Secretary

Place : Gurgaon
Date : 21 May 2015

Place : New Delhi
Date : 21 May 2015

Place : New Delhi
Date : 21 May 2015

Place : New Delhi
Date : 21 May 2015

Place : New Delhi
Date : 21 May 2015

Statement of Profit and Loss for the year ended 31 March 2015

	Note	31 March 2015	31 March 2014	(Rs. in lakhs)
Revenue from operations				
Sale of products (gross)	18	13,696	12,067	
Less: Excise duty		239	262	
Sale of products (net)		<u>13,457</u>	<u>11,805</u>	
Sale of services		507	551	
Other operating revenues		272	2	
TOTAL		<u>14,236</u>	<u>12,358</u>	
Other income	19	7	9	
Total revenue		<u>14,243</u>	<u>12,367</u>	
Expenses				
Cost of materials and components consumed	20	6,903	6,426	
Purchase of stock-in-trade	21	651	216	
Changes in inventories of finished goods, work in progress and stock-in-trade	22	(122)	817	
Employee benefits	23	2,244	2,102	
Finance costs	24	253	117	
Depreciation and amortisation	25	224	234	
Other expenses	26	5,359	5,753	
Total expenses		<u>15,512</u>	<u>15,665</u>	
Loss before exceptional item		<u>(1,269)</u>	<u>(3,298)</u>	
Exceptional item	44	171	-	
Loss for the year		<u>(1,098)</u>	<u>(3,298)</u>	
Loss per equity share [(nominal value of share Re 1 (previous year Re.1)]	28			
Basic		(1.41)	(3.58)	
Diluted		(1.41)	(3.58)	
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/W-100022

Jiten Chopra

Partner

Membership No.: 092894

Place : Gurgaon

Date : 21 May 2015

Colin Davis Arsenault

Chairman

Date : 21 May 2015

Sharmila Sahai

Managing Director

Date : 21 May 2015

Amit Jain

Chief Financial Officer

Date : 21 May 2015

Shilpa Verma

Company Secretary

Date : 21 May 2015

Cash flow statement for the year ended 31 March 2015

(Rs. in lakhs)

	31 March 2015	31 March 2014
A. Cash flows from operating activities		
Profit before tax	(1,098)	(3,298)
Non cash adjustments :		
Depreciation and amortisation	224	234
Provision for doubtful advances	47	26
Assets written off	20	41
Loss on sale of assets (net)	-	3
Unrealised foreign exchange loss	104	506
Liabilities / provisions no longer required written back	(271)	-
Interest expense	253	117
Interest income	(7)	(9)
Operating profit before working capital changes	(728)	(2,379)
Movements in working capital:		
Increase/(decrease) in trade payables	(18)	183
Increase/(decrease) in long term provisions	91	(40)
Increase/(decrease) in short term provisions	(212)	423
Increase/(decrease) in other current liabilities	(20)	324
Decrease/(increase) in inventories	(83)	1,261
Decrease/(increase) in trade receivables	112	(284)
Decrease/(increase) in non-current assets	115	62
Decrease/(increase) in loans and advances	(57)	(32)
Decrease/(increase) in other current assets	(0) #	15
Cash generated from/(used) in operations	(800)	(467)
Income taxes paid (net of refunds)	(12)	(12)
Net cash generated from/(used in) operating activities (A)	(812)	(480)
B. Cash flows from investing activities		
Purchase of fixed assets	(84)	(138)
Proceeds from sale of fixed assets	9	-
Interest received	7	9
Net cash generated from/(used in) investing activities (B)	(68)	(130)
C. Cash flows from financing activities		
Short term bank borrowings availed (net)	1,059	683
Interest paid	(256)	(112)
Net cash generated from/(used in) financing activities (C)	803	571
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(77)	(38)
Cash and cash equivalents at the beginning of the year	523	561
Cash and cash equivalents at the end of the year	446	523
Notes :		
Component of cash and cash equivalents :		
Cash on hand	4	5
Cheques on hand	182	346
Balances with banks:		
On current accounts	260	172
Cash and cash equivalents at the end of the year	446	523

Amount is below rounding off threshold adopted by the Company.

