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**TIMEX**

**TIMEX GROUP INDIA LIMITED**

First Floor, Tower-B,  
Plot No. B-37, Sector-1,  
Noida - 201301, U.P. (India)  
CIN NO. : L33301DL1988PLC033434  
Tel. : 91-120-4741300  
Fax : 91-120-4741440  
Website : [www.timexindia.com](http://www.timexindia.com)  
E-mail : [feedback@timexindia.com](mailto:feedback@timexindia.com)

August 5, 2016

The Secretary  
BSE Ltd.  
PJ Towers, Rotunda Bldg.,  
Dalal Street, Fort  
Mumbai- 400 001

**Scrip Code: 500414**

**Subject: Submission of Annual Report for the Financial Year 2015-16**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report of the Company for the financial year 2015-16 duly approved and adopted by the members at the 28<sup>th</sup> Annual General Meeting of the Company as per the provisions of the Companies Act, 2013.

You are requested to take the above information on record and acknowledge.

Thanking you,  
For **Timex Group India Limited**

  
**Dhiraj Kumar Maggo**  
GM- Legal & Company Secretary

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**TIMEX®**

# ANNUAL REPORT 2016

TIMEX GROUP INDIA LIMITED

## TRACK YOUR ACTIVE LIFE.

**TIMEX**

Metropolitan+



Activity  
Tracking



Phone  
Syncing



No  
Charging

iOS  Bluetooth

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TIMELESS.

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**TIMEX**



## INTRODUCING THE NEW STAINLESS STEEL CHRONOGRAPHS FROM TIMEX

- HIGH PRECISION 12 HOUR CHRONOGRAPH WITH TACHYMETER
- ACCURATE MEASUREMENT TO 1/20TH OF A SECOND
- SOLID STAINLESS STEEL CASE & GENUINE LEATHER STRAP
- DATE DISPLAY
- LOW BATTERY INDICATOR

<b>Director(s)</b>	Colin Davis Arsenault	Non-Executive Director & Chairman
	David Thomas Payne	Non-Executive Director
	Sharmila Sahai (Ms.)	Managing Director
	Anil Malhotra	Non-Executive Director
	Daya Dhaon	Non-Executive & Independent Director
	Gagan Singh (Ms.)	Non-Executive & Independent Director
	Pradeep Mukerjee	Non-Executive & Independent Director
	Bijou Kurien	Non-Executive & Independent Director

**CFO** Amit Jain

**GM Legal & Company Secretary** Dhiraj Kumar Maggo

**Bankers** HDFC Bank Limited  
The Hongkong & Shanghai Banking Corporation Limited  
J.P. Morgan Chase Bank NA

**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)

**Registrar &  
Share 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

The Directors are pleased to present the Twenty-eighth Annual Report and Audited Statement of Accounts for the year ended 31st March 2016.

	Rs. in Lakh	
FINANCIAL RESULTS	2015-16	2014-15
Revenue from operations (including other income)	17,338	14,243
Profit before Interest and Depreciation	(292)	(792)
Less: Interest	357	253
Less: Depreciation	278	224
Add: Exceptional item	-	171
Profit/ Loss for the year	(927)	(1098)

Fiscal 2015-16 was a year of improved performance, recovery, consolidation and new explorations for Timex Group. The Revenue from Operations (including other income) has increased during the financial year 2015-16 by 22% over the previous year and the Loss for the year has reduced by 16% over the previous year.

The revenue growth is contributed by improvement in both traditional distribution channel and the new upcoming E-Commerce business. A good institutional order also helped. This financial year we have introduced a new brand Versus from the house of Versace, which is positioned at the fastest growing price segment of 10,000/- to 15,000/-. Versus watches are urban, youthful, dynamic and confident.

The Company is in line of its defined strategic direction of providing financial stability through rigorous management of credit facility, accounts receivables, inventory management, product margin management and cost control.

The Company has invested in the ERP package Oracle in its front end [order to sales] to help it make faster decisions and provide complete transparency and accountability.

Employees continue to be the most important assets and the Company continues to invest in their development and growth.

### Dividend

In view of the losses for the year ended 31st March, 2016 and accumulated losses, the Board of Directors has not recommended any dividend for this year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDIAN ECONOMY

The Indian economy has performed well during the year 2015-16 as compared to other parts of the World. The World Bank expects the Indian economy's growth rate at 7.5% during the financial year 2015-16. However, the International Monetary Fund expects the Indian economy to grow at 7.3% during this year. The GDP growth is driven by private consumption and low energy prices. Weak exports and delayed economic reforms weigh down the economy. The one significant upside possibility is a good monsoon. This would increase rural consumption and improve consumer sentiments.

### OVERVIEW OF WATCH INDUSTRY

The watch industry has witnessed an average CAGR of 7-8% due to the factors including increasing disposable income; internet penetration, technologically advanced electronic gadgets and smart phones and tablets bringing in a new set of consumers into the fore; wearable technology and smart watches offering benefits such as ease of use, mobility and robust fitness-tracking acquiring new consumers across demography, increased spending from top e-commerce portals etc.

Amongst various segments, lifestyle & entry fashion segment is growing the fastest due to increasing aspiration to own branded timepieces as lifestyle accessory. Brands operating in this segment are increasing spends to improve brand visibility.

Luxury watch segment which was previously struggling for growth has taken a turn for the worse on account of the new mandatory PAN card disclosures for purchase above INR 2 Lakh. Poor retail has led to rethink of business model in India.

### GROWTH DRIVERS OF THE COMPANY

The Company has well adapted itself to the changing dynamics of the watch industry owing to the increased consumption and disposable income, coming from Tier 2 cities. The Company has identified the key growth drivers as:

**Product Offering:**

The Company will protect and grow its existing consumer base by continuously refreshing the product portfolio, in terms of design, technology and innovation to cater to the changing consumer taste and trends and offer the 'right' value of the products to the consumers.

The Company is also increasing its consumer base by offering products for the growing 'fashion' conscious consumer at the price point of 10000/- to 15000/-. The Company has introduced 'Versus' from the house of Versace to cater to this market.

In the past year, the Company has successfully introduced activity trackers for the tech savvy consumer, for example: the Runx 20 and Metropolitan+. Going forward the Company has a robust and exciting technology roadmap to cater to the growing market for wearable products.

**Strengthening Company's traditional distribution channel and growing the E-Commerce channel:**

The Company will grow by increasing its point of sales in the growing Tier 2 cities by strengthening its distribution in these markets. The Company is also investing in opening company owned showrooms in these markets. The Company ended the last fiscal year with 64 showrooms and is targeting to add 20 new showrooms this year. In the modern retail channel, the Company has grown with large format retailers and is making significant investments to improve its retail visibility.

The Company will continue to invest and grow in the E-commerce space along with all the key players in this space.

**Increased Investment in Marketing:**

In line with its strategic intent, the Company will be investing in improving its market share. The Company has defined its target market and will be communicating with them through television commercials and digital advertising. The objective is to be the preferred brand choice for consumers.

The Company plans to achieve double digit growth in the year ahead with investments in increasing brand pull and market share.

**OPPORTUNITIES AND CHALLENGES**

The following factors show that there is a strong growth potential in the Indian watch industry:

1. Wrist watch penetration is under 35% in India.
2. Ownership of multiple watches is lagging at less than 5%.
3. Purchasing power of Indian population is increasing, thereby fuelling the growth of watch industry. With the increase in number of millionaires and high net worth individuals (HNI), the demand for consumer products including watches is increasing.
4. Average selling price in fashion and lifestyle segment has been increasing continuously thereby improving the margins.
5. E-commerce has made the products more accessible to consumers. It ensures cost effective reach to consumers.
6. Increased number of brands including foreign brands and marketing activity is attracting consumers.
7. As a result of innovation and new technologies, advanced hi tech products are hitting the market and luring new customers. Multipurpose products like wearables are an attraction as well as useful products.

The watch industry is expected to witness significant growth in future years and the 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. The Company shall continue to invest in its product portfolio and strengthen the communication of its brand attributes.

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 in place a well defined Risk Management Policy and Risk Assessment and Minimisation Committee comprising of senior management to periodically review and assess the key risks. A detailed exercise is carried out to identify, evaluate, manage and monitor the potential risks 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 net worth of the Company has fully eroded with the accumulated losses sitting at Rs. 7814 Lakh as at 31 March 2016.

However, the Company has taken various measures to improve its operational efficiency and growth trajectory. 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, borrowing from affiliate Company and the proposed issuance of the preference



shares. With the consistent double digit growth in revenue by increasing market share, the Company is confident of achieving breakeven soon.

Dollar is expected to be range bound from here on. However, any adverse movement in exchange rate 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

Various segments of the industry are focusing on wearable technology. Handset/IT/Telecom/CD companies as part of their convergence strategy are investing heavily on wearable technology & Watches are the primary device on which a majority of the investments are being made. Wellness companies also are launching bands which are an extension to their health apps. Technology companies are tying up with various watch manufactures to integrate handsets to provide unparalleled consumer experience across walks of life.