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/W-100022

Jiten Chopra

Partner

Membership No.: 092894

Place : Gurgaon

Date : 21 May 2015

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

Colin Davis Arsenault

Chairman

Managing Director

Place : New Delhi

Date : 21 May 2015

Sharmila Sahai

Chief Financial Officer

Place : New Delhi

Date : 21 May 2015

Shilpa Verma

Company Secretary

Place : New Delhi

Date : 21 May 2015

Notes to the financial statements for the year ended 31 March, 2015

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 historical cost convention on a going concern basis, on the accrual basis of accounting and comply with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants of India. 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 2015 are Rs. 6,887 lakhs, which have resulted in complete erosion of the net worth of the Company. The Company has also incurred losses of Rs 1,098 lakhs for the year ended 31 March 2015 and as at that date, the Company's current liabilities are in excess of its current assets by Rs. 2,602 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 2015-16. 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. 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 nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

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 based on management's assessment of useful economic lives of the asset. Depreciation is provided at the useful lives prescribed under Part C of Schedule II of The Companies Act, 2013, except for the following block of assets:

• Office Equipment (Mobile Phones)	3 years
• Furniture and fixtures	5 years
• Computers	6 years
• Tools and moulds	1 year

For these class of assets, based on internal technical evaluation, the management believes that useful lives as given above best represent the period over which company expects to use these assets.

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

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.

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.

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 are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Post employment benefits

Superannuation:

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.

Gratuity:

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:

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.

f. 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.

	(Rs. in lakhs)			
	31 March 2015	31 March 2014		
3. Share capital				
Authorised (No. lakhs)				
12,500 (previous year 12,500) equity shares of Re. 1 each	12,500	12,500		
450 (previous year 450) preference shares of Rs. 10 each	4,500	4,500		
	<u>17,000</u>	<u>17,000</u>		
Issued, subscribed and paid up (No. lakhs)				
1,009.5 (previous year 1,009.5), equity shares of Re. 1 each, fully paid up	1,010	1,010		
25 (previous year 25), 0.1% non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	250	250		
157 (previous year 157), 7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	1,570	1,570		
229 (previous year 229), 7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	2,290	2,290		
	<u>5,120</u>	<u>5,120</u>		
Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
	31 March 2015	31 March 2014		
	No. lakhs	Amount Rs. in lakhs	No. lakhs	Amount Rs. in lakhs
Equity shares				
At the commencement and end of the year	1,010	1,010	1,010	1,010
	<u>1,010</u>	<u>1,010</u>	<u>1,010</u>	<u>1,010</u>
Preference shares				
At the commencement and end of the year				
0.1%, non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	25	250	25	250
7.1%, cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	386	3,860	386	3,860
	<u>411</u>	<u>4,110</u>	<u>411</u>	<u>4,110</u>

Rights, preferences and restrictions attached to equity shares

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

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

Rights, preferences and restrictions attached to preference shares

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

7.1% Cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 7.1% per annum. In case of insufficiency of profits /no profits, the dividend on preference shares shall not be declared and

distributed in the respective year but the dividend liability on the preference shares for that respective year shall be cumulated and paid to the holders of the preference shares.

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 till 24 March 2018. Original maturity was 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 which pursuant to the provisions of section 106 of the Companies Act, 1956 was extended by the Company with the consent of preference shareholders by five years, i.e. till 24 March 2018.

Maturity period for redemption of 7.1% preference shares amounting to Rs. 1,570 lakhs (previous year Rs. 1,570 lakhs) is till 26 March 2019. Original maturity was 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 which pursuant to the provisions of Section 106 of the Companies Act, 1956 was extended by the Company with the consent of preference shareholders by the five years i.e. till 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 2015			31 March 2014		
	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	25	250	100	25	250	100
0.1% non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	386	3,860	100	386	3,860	100
7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	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 2015 31 March 2014

4. Reserves and surplus

Securities premium account

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

Deficit in the Statement of Profit and Loss

Balacnce at the commencement of the year	(5,722)	(2,424)
Add: Loss for the year	(1,098)	(3,298)
Add: Depreciation adjustment as per Schedule II of the Companies Act, 2013 (refer note 45)	(67)	-
Balance as at the end of the year	(6,887)	(5,722)
Total reserves and surplus	(6,536)	(5,371)

(Rs. in lakhs)

5. Provisions

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits				
Gratuity (refer note 29)	207	146	8	17
Compensated absences	142	112	10	19
	349	258	18	36
Other provisions				
Provision for warranties	-	-	85	107
Provision for sales returns	-	-	198	201
Provision for unearned margin (refer note 44)	-	-	305	508
Provision for litigations	-	-	43	43
Provision for current tax [net of advance tax of Rs. 203 lakhs (previous year Rs. 203 lakhs)]	-	-	10	10
	-	-	641	869
Total provisions	349	258	659	905

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

	Unearned margin		Warranty		Sales return		Litigations	
	31 March 2015	31 March 2014						
At the commencement of the year	508	183	107	41	201	189	43	43
Provision created/(reversed) during the year	(203)	325	154	218	(3)	12	-	-
Provision utilised during the year	-	-	(176)	(152)	-	-	-	-
At the end of the year	305	508	85	107	198	201	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 setup 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 2015	31 March 2014
6. Short-term borrowings		
Loan repayable on demand		
- Cash credit from bank (unsecured)*	769	310
Working capital loans from bank (unsecured) **	2,000	1,400
	2,769	1,710

* 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. 3,880 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 days.

	31 March 2015	31 March 2014
7. Trade payables		
Trade payables	7,298	7,236
	7,298	7,236

For dues to micro and small suppliers, refer note 39

	(Rs. in lakhs)	
	31 March 2015	31 March 2014
8. Other current liabilities		
Discount, selling and other expenses	1,573	1,417
Interest accrued but not due on borrowings	2	5
Interest free security deposits received from dealers	17	17
Advance received from customers	121	208
Dues to employees	111	267
Excise duty payable	27	39
Sales tax payable	146	107
TDS payable	31	47
Provident fund payable	13	14
Other statutory dues payable	11	12
Book overdraft	-	62
Capital creditors	36	8
	2,088	2,203

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 2013	155	334	155	1,827	919	103	483	3,976
Additions	-	-	-	1	41	2	32	76
Deletions/ adjustment	-	-	93	58	187	21	173	532
Balance as at 31 March 2014	155	334	62	1,770	773	84	342	3,520
Balance as at 1 April 2014	155	334	62	1,770	773	84	342	3,520
Additions	-	-	-	-	36	5	41	82
Deletions/adjustment***	-	-	55	28	110	(20)	129	302
Balance as at 31 March 2015	155	334	7	1,742	699	109	254	3,300
Depreciation								
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
Deletions/ adjustment	-	-	90	54	159	15	170	488
Balance as at 31 March 2014	14	76	61	1,388	427	33	236	2,235
Balance as at 1 April 2014	14	76	61	1,388	427	33	236	2,235
Depreciation for the year	1	12	-	33	126	9	27	208
Accelerated depreciation**	-	-	-	33	-	34	-	67
Deletions/ adjustment***	-	-	54	27	89	(16)	119	273
Balance as at 31 March 2015	15	88	7	1,427	464	92	144	2,237
Net block								
As at 31 March 2014	141	258	1	382	346	51	106	1,285
As at 31 March 2015	140	246	-	315	235	17	110	1,063

* Buildings are constructed on leasehold land.

** Adjustment on adoption of Schedule II to the Companies Act, 2013 (Refer note 45 to the financial statements)

*** Includes reclassification of fixed assets having gross block of Rs 36 lakhs (accumulated depreciation of Rs 31 lakhs) from computer equipment to office equipment

(Rs. in lakhs)

10. Intangible assets	Computer Software	Total
Gross block		
Balance as at 1 April 2013	32	32
Deletions	7	7
Balance as at 31 March 2014	25	25
Balance as at 1 April 2014	25	25
Additions	79	79
Disposals	-	-
Balance as at 31 March 2015	104	104
Amortisation		
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	18	18
Balance as at 1 April 2014	18	18
Amortisation for the year	16	16
Accumulated depreciation on disposals	-	-
Balance as at 31 March 2015	34	34
Net block		
As at 31 March 2014	7	7
As at 31 March 2015	70	70
Capital work in progress		
Balance as at 1 April 2014	49	49
Additions	5	5
Assets capitalised during the year	(54)	(54)
Balance as at 31 March 2015	-	-

	Non current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
11. Long-term loans and advances				
To parties other than related parties				
Security deposits				
<i>(unsecured)</i>				
Considered good	184	338	94	3
Considered doubtful	98	51	-	-
Less: Provision for doubtful security deposits	(98)	(51)	-	-
	184	338	94	3
Other loans and advances				
<i>Secured and considered good</i>				
Advances to suppliers	20	-	-	-
VAT receivable	60	-	-	-
CENVAT receivable	11	-	-	-
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)]	125	113	-	-
	216	113	1	1
	400	451	95	4