Innovation is a 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 renders 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.

The Company has already forayed into wearable technology through 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. The Company has also entered smart watch market through Metropolitan+.

#### III. Internal Environment

Other players in the industry are setting up their own manufacturing base. This may impact the economies 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

The Company has laid down the growth strategy for the current year which includes the following key initiatives:

- The Company continues to invest in brand building to reposition Timex as an Authentic, Iconic, and American brand through advertising and marketing initiatives.
- With a view to bring consumers closer to the international trends, the Company has been introducing its international range of products. The Company will also focus on local product development to meet market specific requirements. New product launches, improved quality and service levels shall be the core focus.

The company has forayed into wearable technology with the successful launch of Ironman fitness tracker bands last year followed by successful launch of Metropolitan+ this year.

- Offer value for money to the consumers and build solid brand perception by executing effective marketing.

The Company recently launched some the international best sellers in India and the Company has planned to launch its latest exciting international collection for Indian 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. The company has increased investment on marketing; driving brand imagery through global best sellers and harping on truly the 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. Distribution lead mass markets will drive volumes and share.

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

- The Company has invested in the ERP package Oracle in front end [order to sales] to help make faster decisions and provide complete transparency and accountability.

#### DIRECTORS

##### Composition

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

## **Appointment/ Resignation from the Board of Directors**

Mr. David Thomas Payne was appointed as an additional director of the Company with effect from May 12, 2016. He holds the office until the forthcoming Annual General meeting. The Company has received requisite notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing candidature of Mr. David Thomas Payne as the Director of the Company. The Directors recommend his appointment as Director of the Company, liable to retire by rotation.

Ms. Sharmila Sahai has been re-appointed as the Managing Director of the Company for a term of two years with effect from 18th November, 2015 which has been approved by the shareholders through postal ballot on 5th April, 2016.

Mr. Ryan Todd Roth resigned from the directorship with effect from 21st March, 2016.

Further, in accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Colin Davis Arsenault retires by rotation as a Director of the Company, and being eligible, offers himself for re-appointment. The Directors recommend his re-appointment.

## **Appointment / Resignation of Key Managerial Personnel**

Mr. Dhiraj Kumar Maggo has been appointed as the General Manager – Legal & Company Secretary and Compliance Officer of the Company with effect from 30th March, 2016 in place of Ms. Shilpa Verma who resigned from this position with effect from 28th March, 2016.

## **Declaration by the Independent Directors**

Independent Directors have submitted their disclosures to the Board that they fulfil 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 meetings of Board of Directors**

The Board met five times during the financial year 2015-2016 on 21st May, 2015, 6th August, 2015, 3rd November, 2015, 4th February, 2016 and 30th March, 2016. Directors attending the meeting actively participated in the deliberations at these meetings. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. More details of the Board meetings have been provided in the 'Report on Corporate Governance'.

## **COMMITTEES OF THE BOARD**

The Company has constituted various Committees pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. Presently, the Company has following Committees in place-

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 the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

## **REMUNERATION POLICY**

The Policy on Directors appointment and remuneration, including criteria for determining qualifications, positive attributes and independence of the Directors and other matters 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 pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) and (2) of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 is attached as **Annexure B**.

## **FORMAL ANNUAL EVALUATION**

Nomination and Remuneration Committee of the Board had prepared draft parameterized feedback forms for evaluation of the Board, Board Committees, Directors and Chairman.

Independent Directors evaluated the Board's performance, performance of the Chairman and other non-independent Directors.

The Board subsequently evaluated performance of the Board as a whole, the Committees and Independent Directors (without participation of the concerned director).



## **VIGIL MECHANISM**

The 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 behaviour 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](http://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 dealing in the 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](http://www.timexindia.com).

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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.

## **RELATED PARTY TRANSACTIONS**

All related party transactions entered into during the year under review were in the ordinary course of business, on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No material related party transactions was entered during the financial year. Accordingly, the disclosure required under section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company. The details of the related party transactions entered during the year are given in the financial statements of the Company.

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 made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy has been uploaded on the website of the Company at [www.timexindia.com](http://www.timexindia.com).

## **FINANCE**

The Company does not hold any fixed deposits. There were no overdue / unclaimed deposits as on 31st March 2016.

During the year under review, the Company made payments aggregating to Rs. 45.55 Crore by way of Central, State and local sales taxes and duties as against Rs 35.35 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 the BSE Ltd. The annual listing fee for the year 2016- 2017 has been paid to the Exchange.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal control mechanism comprises of a well-defined organization, which undertakes time bound audits and reports its findings to the Audit Committee, documents policy guidelines and determines 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.

In order to further strengthen the internal controls, the Company has implemented an ERP package-Oracle in front end [order to sales] at all its locations during the year. Further, the Company has also implemented internal financial controls with the help of M/s Deloitte Haskins & Sells. These systems have also been checked by M/s BSR & Co., LLP, the Statutory Auditors.

## AUDITORS AND AUDITORS' REPORT

### a. Statutory Auditors

M/s BSR & Co. LLP, Chartered Accountants, Statutory Auditors of the Company shall hold office till the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment. It is recommended that they may be re-appointed as Statutory Auditors of the Company from the conclusion of the ensuing Annual General meeting of the Company till the conclusion of next Annual General meeting.

The Board has examined the Report issued by the Statutory Auditors of the Company on the Accounts for the financial year ended 31st March 2016 and their comment about the managerial remuneration. The Company is taking necessary steps for recovery of this amount from the erstwhile Managing Director.

### b. Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. NKJ and Associates, Company Secretaries, as the Secretarial Auditors of the Company to carry out Secretarial Audit for the Financial Year 2015-16. The report of Secretarial Auditors is annexed to this Report as **Annexure- C**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed M/s. NKJ & Associates as Secretarial Auditors for the Financial Year 2016-17.

## HUMAN RESOURCES

The Company believes that experienced, talented and motivated manpower is an essential pre-requisite for successful operations as well as achieving the growth plans of the Company. Employees of all ranks contribute towards the Company's growth in the form of leading, thinking, working, creating, processing, dealing, motivating, and encouraging the workforce to meet work challenges. The management is committed to strengthen this human force by providing it with better tools, technology, techniques, and terms as well as a conducive ambiance at the work place. Given growth plans of the Company, an important strategic focus of the Company is to continue to not only nurture its human capital, but proactively focus on preparing all employees for the challenges of the future.

The Company comprises a small team of professionals, who are result oriented, committed and loyal. As on 31st March 2016, the Company had 363 employees on its rolls.

The Company has reinforced a culture of performance and meritocracy by deploying transparent and agreed upon smart KRAs and KPIs. These KRAs and KPIs cascade from the Company's growth strategy and plans. The Company has implemented an online performance management system i.e. 'Workday' for setting up of goals and objectives of all employees and thereby tracking it on a regular basis. Appraisals are also completed basis these goals and objectives filled by the employees. The Company has also introduced a rewards and recognition policy for all employees i.e. Employee of the Month Award.

Attracting and retaining 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. 31st March, 2016 and the date of Directors' Report i.e. 26th May, 2016.

Further, there were no significant or 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

The extract of the Annual Return of the Company under the provisions of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed herewith as **Annexure- D**.

## CORPORATE GOVERNANCE

As per Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided in **Annexure E** to this Report.

## DEMATERIALIZATION

The equity shares of the Company are being compulsorily traded in dematerialization form. As on 31st March 2016, 27536 no. of shareholders representing 97.13% of the Equity Share Capital are holding shares in the dematerialized form.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the directors to the best of their knowledge and ability confirm that-

- (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 had laid down proper 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 Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, raw material availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## ACKNOWLEDGEMENTS

The 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, the Banks / Financial Institutions and other stakeholders such as, shareholders, customers and suppliers, among others, and its employees. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

**For and on behalf of the Board of Directors**

**Place : Noida, U.P.  
Date : May 26, 2016**

**Sd/-  
Colin Davis Arsenault  
Chairman  
DIN: 07156629**

**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 May 26, 2016.

## 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 publicly listed 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 Regulation 16(1)(b) of SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 accounts 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 SEBI(Listing Obligations and Disclosure Requirements) 2015;
- 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 accounts views of executive directors and non executive directors on the following parameters-

- leadership of the board
- role in setting 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.

**REMUNERATION RELATED DISCLOSURES, PURSUANT TO PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF 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	<b>Name of the Director</b> Ms. Sharmila Sahai	<b>Ratio to the Median</b> 85:1			
Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	The Company has adopted the appraisal cycle of January to December. The increments were released effective 1 <sup>st</sup> March 2016 for the review period Jan – Dec 2015. The next increment release for the review period Jan- Dec 2016 shall be effective 1 <sup>st</sup> March 2017.				
	Effective from	Sharmila Sahai*	Amit Jain	Shilpa Verma**	Dhiraj Kumar Maggo***
	1 March 2016	9.5%	12%	N/A	N/A
	*The remuneration of Sharmila Sahai was increased w.e.f. November 18, 2015 on re-appointment. However, pending approval of Central Government for payment of remuneration in excess of limits prescribed under Schedule V to the Companies Act, 2013, the remuneration for the period from November 18, 2015 till March 31, 2016 has been paid only upto the maximum limit allowed under that Schedule. **Resigned as the Company Secretary with effect from 28 <sup>th</sup> March, 2016. *** Appointed as the Company Secretary with effect from 30 <sup>th</sup> March, 2016.				
Percentage increase in the median remuneration of employees in the financial year;	Increment effective 1 <sup>st</sup> March 2016: 14%				
Number of permanent employees on the rolls of company;	363 (as on 31 <sup>st</sup> March 2016)				
Explanation on the relationship between average increase in remuneration and company performance;	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.  Average increase in remuneration in FY 2015-16 for the increments effective 1 <sup>st</sup> March 2016 was 10%.  The turnover of the Company increased by 22% and the losses reduced by 16 % during the FY 2015-16.				
Comparison of the remuneration of Key Managerial Personnel against the performance of the company;	(INR in lakh)				
	Particulars	Sharmila Sahai	Amit Jain	Shilpa Verma*	Dhiraj Kumar Maggo**
	Remuneration for the FY 2015-16	95.28	54.52	21.01	0.20
	Revenue for the FY 2015-16	17338	17338	17338	17338
	Remuneration as a %age of Revenue	0.55	0.31	0.12	0.00
	*Resigned as the Company Secretary with effect from 28 <sup>th</sup> March, 2016. ** Appointed as the Company Secretary with effect from 30 <sup>th</sup> March, 2016.				

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>The Market capitalization of the Company has increased from INR 191.80 Crores as on March 31, 2015 to INR 301.84 Crores as on March 31, 2016.</p> <p>Price earnings ratio of the period cannot be calculated as the earning per share is negative.</p> <p>The Company’s stock price as at March 31, 2016 was INR 29.90 per equity share of INR 1 each.</p> <p>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.</p> <p>Part A – convertible part of INR 40. This was convertible into 4 equity shares of Rs. 10 each.</p> <p>Part B – Non convertible part of INR 100.</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;	<table><tr><th>Average Increase</th><th>Key Managerial Personnel</th><th>Other than Key Managerial Personnel</th></tr><tr><td>1<sup>st</sup> March 2016*</td><td>9.1%</td><td>10.5%</td></tr></table>	Average Increase	Key Managerial Personnel	Other than Key Managerial Personnel	1 <sup>st</sup> March 2016*	9.1%	10.5%	<p>* The remuneration of Sharmila Sahai was increased w.e.f. November 18, 2015 on re-appointment. However, pending approval of Central Government for payment of remuneration in excess of limits prescribed under Schedule V to the Companies Act, 2013, the remuneration for the period from November 18, 2015 till March 31, 2016 has been paid only upto the maximum limit allowed under that Schedule.</p>	
Average Increase	Key Managerial Personnel	Other than Key Managerial Personnel							
1 <sup>st</sup> March 2016*	9.1%	10.5%							
Key parameters for any variable component of remuneration availed by the directors;	<p>The broad factors and guidelines considered for the variable component are:</p> <p>(a) Financial Results of the Company (Company attainment factor)</p> <p>(b) Achievement of goals and objectives (Individual attainment factor)</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	N/A								
Affirmation that the remuneration is as per the remuneration policy of the company.	Yes								

**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



**Form No. MR-3**

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

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, 2016 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, 2016 according to the provisions of:

- 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, 2015;
  - 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 to the date applicable.
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date applicable

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: 26th May, 2016**

**For NKJ & Associates  
Company Secretaries**

**Neelesh 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

**Annexure A**

**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 the 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: 26th May, 2016**

**Place: New Delhi**

**For NKJ & Associates  
Company Secretaries**

**Neelesh Kr. Jain  
FCS No. : 5593  
C P No. : 5233**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31st March 2016**  
*(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, 12th 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	2652	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 <sup>st</sup> April 2015)				No. Of Shares held at the end of the year (31 <sup>st</sup> March 2016)				% 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 share-holding 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	1100	1800	0.00	200	1100	1300	0.00	0
c) Central Govt	0	0	0	0	0	0	0	0	0
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	195000	15600	210600	.21	0	15600	15600	0.015	(0.195)
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):-	196100	24500	220600	0.22	600	24500	25100	0.025	(0.195)



Category of Shareholders	No. Of Shares held at the beginning of the year (1 <sup>st</sup> April 2015)				No. Of Shares held at the end of the year (31 <sup>st</sup> March 2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indians	3703578	17600	3721178	3.69	3197613	17500	3215113	3.184	(0.505)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	15936216	2499682	18435898	18.26	14347834	2458913	16806747	16.65	(1.61)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1364791	0	1364791	1.35	3965295	0	3965295	3.93	2.58
c) Others(specify)									
<b>NRI Trust</b>	1160333 1400	400700 0	1561033 1400	1.55 0.00	898245 1400	393000 0	1291245 1400	1.279 0.00	(0.271) 0
<b>Subtotal(B)(2):-</b>	<b>22166318</b>	<b>2917982</b>	<b>25084300</b>	<b>24.85</b>	<b>22410387</b>	<b>2869413</b>	<b>25279800</b>	<b>25.04</b>	<b>0.19</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>22362418</b>	<b>2942482</b>	<b>25304900</b>	<b>25.07</b>	<b>22410987</b>	<b>2893913</b>	<b>25304900</b>	<b>25.07</b>	<b>0</b>
<b>3. Share held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>98007518</b>	<b>2942482</b>	<b>100950000</b>	<b>100.00</b>	<b>98056087</b>	<b>2893913</b>	<b>100950000</b>	<b>100.00</b>	<b>0</b>

## (ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year (1 <sup>st</sup> April 2015)			Shareholding at the end of the year (31 <sup>st</sup> March 2016)			% Change in shareholding during the year
		No of shares	% of total shares of the company	% of shares Pledged/en-cumbered to total shares	No of shares	% of total shares of the company	% of shares Pledged/en-cumbered to total shares	
1.	Timex Group Luxury Watches BV	75645100	74.93	0	75645100	74.93	0	0
	<b>Total</b>	<b>75645100</b>	<b>74.93</b>	<b>0</b>	<b>75645100</b>	<b>74.93</b>	<b>0</b>	<b>0</b>

### (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	Not Applicable			
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)				
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.	For Each of the Top 10 Shareholders			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.	<b>S. Shyam</b>						
	At the beginning of the year			277108	0.274		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		10-04-2015	120798			397906	0.394
		08-05-2015	50000			447906	0.444
		15-05-2015	61400			509306	0.505
		22-05-2015	36008			545314	0.540
		12-06-2015	206092			751406	0.744
		19-06-2015	23000			774406	0.767
		26-06-2015	56700			831106	0.823
		10-07-2015	34000			865106	0.857
		04-03-2016	21095			886201	0.874
		11-03-2016	28220			914421	0.906
		18-03-2016	22703			937124	0.929
		25-03-2016	13230			950354	0.941
		31-03-2016	4200			954554	0.946
	At the end of the year (or on the date of separation, if separated during the year)			954554	0.946		
2.	<b>Ojas Consulting Pvt Ltd.</b>						
	At the beginning of the year			348980	0.346		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				

		01-05-2015	31200			380180	0.377
		08-05-2015	128009			508189	0.503
		15-05-2015	107349			615538	0.610
		22-05-2015	17000			632538	0.630
		05-06-2015	22774			655312	0.650
		12-06-2015	33824			689136	0.682
		19-06-2015	30100			719236	0.712
		26-06-2015	245			719481	0.712
		30-06-2015	35800			755281	0.748
		03-07-2015	44443			799724	0.792
		31-07-2015	55056			854780	0.847
		07-08-2015	252			855032	0.847
		19-02-2016	35895			890927	0.882
		04-03-2016	-200000			690927	0.684
	At the end of the year (or on the date of separation, if separated during the year)			690927	0.684		
<b>3.</b>	<b>Dr Sanjeev Arora</b>						
	At the beginning of the year			598355	0.593		
	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)			598355	0.593		
<b>4.</b>	<b>Rishra Investment Ltd</b>						
	At the beginning of the year			518000	0.513		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		25.03.2016	-2596			515404	0.512
	At the end of the year (or on the date of separation, if separated during the year)			515404	0.512		
<b>5.</b>	<b>Chetan Jayantilal Shah</b>						
	At the beginning of the year			0	-		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		18-12-2015	46695			46695	0.046
		25-12-2015	103305			150000	0.149
		08-01-2016	90000			240000	0.238
		15-01-2016	49932			289932	0.287
		22-01-2016	10068			300000	0.297
		29-01-2016	14481			314481	0.312
		05-02-2016	35519			350000	0.347