* Amount disclosed under 'Short term loans and advances'

** Secured by hypothecation of respective vehicles.

(Rs. in lakhs)

31 March 2015 31 March 2014

12. Other non-current assets

(Unsecured, considered good unless otherwise stated)

Long-term trade receivables

Unsecured, considered good	-	115
Unsecured, Considered doubtful	-	100
Less: Provision for doubtful receivables	-	(100)
	<hr/>	<hr/>
	-	115
Bank deposits (due to mature after 12 months from the reporting date) ***	2	2
(refer note 15)		
Interest accrued on fixed deposits	0 #	0 #
	<hr/>	<hr/>
	2	117
	<hr/>	<hr/>

*** 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	880	937
Work-in-progress	141	109
Finished goods	1,444	1,373
Traded goods	59	22
	<hr/>	<hr/>
	2,524	2,441
	<hr/>	<hr/>

In the year ended 31 March 2015, the write down of inventories to net realisable value amounts to Rs. 802 lakhs (previous year Rs. 814 lakhs)

14. Trade receivables

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

Unsecured, considered good	524	619
Unsecured, considered doubtful	502	641
Less: Provision for doubtful receivables	(502)	(641)
	<hr/>	<hr/>
(A)	524	619
	<hr/>	<hr/>
Other receivables		
Unsecured, considered good	6,346	6,270
Unsecured, considered doubtful	37	-
Less: Provision for doubtful receivables	(37)	-
	<hr/>	<hr/>
(B)	6,346	6,270
	<hr/>	<hr/>
(A) + (B)	6,870	6,889
	<hr/>	<hr/>

		(Rs. in lakhs)
	31 March 2015	31 March 2014
15. Cash and bank balances		
Cash and cash equivalents		
- Cash on hand	4	5
- Cheques on hand	182	346
- Balances with banks:		
On current accounts	260	172
	<u><u>446</u></u>	<u><u>523</u></u>
Details of bank balances/deposits		
Bank balance available on demand included under 'Cash and cash equivalents'	260	172
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 12)	2	2
	<u><u>262</u></u>	<u><u>174</u></u>
16. Short-term loans and advances		
<i>(unsecured, considered good)</i>		
Current portion of long-term loans and advances (refer note 11)	95	4
To parties other than related parties		
Prepaid expenses	26	28
Advances to employees	10	14
VAT receivable	-	19
CENVAT receivable	34	22
Customs duty recoverable	-	6
Advances to suppliers	186	185
Others	6	6
	<u><u>357</u></u>	<u><u>284</u></u>
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 15 lakhs)]	15	15
	<u><u>15</u></u>	<u><u>15</u></u>
# Amount is below rounding off threshold adopted by the Company.		
18. Revenue from operations		
Sale of products		
Finished goods	13,025	11,812
Traded goods	671	255
Sale of products (gross)	<u><u>13,696</u></u>	<u><u>12,067</u></u>
Less: Excise duty	239	262
Sale of products (net)	<u><u>13,457</u></u>	<u><u>11,805</u></u>
Sale of services	507	551
Other operating revenues		
- Dealers signing fees	1	2
- Liabilities /provision no longer required written back	271	-
	<u><u>272</u></u>	<u><u>2</u></u>
	<u><u>14,236</u></u>	<u><u>12,358</u></u>

	(Rs. in lakhs)	
	31 March 2015	31 March 2014
Break-up of revenue from sale of products		
Manufactured goods		
- Watches	12,496	11,140
- Components and others	529	672
	<u><u>13,025</u></u>	<u><u>11,812</u></u>
Traded goods		
- Watches	671	255
	<u><u>671</u></u>	<u><u>255</u></u>
Break-up of revenue from services rendered		
- Support charges	480	521
- Customer services	27	30
	<u><u>507</u></u>	<u><u>551</u></u>
19. Other income		
Interest income on		
- bank deposits	0#	0#
- others	7	8
Miscellaneous income	0#	1
	<u><u>7</u></u>	<u><u>9</u></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	937	1,294
Purchases	6,846	6,069
Inventory at the end of the year	(880)	(937)
	<u><u>6,903</u></u>	<u><u>6,426</u></u>
Break-up of cost of raw materials and components consumed		
Movements	1,643	1,468
Straps	1,502	1,462
Other materials	3,758	3,496
	<u><u>6,903</u></u>	<u><u>6,426</u></u>
Break-up of inventory- raw materials and components		
Raw materials and components		
Movements	84	78
Straps	212	146
Other materials	584	713
	<u><u>880</u></u>	<u><u>937</u></u>
21. Purchase of stock-in-trade		
Watches	651	216
	<u><u>651</u></u>	<u><u>216</u></u>