		12-02-2016	35000			385000	0.381
		19-02-2016	15000			400000	0.396
		04-03-2016	25000			425000	0.421
		11-03-2016	28490			453490	0.449
		25-03-2016	3801			457291	0.453
		31-03-2016	42709			500000	0.495
	At the end of the year (or on the date of separation, if separated during the year)			500000	0.495		
<b>6.</b>	<b>Smart Value Equisearch P Ltd</b>						
	At the beginning of the year			323609	0.320		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		10-07-2015	18000			341609	0.338
		24-07-2015	33693			375302	0.372
		31-07-2015	5000			380302	0.377
	At the end of the year (or on the date of separation, if separated during the year)			380302	0.377		
<b>7.</b>	<b>Vishanji Shamji Dedhia</b>						
	At the beginning of the year			350000	0.347		
	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)			350000	0.347		
<b>8.</b>	<b>Bharat Kunverji Kenia</b>						
	At the beginning of the year			0	-		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		21-08-2015	25000			25000	0.025
		11-09-2015	100100			125100	0.124
		06-11-2015	19520			144620	0.143
		13-11-2015	80480			225100	0.223
		20-11-2015	95000			320100	0.317
		27-11-2015	512			320612	0.318
	At the end of the year (or on the date of separation, if separated during the year)			320612	0.318		



<b>9. Sonal Chetan Shah</b>						
At the beginning of the year			0	-		
Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
	27-11-2015	200000			200000	0.198
	04-12-2015	25000			225000	0.223
	11-12-2015	75000			300000	0.297
At the end of the year (or on the date of separation, if separated during the year)			300000	0.297		
<b>10. Shashank Khade</b>						
At the beginning of the year			126545	0.125		
Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
	28-08-2015	62150			188695	0.187
	04-09-2015	39000			227695	0.226
	11-09-2015	40920			268615	0.266
At the end of the year (or on the date of separation, if separated during the year)			268615	0.266		

**(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 <sup>st</sup> April 2015)		Increase/decrease in shareholding during the year specifying the reason for increase/increase	Shareholding at the end of the year (31 <sup>st</sup> March 2016)	
	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. Anil Malhotra	0	0	-	0	0
4.	Mr. Daya Dhaon	0	0	-	0	0
5.	Ms. Gagan Singh	0	0	-	0	0
6.	Mr. Pradeep Mukerjee	0	0	-	0	0
7.	Mr. Bijou Kurien	3800	0.00	-	3800	0.00
8.	Mr. Amit Jain	0	0	-	0	0
9.	Mr. Dhiraj Kumar Maggo (1)	0	0	-	0	0

1. Mr. Dhiraj Kumar Maggo has been appointed with effect from 30<sup>th</sup> March, 2016.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	27,68,54,961	-	27,68,54,961
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		207,726		207,726
<b>Total (i+ii+iii)</b>	-	<b>27,70,62,687</b>	-	<b>27,70,62,687</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition		6,75,79,912	-	6,75,79,912
• Reduction	-	-	-	-
Net Change	-	6,75,79,912	-	6,75,79,912
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	34,44,34,873	-	34,44,34,873
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		4,83,388		4,83,388
<b>Total (i+ii+iii)</b>	-	<b>34,49,18,262</b>	-	<b>34,49,18,262</b>

## 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 (Rs.)
		<b>Ms. Sharmila Sahai</b>	
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	71,73,266	71,73,266
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - As % of profit - Others, specify		
5.	Others, please specify	23,54,360	23,54,360
	<b>Total(A)</b>	<b>95,27,626</b>	<b>95,27,626</b>
	Ceiling as per the Act	Remuneration paid is within the ceiling prescribed under Companies Act 2013 (pursuant to Ministry of Corporate Affairs General Circular No. 7/2015 dated April 10, 2015).	

## B. Remuneration of other directors

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Bijou Kurein	Mr. Daya Dhaon	Ms. Gagan Singh	Mr. Pradeep Mukerjee	
	A. Independent Directors					
	• Fees for attending board/committee meetings	2,40,000	2,80,000	2,40,000	2,40,000	10,00,000
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>2,40,000</b>	<b>2,80,000</b>	<b>2,40,000</b>	<b>2,40,000</b>	<b>10,00,000</b>
	B. Other Non-Executive Directors					
	• Fees for attending board/committee meetings	NA	NA	NA	NA	NA
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total(B)=(1+2)</b>	<b>2,40,000</b>	<b>2,80,000</b>	<b>2,40,000</b>	<b>2,40,000</b>	<b>10,00,000</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>1,05,27,626</b>
	Overall Ceiling as per the Act	The sitting fees has been paid within the limits prescribed by the Companies Act, 2013				

Mr. Colin Davis Arsenault, Mr. Ryan Todd Roth and Mr. Anil Malhotra were not paid any sitting fee or other remuneration during the year 2015-16.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S No	Particulars of Remuneration	Key Managerial Personnel				Total (Rs.)
		CEO/ MD*	Company Secretary- Shilpa Verma**	Company Secretary- Dhiraj Kumar Maggo***	CFO Amit Jain	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income tax act, 1961		12,79,839	16,006	37,08,302	50,04,147
	(b) Value of perquisites u/s 17(2) Income tax Act, 1962		32,139	-	32,400	64,539
	(c) Profits in lieu of salary under section 17(3) income Tax Act,1961		-	-	-	-
2.	Stock Option		-	-	-	-
3.	Sweat Equity		-	-	-	-
4.	Commission - As % of profit - Others, specify		-	-	-	-
5.	Others, please specify		7,89,022	4,348	17,11,691	25,05,061
	<b>Total</b>		<b>21,01,000</b>	<b>20,354</b>	<b>54,52,393</b>	<b>75,73,747</b>

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

\*\* Ms. Shilpa Verma resigned as Company Secretary with effect from 28<sup>th</sup> March, 2016.

\*\*\*Mr. Dhiraj Kumar Maggo has been appointed as Company Secretary with effect from 30<sup>th</sup> March, 2016.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compound- ing 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					

### Annexure-E

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

Particulars	Measures
<b>Conservation of energy</b>	
(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"> <li>Conversion of offline and semi offline AL33, VX3J and VX3N module to online – single operation with process line assembly with the view to improve productivity, pick and place time.</li> <li>One time expenditure incurred during conversion amounts to Rs. 5 Lacs.</li> </ul>
<b>Technology Absorption</b>	
(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.	NA
<b>Foreign exchange</b>	
The Company has earned Rs. 1132 Lakhs in Foreign exchange and used Rs. 376 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

We, at TIMEX, ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 149 of Companies Act 2013. Currently, the Board consists of 8 Directors comprising 1 Executive Director, 4 Non-Executive and Independent Directors, and 3 Non-Executive Directors. All the Directors are well qualified professionals in their respective arenas. The Board has no institutional nominee directors. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

The composition and category of Directors on Board of the Company as on May 26, 2016 are as follows:

Name of the directors	Category	Number of shares held	No of Directorship held in other Companies (1)	No of Membership/ Chairmanship in other Board Committees (2)
Mr. Colin Davis Arsenault	Chairman and Non Executive Director	Nil	-	-
Ms. Sharmila Sahai	Managing Director	Nil	-	-
Mr. Anil Malhotra	Non-Executive director	Nil	4	-
Mr. David Thomas Payne	Non-Executive director	Nil	-	-
Mr. Daya Dhaon	Non-Executive-Independent Director	Nil	-	-
Ms. Gagan Singh	Non-Executive-Independent Director	Nil	2	2 (including 1 as Chairperson)
Mr. Pradeep Mukerjee	Non-Executive-Independent Director	Nil	1	-
Mr. Bijou Kurien	Non-Executive-Independent Director	3800	6	1

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. 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 Articles of Association of the Company, Mr. David Thomas Payne was appointed as an additional director of the Company with effect from May 12, 2016. Mr. Payne holds the 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. Payne as a director. The Board recommends his appointment as Director, liable to retire by rotation.

As per the Companies Act, 2013, one-third of the Directors retires by rotation and, if eligible, seeks re-appointment at the AGM of shareholders. Mr. Colin Davis Arsenault will retire at the ensuing AGM and being eligible, seek re-appointment. The Board has recommended the re-appointment of the retiring Director.

Ms. Sharmila Sahai was re-appointed as the Managing Director of the Company for a term of two years with effect from 18<sup>th</sup> November, 2015.

Mr. Ryan Todd Roth ceased to be Director and Vice-Chairman of the Company with effect from 21<sup>st</sup> March, 2016.