	(Rs. in lakhs)	
	31 March 2015	31 March 2014
22. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventory at the end of the year		
Traded goods	59	22
Work-in-progress	141	109
Finished goods	<u>1,444</u>	<u>1,373</u>
	<u>1,644</u>	<u>1,504</u>
Inventory at the beginning of the year		
Traded goods	22	25
Work-in-progress	109	45
Finished goods	<u>1,373</u>	<u>2,338</u>
	<u>1,504</u>	<u>2,408</u>
Excise duty related to increase and decrease in inventory of finished goods	(18)	87
(Increase)/decrease in inventory	(122)	817
Traded goods		
Inventory at the end of the year	59	22
Inventory at the beginning of the year	<u>22</u>	<u>25</u>
(Increase)/decrease in inventory	(37)	3
Work-in-progress		
Inventory at the end of the year	141	109
Inventory at the beginning of the year	<u>109</u>	<u>45</u>
(Increase)/decrease in inventory	(32)	(64)
Finished goods		
Inventory at the end of the year	1,444	1,373
Inventory at the beginning of the year	<u>1,373</u>	<u>2,338</u>
(Increase)/decrease in inventory	(71)	965
Excise duty related to increase and decrease in inventory of finished goods	(18)	87
	<u>(122)</u>	<u>817</u>
Details of inventory		
Traded Goods		
Watches	59	22
	<u>59</u>	<u>22</u>
Work in progress		
Watches	141	109
	<u>141</u>	<u>109</u>
Finished goods		
Watches	1,444	1,373
	<u>1,444</u>	<u>1,373</u>
23. Employee benefits #		
Salaries, wages and bonus	1,956	1,817
Contribution to provident and other funds	102	104
Compensated absences	63	17
Staff welfare expenses	<u>123</u>	<u>164</u>
	<u>2,244</u>	<u>2,102</u>

Refer note 29

	(Rs. in lakhs)	
	31 March 2015	31 March 2014
24. Finance costs		
Interest expense	253	117
Interest on delayed payment of statutory dues	-#	-
	<u><u>253</u></u>	<u><u>117</u></u>
# Amount is below rounding off threshold adopted by the Company.		
25. Depreciation and amortisation		
Depreciation on tangible fixed assets	208	229
Amortisation on intangible assets (refer note 9 and 10)	16	5
	<u><u>224</u></u>	<u><u>234</u></u>
26. Other expenses		
Consumption of stores and spare parts	16	13
Power and fuel	60	53
Selling and distribution	435	398
Rent (refer note 30)	362	361
Repairs and maintenance		
- Building	24	25
- Machinery	40	32
- Others	9	7
Insurance	46	24
Rates and taxes, excluding taxes on income	200	166
Travelling	351	337
Legal and professional (refer note below)	216	227
Advertising expenses	530	514*
Sales promotion expenses	1,068	690*
Minimum Gurantee expenses	722	809*
Bank charges	8	6
Communication	64	70
Warranty	154	218
Director's sitting fees	13	15
Purchased services	518	441
Provision for doubtful debts	-	26
Provision for doubtful advances	47	-
Assets written off	20	41
Loss on sale of assets (net)	-#	3
Margin loss and unearned margin on sales return	-	337
Foreign exchange loss	111	589
Miscellaneous expenses	345	351
	<u><u>5,359</u></u>	<u><u>5,753</u></u>
# Amount is below rounding off threshold adopted by the Company.		
* Amounts were included under the head Advertising, marketing and sales promotion expenses in the previous year		
Note: Payment to auditors (inclusive of services tax)		
As auditor		
Statutory audit	18	18
Tax audit	2	2
Limited review of quarterly results	18	18
In other capacity		
Group audit	8	8
Reimbursement of expenses	3	5
	<u><u>49</u></u>	<u><u>51</u></u>

27. 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 reconsider the same and an application was made in this regard by the Company vide its letter dated 30 August 2012.