### 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 2015-2016 on 21<sup>st</sup> May, 2015, 6<sup>th</sup> August 2015, 3<sup>rd</sup> November, 2015,

4<sup>th</sup> February, 2016 and 30<sup>th</sup> March, 2016 to consider amongst other business matters, the quarterly performance of the Company and financial results. The gap between no two Board meetings exceeded one hundred and twenty days. 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 2015-2016 are as under:

Names	No. of Meetings attended	Attendance at last AGM
Mr. Colin Davis Arsenault	3	Yes
Ms Sharmila Sahai	5	Yes
Mr Anil Malhotra	5	Yes
Mr. David Thomas Payne*	NA	NA
Mr Daya Dhaon	4	-
Ms Gagan Singh	3	-
Mr Pradeep Mukerjee	3	-
Mr Bijou Kurien	4	Yes
Mr. Ryan Todd Roth**	2	-

\*Mr. David Thomas Payne was appointed as an additional director with effect from 12<sup>th</sup> May, 2016.

\*\*Mr. Ryan Todd Roth resigned with effect from 21<sup>st</sup> March, 2016.

## • Board Independence

The definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and the rules made thereunder, and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the confirmation /disclosures received from the Independent Directors and on evaluation of their relationships disclosed, they are Independent in terms of Section 149(6) of the Companies Act, 2013 and the rules made thereunder, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## • Information provided to the Board

The Board has unrestricted access to all Company-related information including that of our employees. 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. The Board was presented with the information broadly on all suggested matters in terms of Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015.

## INDEPENDENT DIRECTORS MEETING

A meeting of Independent Directors of the Company was held on 4<sup>th</sup> February, 2016 which marked the presence of all the Independent Directors of the Company. The Directors discussed the performance of non-independent directors and the Board as a whole, reviewed the performance of Chairman, discussed the quality, quantity and timeliness of flow of information between the management and the Board.

## 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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: Ms. Gagan Singh, Mr. Daya Dhaon, Mr. Pradeep Mukerjee, Mr. Bijou Kurien, Mr. Colin Davis Arsenault and Mr. David Thomas Payne. 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. Bijou Kurien is the Vice Chairman of the Committee.

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

The role of the Audit Committee, inter-alia, includes 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Audit Committee met four times on 21<sup>st</sup> May 2015, 6<sup>th</sup> August 2015, 3<sup>rd</sup> November, 2015 and 4<sup>th</sup> February, 2016.

Records of member's attendance at the Audit Committee Meetings during the financial year 2015-2016 are as under:

<b>Names</b>	<b>No of Meeting attended</b>
Mr. Colin Davis Arsenault	3
Mr. Daya Dhaon	4
Ms. Gagan Singh	3
Mr. Pradeep Mukerjee	3
Mr. Bijou Kurien(1)	4
Mr. Ryan Todd Roth(2)	2
Mr. David Thomas Payne(3)	NA

1. Mr. Bijou Kurein has been appointed as the Vice Chairman of the Audit Committee with effect from 6<sup>th</sup> August, 2015.
2. Mr. Ryan Todd Roth resigned with effect from 21<sup>st</sup> March, 2016.
3. David Thomas Payne was appointed as a member w.e.f. 26<sup>th</sup> May, 2016.

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

## **b) Nomination and Remuneration Committee**

The Committee comprises of five Non- Executive Directors, namely Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. Colin Davis Arsenault and Mr. David Thomas Payne. 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).
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of the independent directors.

The Nomination and Remuneration Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Committee met three times on 21<sup>st</sup> May 2015, 3<sup>rd</sup> November, 2015 and 4<sup>th</sup> February 2016.

The details of member's attendance at the Nomination & Remuneration Committee Meetings during the financial year 2015-16 are as follows:

Names	No of Meeting attended
Mr. Daya Dhaon	3
Ms. Gagan Singh	3
Mr. Pradeep Mukerjee	3
Mr. Colin Davis Arsenault	2
Mr. Ryan Todd Roth (1)	2
Mr. David Thomas Payne(2)	NA

1. Mr Ryan Todd Roth resigned with effect from 21<sup>st</sup> March, 2016.

2. Mr. David Thomas Payne was appointed as a member w.e.f. 26<sup>th</sup> May, 2016

## Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee have developed parameterized feedback forms for the evaluation of the Independent Directors of 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. Bijou Kurien, Mr. Colin Davis Arsenault and Mr. David Thomas Payne. Mr. Daya Dhaon, an Independent Director is the Chairman of the Committee. 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 and transmission of securities, 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.

The Stakeholders Relationship Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Stakeholders Relationship Committee met four times on 21<sup>st</sup> May 2015, 6<sup>th</sup> August 2015, 3<sup>rd</sup> November, 2015 and 4<sup>th</sup> February, 2016.

The details of member's attendance at the Stakeholders Relationship Committee Meetings during the financial year 2015-2016 are as under:

Names	No of Meeting attended
Mr. Daya Dhaon	3
Ms. Gagan Singh	3
Mr. Pradeep Mukerjee	3
Mr. Bijou Kurien	4
Mr. Colin Davis Arsenault	3
Mr. Ryan Todd Roth(1)	2
Mr. David Thomas Payne(2)	NA

1. Mr. Ryan Todd Roth resigned with effect from 21 March, 2016.

2. Mr. David Thomas Payne was appointed as a member w.e.f. 26<sup>th</sup> May, 2016

The details of complaints received and resolved during the Financial Year ended 31<sup>st</sup> March, 2016 are given in the table below:

Complaints outstanding as on April 1, 2015	0
Complaints received during the year ended March 31, 2016	6
Complaints resolved during the year ended March 31, 2016	6
Complaints pending as on March 31, 2016	0

**Name and designation of compliance officer:** Mr. Dhiraj Kumar Maggo - GM Legal & Company Secretary.  
Address: JA-1203, 12<sup>th</sup> Floor, DLF Tower A, Jasola, New Delhi-110025

**d) Corporate Social Responsibility Committee**

The Committee comprises of Ms. Gagan Singh, Ms. Sharmila Sahai and Mr. David Thomas Payne. 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 zero tolerance towards sexual harassment at the workplace and has formed committees 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 at all locations of the Company. This Internal Complaints Committee has the power/jurisdiction to deal with complaints of sexual harassment of working women as per the rules specified therein. All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2015-16, no such complaints were received across the organisation .

**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](http://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.

**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. 32 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. This Policy as considered and approved by the Board has been uploaded on the website of the Company at [www.timexindia.com](http://www.timexindia.com).

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 Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice with respect to 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 Exchange where the securities of the Company are listed within 30 days of the end of each quarter.

**d) Details of Non-compliance**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. There has been no instance of non-compliance with any legal requirements, nor have there been any strictures imposed by any stock exchange or SEBI, on any matters relating to the capital market over 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 identifies potential risks to the strategy of the Company and takes effective measures to mitigate the same in the best possible manner.

**f) CEO/CFO certification**

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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**

The 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 person was denied the access to the Audit Committee.

**h) The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchange.**

**i) Discretionary Requirements.**

The Company has maintained separate posts for Chairperson and Managing Director of the Company. Further the Internal Auditor has the direct access to the Audit Committee of the Company.

**FAMILIARIZATION PROGRAMME**

In accordance with requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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](http://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 sitting fees of Rs. 20,000/- for attending meetings of the Board of Directors or Committees.

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.

Details of remuneration paid to Directors of the Company for the financial year ended on 31st March, 2016 are as follows:

Sl. No.	Name	Sitting Fees	Salary and benefits	Performance Bonus	Retirals	Total
1.	Ms. Sharmila Sahai	-	72,32,664	18,53,562	4,41,400	<b>95,27,626</b>
2.	Ms. Gagan Singh	2,40,000	-	-	-	<b>2,40,000</b>
3.	Mr. Bijou Kurien	2,40,000	-	-	-	<b>2,40,000</b>
4.	Mr. Daya Dhaon	2,80,000	-	-	-	<b>2,80,000</b>
5.	Mr. Pradeep Mukerjee	2,40,000	-	-	-	<b>2,40,000</b>

**Note :** Mr. Colin Davis Arsenault, Mr. Ryan Todd Roth and Mr. Anil Malhotra were not paid any sitting fees or other remuneration during the year 2015-16.

Ms. Sharmila Sahai was appointed as Managing Director of the Company for a period of 2 years w.e.f. November 18, 2015. In terms of the agreement, the Company or Ms. Shamila Sahai can terminate the Appointment Agreement by giving 3 months notice in writing. There is no servence fee.

**MEANS OF COMMUNICATION**

In accordance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has maintained a functional website at [www.timexindia.com](http://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, details of conference calls/presentations to institutional investors or analysts etc. The contents of the said website are updated within 2 working days from the date of such change.