In response, the Company received direction from Central Government to recover the excess remuneration of Rs. 7.09 lakhs paid during the year ended 31 March 2012. Subsequently, the Company filed 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.

In the current year, the Central government vide its letter dated 18 November 2014, has rejected the application filed by the Company for waiver of remuneration paid in excess of the limits specified in the Companies Act, 1956. The Company is in the process of taking necessary steps for recovery of this amount from the erstwhile Managing Director.

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 2015 is based on the profit/ (loss) attributable to equity shareholders of Rs. (1,428) lakhs (previous year loss: Rs. (3,619) 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 2015 is based on profit/(loss) attributable to equity shareholders of Rs. (1,428) lakhs (previous year loss: Rs(3,619)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 2015	31 March 2014
Loss after tax	(1,098)	(3,298)
Less: Preference dividend and tax thereon	330	321
Net loss attributable to equity shareholders for calculation of basic EPS	(1,428)	(3,619)
Loss adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	(1,428)	(3,619)

Shares

(Rs. in lakhs)

	31 March 2015	31 March 2014
Weighted average number of equity shares attributable to equity shareholders for calculation of basic and diluted EPS	1,010	1,010

Loss per share (Nominal value of Rs. 1 per share)

	31 March 2015	31 March 2014
Basic	(1.41)	(3.58)
Diluted	(1.41)	(3.58)

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. 84 lakhs (previous year: Rs. 76 lakhs).

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

The Defined Benefit Obligation of interest rate guarantee on exempt provident fund in respect of the employees of the Company as at 31 March 2015 works out to Rs. Nil (previous year Rs. Nil). The balance in the surplus account of the provident fund is Rs. 114 lakhs (previous year Rs. 92 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).

Principal assumptions at the valuation date

	31 March 2015	31 March 2014
Discount rate	8.00%	9.30%
Expected rate of return on assets	8.73%	8.61%
Discount rate for the remaining term to maturity of the investment	8.02%	9.25%
Average historic yield on investment	8.75%	8.56%
Guaranteed rate of return	8.75%	8.75%

Composition of plan assets

Category of assets (% allocation)	31 March 2015	31 March 2014
Government of India securities	59%	57%
Corporate bonds	48%	48%
Special deposit scheme	2%	2%
Others	-9%	-7%
Grand total	100%	100%

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. 13 lakhs (previous year: Rs. 20 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. 5 lakhs (previous year: Rs. 7 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 2015	31 March 2014
Present value of obligations	215	163
Liability recognised in balance sheet	215	163

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 2015	31 March 2014	31 March 2015	31 March 2014
Gratuity	207	146	8	17

Movement in present values of defined benefit obligations

(Rs. in lakhs)

	31 March 2015	31 March 2014
Defined benefit obligation at commencement of the period	163	174
Current service cost	20	22
Interest cost	16	16
Actuarial (gains) / losses	67	(22)

	31 March 2015	31 March 2014
Past service cost	14	-
Liabilities assumed on Acquisition / (Settled on Divestiture)	(15)	-
Benefits paid by the plan	(50)	(27)
Defined benefit obligation at end of the period	215	163
Expense recognised in Statement of Profit and Loss	(Rs. in lakhs)	
	31 March 2015	31 March 2014
Current service cost	20	22
Interest cost	16	16
Actuarial (gains) / losses	67	(22)
Past service cost	14	-
Total included in 'employee benefits'	117	16

Principal actuarial assumptions for gratuity and compensated absences

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

Economic Assumptions:

	31 March 2015	31 March 2014
Discount rate	8.00%	9.30%
Future salary increases	8%	8%

The principal assumptions are the discount rate and salary increase. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations. The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Demographic Assumptions:

	31 March 2015	31 March 2014
Retirement age (years)	58	58
Mortality	IALM (2006-08)	IALM (2006-08)

Withdrawal Rates:

Age (years)	31 March 2015	31 March 2014
21 to 44 years	2%	2%
45 to 57 years	1%	1%

Five-year information

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

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	215	163	174	154	136
Experience adjustment arising on plan liabilities	34	1	36	1	2

The Company expects Rs. 8 lakhs benefit payout in the next year (previous year: 17 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.362 lakhs (previous year Rs. 361 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

Future lease payments due	31 March 2015	31 March 2014	(Rs. in lakhs)
Payable within one year	64	199	
Payable between one to five years	-	64	
Total	64	263	

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

Other related parties:

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 Nederland B.V. Timex Brazil Timex Group USA Inc. Timex Group Precision Engineering Limited Timex Hong Kong Limited* Timex Portugal* Timex Hungary Limited* Vertime B.V.
Key Management Personnel	M.K Bandopadhyay, Managing Director – Operations and Supply Chain Management (till 19 November 2014) Sharmila Sahai, Managing Director Amit Jain, Chief Financial Officer (from 2 March 2015) Shilpa Verma, Company Secretary

* No transactions during the current year

B. Transactions and outstanding balances with related parties:

(Rs. in lakhs)

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	-	-	-	-	131 132	-	-	-	358 201
Holding company Timex Group Luxury Watches B.V.	- 2	- -	- -	1 4	-	-	-	- 3	1 -
Fellow Subsidiaries									
Timex Group B.V. T/A Mersey Manufacturers	-	0#	-	-	-	-	-	2	7
	-	-	-	7	-	-	-	2	7
Timex Group USA Inc.	25 92	-	-	4 2	- 6	101	-	644 482	28 23
TMX Limited NV	2	964 667	-	-	259 272	-	-	4,473 4,797	101 44
Timex Nederland B.V.	-	-	-	-	230 247	-	-	686 440	-
Vertime B.V.	-	264 306	- 5	39	-	-	-	51 143	- 58

Party Name	IT Support expenses*	Purchase of goods	Reimbursement		Service income	Service charges paid @	Sale of goods	Payable	Receivable
			Paid	Received					
Timex Group Precision Engineering Limited (including service tax)	-	4	-	-	101	-	-	1	-
	-	8	-	-	111	-	-	1	-
TMX Limited NV (sales division)	-	-	-	-	-	-	440	-	79
	-	-	-	-	-	-	27	-	26
Others	-	-	-	-	-	-	-	19	7
	-	-	-	-	-	-	-	24	8

Amount is below rounding off threshold adopted by the Company.

* Included in miscellaneous expenses

@ Included in sales promotion expense

Timex Group Luxury Watches BV, the holding company, has provided a standby letter of credit amounting to Rs. 3,880 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.

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 has received an approval from the Reserve Bank of India vide its letter dated 9 April 2014 for extension of redemption date to 26 March 2019.

C. Transactions with key management personnel:

(Rs. in lakhs)

	31 March 2015	31 March 2014
Remuneration		
M.K Bandyopadhyay #	95	106
Sharmila Sahai*	104	37

* 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.

Current year transaction includes gratuity and leave encashment payments on resignation.

D. Balances payable to the key management personnel:

(Rs. in lakhs)

Other current liabilities (dues to employees)	31 March 2015	31 March 2014
Sharmila Sahai	12	-

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

(Rs. in lakhs)

Particulars	31 March 2015		31 March 2014	
	Value (Rs. lakhs)	% of total consumption	Value (Rs. lakhs)	% of total consumption
Raw materials and components				
Imported	3,149	46	3,239	50
Indigenous	3,754	54	3,187	50
Total	6,903	100	6,426	100
Stores and consumables				
Imported	-	-	-	-
Indigenous	16	100	13	100
Total	16	100	13	100

33. Value of imports on CIF basis (Rs. in lakhs)

Particulars	31 March 2015	31 March 2014
Raw material and components	2,599	2,385
Watches	646	346
	3,245	2,731

34. Expenditure in foreign currency (Rs. in lakhs)

Particulars	31 March 2015	31 March 2014
Travelling	5	6
IT support expenses *	27	94
Service charges @	331	247
	363	347

* included in miscellaneous expense

@ included in sales promotion expense

35. Earnings in foreign currency (Rs. in lakhs)

Particulars	31 March 2015	31 March 2014
Exports on F.O.B basis	563	470
Service income	390	410
	953	880

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 2015	31 March 2014
Deferred tax liabilities		
Difference between net book value and written down value as per Income tax Act, 1961	13	1
Total deferred tax liability	13	1
Deferred tax assets		
Gratuity	73	55
Compensated absences	52	45
Provision for doubtful debts and advances	216	269
Provision for warranty	29	36
Provision for sales returns and unearned margin	171	241
Provision for litigations	14	14
Carried forward depreciation	300	937
Carried forward loss	2,313	2,023
Total deferred tax asset	3,168	3,620
Deferred tax asset recognised (to the extent of deferred tax liability recognised above)	13	1
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.