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 Ltd.), 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: Day, Date, time and venue	: Wednesday, 3 <sup>rd</sup> August, 2016 at 10.00 am at Air Force Auditorium, Subroto Park, New Delhi-110010
Financial Year	: April 1, 2015 to March 31, 2016
Tentative calendar of events for the financial year 2016-17 (April- March)	To review and approve unaudited Financial Results for the quarter First quarter - upto 14th August, 2016 Second quarter - upto 14th November, 2016 Third quarter - upto 14th February, 2017 Fourth quarter - upto 15th May, 2017 or alternatively upto 30th May, 2017 with Annual Results for the year ending on 31st March, 2017.
Book closure Date	: 1 <sup>st</sup> August 2016 to 2 <sup>nd</sup> August 2016 (both days inclusive)
Listing of shares on Stock Exchanges	: BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Registered Office	: JA-1203, 12th 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 2017
Registrar & Share Transfer Agents of the Company for both physical and electronic mode of share transfers.	: Alankit Assignment Limited 1E/13 Alankit Heights, Jhandewalan Extension, New Delhi -110055 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 M/s Alankit Assignment Limited as the 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 (India) 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 etc. of securities of the company so approved by the Share Transfer Committee is placed at the Board Meeting.

## Venue and time of the Last Three Annual General Meetings

Date	Category	Venue	Time	No of Special Resolution
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
06.08.2015	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	-

## POSTAL BALLOTS\*

During the year, the company conducted a postal ballot for the equity shareholders in accordance with the provisions of Section 108, 110 and any other applicable provisions 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 NSDL. 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 NSDL to all those shareholders who have registered their email IDs with the Company/ Depositories and for the same the Company had 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 had 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 also placed at the website of the Company. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

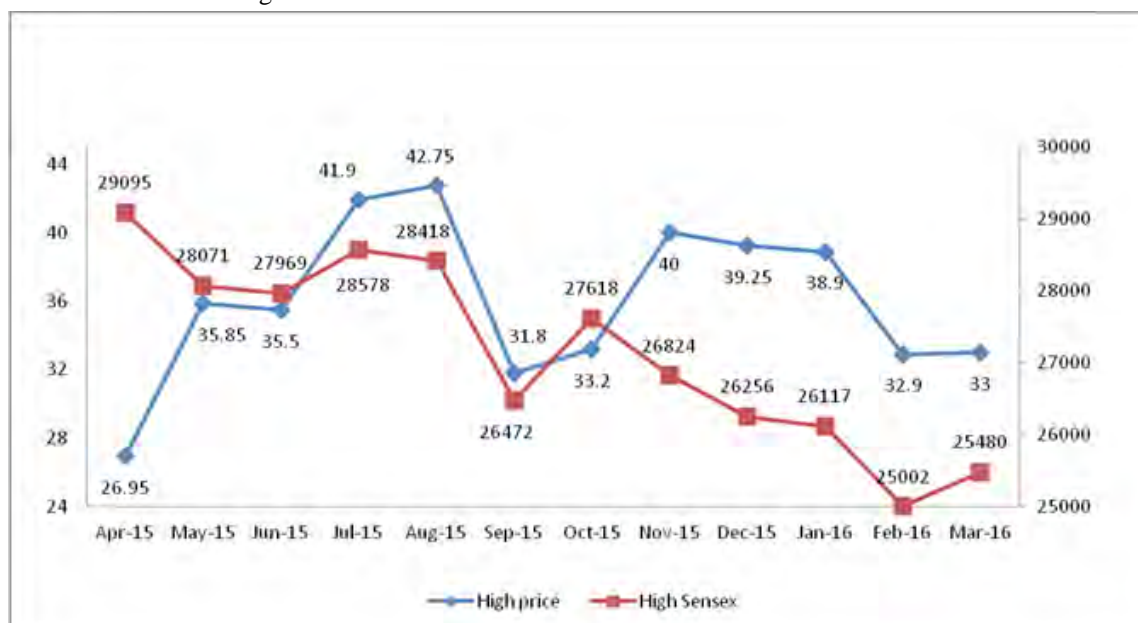
Details of the voting pattern and resolutions are given below:

Date of Declaration of Postal Ballot Results	Name of Scrutinizer	Brief particulars of resolution	Percentage of votes cast in favour of the resolution
April 5, 2016	Mr. Neelesh Kumar Jain, proprietor, M/s N.K.J. & Associates, Company Secretaries	Special Resolution to consider the variation in terms of 2,29,00,000 7.1% Cumulative Redeemable Non Convertible Preference Shares	99.99812
		Special Resolution to consider the reappointment of Ms. Sharmila Sahai as the Managing Director of the Company	99.99799
		Special Resolution to consider the amendment to Object Clause of the Memorandum of Association of the Company	99.99971
		Special Resolution to consider the amendment to Liability Clause of the Memorandum of Association of the Company	99.99878
		Special Resolution to consider the adoption of draft Articles of Association of the Company	99.99957

\* The process of Postal Ballot was initiated in the financial year 2015-16, however the results were declared on April 5, 2016 thereby making this postal ballot fall in 2 financial years i.e. 2015-16 and 2016-17.

## STOCK PERFORMANCE

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



Month	Apr 15	May 15	June 15	July 15	Aug 15	Sept 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	March 16
High	26.95	35.85	35.50	41.90	42.75	31.80	33.20	40.00	39.25	38.90	32.90	33.00
Low	19.10	22.55	27.40	28.7	25.25	25	26.50	26.75	30.55	26.55	25.5	27.70

## STOCK CODE

The stock code of the Company at BSE Ltd.	500414
ISIN allotted by National Securities Depository Limited and Central Depositories Services (India) Limited for Equity Shares	INE064A01026

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

## As on 31 March 2016, the distribution of Company's shareholding was as follows: -

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Amount
UPTO - 2500	65395	98.521	10078938	9.984
2501 - 5000	507	0.764	1927184	1.909
5001 - 10000	258	0.389	2020088	2.001
10001 - 20000	105	0.158	1560619	1.546
20001 - 30000	45	0.068	1101350	1.091
30001 - 40000	14	0.021	475554	0.471
40001 - 50000	19	0.029	905049	0.897
50001 - 100000	13	0.02	956835	0.948
100001 AND ABOVE	21	0.032	81924383	81.153
TOTAL	66377	100	100950000	100

## 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 twenty one days from the date of receipt, if the documents are clear in all respects. There are 27536 no. of shareholders holding their shares in dematerialized form, which represent 97.13 % of the paid up capital of the Company.

## FOREIGN CURRENCY RISK AND HEDGING ACTIVITIES

The Company is exposed to foreign currency risk due to imports of components and watches and export of watches. The Company had not indulged in currency hedging activities during the year under report.

## COMMODITY PRICE RISK AND COMMODITY HEDGING ACTIVITIES

The Company is exposed to commodity price risk as per nature of its business. The Company had not indulged into commodity hedging activities during the year under report.

## PLANT LOCATION

TIMEX GROUP INDIA LIMITED

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

## ADDRESS FOR CORRESPONDENCE

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

Email: investor.relations@timex.com

## **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Board of Directors  
Timex Group India Limited  
New Delhi

### **Certification to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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.

Sd/-  
Sharmila Sahai  
Managing Director  
(DIN: 00893750)

Sd/-  
Amit Jain  
Chief Financial Officer

**Date:** 26<sup>th</sup> May, 2016

**Place:** Noida

## **DECLARATION BY THE CEO UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, REGARDING ADHERENCE TO THE CODE OF CONDUCT**

On the basis of affirmations received from the Board Members and the Senior Management Personnel and to the best of my information, knowledge and belief, I, Sharmila Sahai, Managing Director of Timex Group India Limited ("the Company"), hereby affirm that, the Board Members and the Senior Management Personnel during the financial year 2015-16, have complied with the provisions of Code of Conduct for Directors and Senior Management of the Company as laid down by the Board of Directors of Timex Group India Limited.

Date : May 5, 2016  
Place: Noida

Sd/-  
Sharmila Sahai  
Managing Director  
(DIN: 00893750)

## **CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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 2016, 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, till the date applicable and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date applicable.

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016

For N.K.J & ASSOCIATES  
Company Secretaries

Sd/-  
NEELESH KR. JAIN  
Proprietor  
Membership No.FCS 5593  
Certificate of Practice No. 5233



## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Timex Group India Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Timex Group India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then 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 of 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 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 specified 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. 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 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, rejected the application filed for waiver of excess remuneration paid. The Company is 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 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 2016, 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 2016. 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 Timex Group B.V., a fellow subsidiary. 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

As required by the Companies (Auditor's Report) Order, 2016 ("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, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report 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 going concern 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" ; and
- (h) 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 39 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;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*For B S R & Co. LLP*

*Chartered Accountants*

Firm Registration Number: 101248W/W-100022

**Rajiv Goyal**

*Partner*

Membership No.: 094549

Place : Gurgaon

Date : 26 May 2016

## Annexure - A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the financial statements for the year ended 31 March 2016:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. According to this programme, the Company has verified all fixed assets at the factory, corporate office and regional offices during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property is held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management as at the year end. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, para 3(iii) of the order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, para 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities carried out by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (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, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except in respect of deposit of employees' state insurance and value added tax where there have been slight delays in few cases. In respect of dues relating to service tax, there have been serious delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable 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 statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, other than the amounts reported below, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited by the Company with the appropriate authorities on account of any dispute.