TIMEX GROUP

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

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

Primary segment reporting (by business segment):

(Rs. in lakhs)

	Watches		Others		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment revenues						
External sales (gross)	14,072	12,479	131	138	14,203	12,618
Excise duty	(239)	(262)	-	-	(239)	(262)
External sales (net)	13,833	12,217	131	138	13,964	12,355
Other business related income	272	3	-	-	272	3
Total revenue	14,105	12,220	131	138	14,236	12,358
Results						
Segment results	(447)	(2,166)	19	27	(428)	(2,139)
Less: Unallocated expenses					595	1,050
Loss before interest, tax and exceptional items					(1,023)	(3,189)
Exceptional items					171	-
Loss before interest and tax					(852)	(3,189)
Interest expense					(253)	(117)
Interest income					7	8
Loss before tax					(1,098)	(3,298)
Other information						
Assets						
Segment assets	10,621	10,976	358	229	10,979	11,205
Unallocated corporate assets					768	856
Total assets					11,747	12,061
Liabilities						
Segment liabilities	10,374	10,508	8	13	10,382	10,521
Unallocated corporate liabilities					2,781	1,791
Share capital (including share premium amount and balance in Statement of Profit and Loss)					(1,416)	(251)
Total liabilities					11,747	12,061
Others						
Capital expenditure	85	93	-	-	85	93
Unallocated capital expenditure					27	32
Total capital expenditure					112	125
Depreciation	189	197	0#	0#	189	197
Unallocated depreciation					35	37
Total depreciation					224	234

Amount is below rounding off threshold adopted by the Company.

Secondary segment reporting (by geographical location of customer): (Rs. in lakhs)

	India		Outside India		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment revenue	13,282	11,479	954	880	14,236	12,359
Segment assets	11,150	11,699	597	362	11,747	12,061
Capital expenditure	112	125	-	-	112	125

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, cash and bank balance 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 2015	31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15	-

Contingent liabilities

(Rs. in lakhs)

Particulars	31 March 2015	31 March 2014
Claims against the Company not acknowledged as debts		
a) Sales tax	283	119
b) Excise duty	92	92
c) Customs duty	8	8
d) Income tax*	-	-
e) Others	141	167
Dividend on cumulative preference shares		
2012-2013	274	274
2013-2014	274	274
2014-2015	274	-
Corporate dividend tax on cumulative preference shares		
2012-2013	56	47
2013-2014	56	47
2014-2015	56	-

* 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 as on 31 March 2015 and 31 March 2014 has been made in the financial statements based on information received and available with the Company. Based on the information currently available with the Company, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

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 2015		31 March 2014	
	(in original currency)	(Rs. in lakhs)	(in original currency)	(Rs. in lakhs)
Payables				
- USD	96	6,008	96	5,854
- EURO	0#	19	0#	24
- HKD	4	31	1	9
- CHF	1	51	1	58
Receivables				
- USD	9	591	6	356
- HKD	1	6	1	6

Amount is below rounding off threshold adopted by the Company.

42. As at 31 March 2015, the Company has foreign currency receivables amounting to Rs. 39 lakhs (previous year Rs. 40 lakhs) outstanding for a period exceeding nine months. 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 nine months. The Company is in the process of filing an application with RBI to seek approval for writing off these amounts.

43. Transfer Pricing

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

44. During the year, the Company has renegotiated the terms of sales with one of its customers. This has resulted in reversal of provision for unearned margin recognised in the books of accounts in earlier years in respect of this customer amounting to Rs. 171 lakhs.

45. Pursuant to Companies Act, 2013 ("the Act") being effective from April 1, 2014, the Company has revised depreciation rates on tangible assets as per useful life specified in Para 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 19 lakhs. Further, based on transitional provision provided in note no. 7 (b) of Schedule II, an amount of Rs. 67 lakhs has been adjusted against opening balance of reserves and surplus.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Jiten Chopra
Partner
Membership No.: 092894

Place : Gurgaon
Date : 21 May 2015

Colin Davis Arsenault
Chairman

Place : New Delhi
Date : 21 May 2015

Sharmila Sahai
Managing Director

Place : New Delhi
Date : 21 May 2015

Amit Jain
Chief Financial Officer

Place : New Delhi
Date : 21 May 2015

Shilpa Verma
Company Secretary

Place : New Delhi
Date : 21 May 2015

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