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	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

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
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	Honourable High Court of, 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, Commercial tax
The Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	7	1	2009-10	Commercial taxation officer
The UP Sales tax Act, 1948	Sales Tax	84	42	2010-11	Commercial tax Tribunal
The UP Sales Tax Act 1948	Sales Tax	100	33	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
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)

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	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	2,828	-	2010-11	Income tax Appellate Tribunal
Income Tax Act, 1961 *	Income Tax	1,315	-	2011-12	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.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding dues to any financial institutions, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been provided and paid by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

*Chartered Accountants*

Firm Registration Number: 101248W/W-100022

**Rajiv Goyal**

*Partner*

Membership No.: 094549

Place : Gurgaon

Date : 26 May 2016

## **Annexure B to the Independent Auditor's Report of even date on the financial statements of Timex Group India Limited for the year ended 31 March 2016**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Timex Group India Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

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

*Chartered Accountants*

Firm Registration Number: 101248W/W-100022

**Rajiv Goyal**

*Partner*

Membership No.: 094549

Place : Gurgaon

Date : 26 May 2016



# TIMEXGROUP

## Balance Sheet as at 31 March 2016

			(Rs. in lakhs)
	Note	31 March 2016	31 March 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	5,120	5,120
Reserves and surplus	4	(7,463)	(6,536)
		<b>(2,343)</b>	<b>(1,416)</b>
<b>Non-current liabilities</b>			
Other long-term liabilities	5	16	-
Long-term provisions	6	385	349
		<b>401</b>	<b>349</b>
<b>Current liabilities</b>			
Short-term borrowings	7	3,444	2,769
Trade payables	8		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		8,369	7,298
Other current liabilities	9	2,437	2,088
Short-term provisions	6	615	659
		<b>14,865</b>	<b>12,814</b>
<b>TOTAL</b>		<b>12,923</b>	<b>11,747</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	10	953	1,063
Intangible fixed assets	11	229	70
		<b>1,182</b>	<b>1,133</b>
Long-term loans and advances	12	415	400
Other non-current assets	13	0 #	2
		<b>415</b>	<b>402</b>
<b>Current assets</b>			
Inventories	14	3,410	2,524
Trade receivables	15	7,130	6,870
Cash and bank balances	16	419	446
Short-term loans and advances	17	354	357
Other current assets	18	13	15
		<b>11,326</b>	<b>10,212</b>
<b>TOTAL</b>		<b>12,923</b>	<b>11,747</b>

# Amount is below rounding off threshold adopted by the company

### 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**

**Rajiv Goyal**

Partner

Membership No.: 094549

Place : Gurgaon

Date : 26 May 2016

**Colin Davis Arsenault**

Chairman

DIN : 07156629

Place : Noida

Date : 26 May 2016

**Sharmila Sahai**

Managing Director

DIN : 00893750

Place : Noida

Date : 26 May 2016

**Amit Jain**

Chief Financial Officer

Place : Noida

Date : 26 May 2016

**Dhiraj Kumar Maggo**

Company Secretary

Membership No.: F7609

Place : Noida

Date : 26 May 2016

## Statement of Profit and Loss for the year ended 31 March 2016

			(Rs. in lakhs)
	Note	31 March 2016	31 March 2015
<b>Revenue from operations</b>			
Sale of products (gross)	19	17,030	13,696
Less: Excise duty		189	239
Sale of products (net)		16,841	13,457
Sale of services		427	507
Other operating revenues		66	272
<b>Total</b>		<b>17,334</b>	<b>14,236</b>
<b>Other income</b>	20	4	7
<b>Total revenue</b>		<b>17,338</b>	<b>14,243</b>
<b>Expenses</b>			
Cost of materials and components consumed	21	8,924	6,903
Purchases of stock-in-trade	22	1,065	651
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(668)	(122)
Employee benefits expense	24	2,245	2,244
Finance costs	25	357	253
Depreciation and amortisation	26	278	224
Other expenses	27	6,064	5,359
<b>Total expenses</b>		<b>18,265</b>	<b>15,512</b>
<b>Loss before exceptional item</b>		<b>(927)</b>	<b>(1,269)</b>
Exceptional item	45	-	171
<b>Loss for the year</b>		<b>(927)</b>	<b>(1,098)</b>
Loss per equity share [nominal value of share Re 1 (previous year Re.1)]	29		
Basic		(1.25)	(1.41)
Diluted		(1.25)	(1.41)

### Significant accounting policies

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

**Rajiv Goyal**

Partner

Membership No.: 094549

Place : Gurgaon

Date : 26 May 2016

**Colin Davis Arsenault**

Chairman

DIN : 07156629

Place : Noida

Date : 26 May 2016

**Sharmila Sahai**

Managing Director

DIN : 00893750

Place : Noida

Date : 26 May 2016

**Amit Jain**

Chief Financial Officer

Place : Noida

Date : 26 May 2016

**Dhiraj Kumar Maggo**

Company Secretary

Membership No.: F7609

Place : Noida

Date : 26 May 2016

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

## Cash flow statement for the year ended 31 March 2016

	(Rs. in lakhs)	
	31 March 2016	31 March 2015
<b>A. Cash flows from operating activities</b>		
Profit before tax	(927)	(1,098)
Non cash adjustments :		
Depreciation and amortisation	278	224
Bad debts written off	39	-
Provision for doubtful debts	49	-
Provision for doubtful advances	2	47
Assets written off	21	20
Loss on sale of assets (net)	10	-
Unrealised foreign exchange loss	312	104
Liabilities / provisions no longer required written back	(66)	(271)
Interest expense	357	253
Interest income	(4)	(7)
Insurance claim receivable written off	15	-
<b>Operating profit before working capital changes</b>	<b>86</b>	<b>(728)</b>
Movements in working capital:		
Increase/(decrease) in trade payables	713	(18)
Increase in other long term liabilities	16	-
Increase in long term provisions	36	91
Decrease in short term provisions	(7)	(212)
Increase/(decrease) in other current liabilities	201	(20)
Increase in inventories	(886)	(83)
(Increase)/decrease in trade receivables	(274)	112
(Increase)/decrease in non-current assets	(0) #	115
Increase in loans and advances	(11)	(57)
Increase in other current assets	(13)	(0)
Cash used in operations	<b>(139)</b>	<b>(800)</b>
Income taxes paid (net of refunds)	(3)	(12)
<b>Net cash used in operating activities (A)</b>	<b>(142)</b>	<b>(812)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(217)	(84)
Proceeds from sale of fixed assets	5	9.0
Bank deposits (having original maturity of more than 3 months)	1	-
Interest received	4	7
<b>Net cash used in investing activities (B)</b>	<b>(207)</b>	<b>(68)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from loans from banks (net)	1,475	1,059
Re-payment of working capital loans from bank (net)	(800)	-
Interest on borrowings	(291)	(256)
Interest on delayed payment of statutory dues	(63)	-
<b>Net cash generated from financing activities (C)</b>	<b>321</b>	<b>803</b>
Net (decrease) in cash and cash equivalents (A+B+C)	(28)	(77)
Cash and cash equivalents at the beginning of the year	446	523
<b>Cash and cash equivalents at the end of the year</b>	<b>418</b>	<b>446</b>
<b>Notes :</b>		
<b>Component of cash and cash equivalents :</b>		
Cash on hand	3	4
Cheques on hand	155	182
Balances with banks:		
On current accounts	260	260
<b>Cash and cash equivalents at the end of the year</b>	<b>418</b>	<b>446</b>

# 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 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**

**Rajiv Goyal**

Partner Chairman

Membership No.: 094549

Place : Gurgaon

Date : 26 May 2016

**Colin Davis Arsenault**

Managing Director

DIN : 07156629

Place : Noida

Date : 26 May 2016

**Sharmila Sahai**

Chief Financial Officer

DIN : 00893750

Place : Noida

Date : 26 May 2016

**Amit Jain Dhiraj Kumar Maggo**

Company Secretary

Membership No.: F7609

Place : Noida

Date : 26 May 2016

Place : Noida

Date : 26 May 2016

## Notes to the financial statements for the year ended 31 March, 2016

### 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. 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 under the 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 2016 are Rs. 7,814 lakhs, which have resulted in complete erosion of the net worth of the Company. The Company has also incurred losses of Rs 927 lakhs for the year ended 31 March 2016 and as at that date, the Company's current liabilities are in excess of its current assets by Rs. 3,539 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 2016-17. 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 B.V., a fellow subsidiary. Further, preference shares amounting to Rs. 3,500 lakhs, subject to shareholders approval, are proposed to be issued to the holding company during the year 2016-17. 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:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- 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 4 years
- Tools and moulds 1 year

For these class of assets, based on internal technical evaluation, the management believes that useful lives 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 5-7 years, depending on its estimated useful life, on a straight-line basis.

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 etc. 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 Provident Fund 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 using projected unit credit method. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

## **j. Revenue recognition**

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

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

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

## **k. Foreign currency transactions**

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

**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 2016	31 March 2015
<b>3. Share capital</b>		
<b>Authorised (No. lakhs)</b>		
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
	<b>17,000</b>	<b>17,000</b>
<b>Issued, subscribed and paid up (No. lakhs)</b>		
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
	<b>5,120</b>	<b>5,120</b>

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

	31 March 2016		31 March 2015	
	No. lakhs	Amount Rs. in lakhs	No. lakhs	Amount Rs. in lakhs
<b>Equity shares</b>				
At the commencement and end of the year	1,010	1,010	1,010	1,010
	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>
<b>Preference shares</b>				
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
	<b>411</b>	<b>4,110</b>	<b>411</b>	<b>4,110</b>

### 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. (Refer note 32 and note 41)

Maturity period for redemption of 7.1% preference shares amounting to Rs. 2,290 lakhs (previous year Rs. 2,290 lakhs) is till 20 March 2021. Original maturity was 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. The shares were due for redemption on 20 March 2016 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 20 March 2021. (Refer note 32 and note 41)

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

	31 March 2016			31 March 2015		
	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
	<b>756</b>	<b>756</b>	<b>74.93</b>	<b>756</b>	<b>756</b>	<b>74.93</b>
Preference shares						
Timex Group Luxury Watches B.V., the holding Company						
0.1% non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	25	250	100	25	250	100
7.1% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	386	3,860	100	386	3,860	100
	<b>411</b>	<b>4,110</b>	<b>100</b>	<b>411</b>	<b>4,110</b>	<b>100</b>

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

(Rs. in lakhs)

	31 March 2016	31 March 2015
<b>4. Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance at the commencement and the end of the year	351	351
	<b>351</b>	<b>351</b>
<b>Deficit in the Statement of Profit and Loss</b>		
Balacnce at the commencement of the year	(6,887)	(5,722)
Add: Loss for the year	(927)	(1,098)
Add: Depreciation adjustment as per Schedule II of the Companies Act, 2013 (refer note 46)	-	(67)
Balance as at the end of the year	<b>(7,814)</b>	<b>(6,887)</b>
<b>Total reserves and surplus</b>	<b>(7,463)</b>	<b>(6,536)</b>
<b>5. Other long term liabilities</b>		
<b>Rent equalisation reserve</b>	16	-
	<b>16</b>	<b>-</b>

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Provision for employee benefits</b>				
Gratuity (refer note 30)	231	207	9	8
Compensated absences	154	142	16	10
	<b>385</b>	<b>349</b>	<b>25</b>	<b>18</b>
<b>Other provisions</b>				
Provision for warranties	-	-	87	85
Provision for sales returns	-	-	229	198
Provision for unearned margin (refer note 45)	-	-	238	305
Provision for litigations	-	-	26	43
Provision for current tax [net of advance tax of Rs. 203 lakhs (previous year Rs. 203 lakhs)]	-	-	10	10
	-	-	590	641
<b>Total provisions</b>	<b>385</b>	<b>349</b>	<b>615</b>	<b>659</b>

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

	Unearned margin		Warranty		Sales return		Litigations	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
At the commencement of the year	305	508	85	107	198	201	43	43
Provision created/(reversed) during the year	(67)	(203)	131	154	31	(3)	-	-
Provision utilised during the year	-	-	(129)	(176)	-	-	(17)	-
<b>At the end of the year</b>	<b>238</b>	<b>305</b>	<b>87</b>	<b>85</b>	<b>229</b>	<b>198</b>	<b>26</b>	<b>43</b>

### 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 2016	31 March 2015
<b>7. Short-term borrowings</b>		
Loan repayable on demand		
- Cash credit from bank (unsecured)*	2,244	769
Working capital loans from bank (unsecured) **	1,200	2,000
	<b>3,444</b>	<b>2,769</b>

\* Cash credit facilities from banks carry interest ranging between 10%-13% p.a., computed on a monthly basis on actual amount utilised, and are repayable on demand. Timex Group B.V., a fellow subsidiary, has provided a standby letter of credit amounting to Rs. 3,880 lakhs (previous year Rs. 3,880 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, a fellow subsidiary and are repayable within 30 days.

	31 March 2016	31 March 2015
<b>8. Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	8,369	7,298
	<b>8,369</b>	<b>7,298</b>

For dues to micro and small suppliers, refer note 40

(Rs. in lakhs)

## 9. Other current liabilities

	31 March 2016	31 March 2015
Discount, selling and other expenses	1,688	1,573
Interest accrued but not due on borrowings	5	2
Interest free security deposits received from dealers	17	17
Advance received from customers	138	121
Dues to employees	140	111
Excise duty payable	14	27
Sales tax payable	151	146
TDS payable	44	31
Provident fund payable	16	13
Other statutory dues payable	43	11
Capital creditors	181	36
	<b>2,437</b>	<b>2,088</b>

## 10. Tangible fixed assets

	Leasehold land	Buildings*	Leasehold improvements	Plant and equipment	Furniture and fixtures	Office equipment	Computer equipment	Total
<b>Gross block</b>								
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
<b>Balance as at 31 March 2015</b>	<b>155</b>	<b>334</b>	<b>7</b>	<b>1,742</b>	<b>699</b>	<b>109</b>	<b>254</b>	<b>3,300</b>
Balance as at 1 April 2015	155	334	7	1,742	699	109	254	3,300
Additions	-	-	45	7	28	26	71	177
Deletions/ adjustment	-	-	-	807	223	11	63	1,104
<b>Balance as at 31 March 2016</b>	<b>155</b>	<b>334</b>	<b>52</b>	<b>942</b>	<b>504</b>	<b>124</b>	<b>262</b>	<b>2,373</b>
<b>Depreciation</b>								
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
<b>Balance as at 31 March 2015</b>	<b>15</b>	<b>88</b>	<b>7</b>	<b>1,427</b>	<b>464</b>	<b>92</b>	<b>144</b>	<b>2,237</b>
Balance as at 1 April 2015	15	88	7	1,427	464	92	144	2,237
Depreciation for the year	2	11	10	28	111	9	49	220
Accelerated depreciation**	-	-	-	32	-	-	0 #	32
Deletions/ adjustment	-	-	-	798	202	10	59	1,069
<b>Balance as at 31 March 2016</b>	<b>17</b>	<b>99</b>	<b>17</b>	<b>689</b>	<b>373</b>	<b>90</b>	<b>134</b>	<b>1,420</b>
<b>Net block</b>								
<b>As at 31 March 2015</b>	<b>139</b>	<b>246</b>	<b>-</b>	<b>315</b>	<b>235</b>	<b>17</b>	<b>110</b>	<b>1,063</b>
<b>As at 31 March 2016</b>	<b>138</b>	<b>235</b>	<b>35</b>	<b>253</b>	<b>131</b>	<b>34</b>	<b>128</b>	<b>953</b>

# Amount is below rounding off threshold adopted by the company

\* Buildings are constructed on leasehold land.

\*\* Adjustment on adoption of Schedule II to the Companies Act, 2013 (Refer note 46 to the financials 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)	
11. Intangible assets	Computer Software	Total
<b>Gross block</b>		
Balance as at 1 April 2014	25	25
Additions	79	79
Deletions	-	-
<b>Balance as at 31 March 2015</b>	<b>104</b>	<b>104</b>
Balance as at 1 April 2015	104	104
Additions	185	185
Disposals	1	1
<b>Balance as at 31 March 2016</b>	<b>288</b>	<b>288</b>
<b>Amortisation</b>		
Balance as at 1 April 2014	18	18
Amortisation for the year	16	16
Accumulated depreciation on disposals	-	-
<b>Balance as at 31 March 2015</b>	<b>34</b>	<b>34</b>
Balance as at 1 April 2015	34	34
Amortisation for the year	26	26
Accumulated depreciation on disposals	1	1
<b>Balance as at 31 March 2016</b>	<b>59</b>	<b>59</b>
<b>Net block</b>		
<b>As at 31 March 2015</b>	<b>70</b>	<b>70</b>
<b>As at 31 March 2016</b>	<b>229</b>	<b>229</b>

	Non current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>12. Long-term loans and advances</b>				
<b>To parties other than related parties</b>				
<b>Security deposits</b>				
<i>(unsecured)</i>				
Considered good	180	184	4	94
Considered doubtful	100	98	-	-
Less: Provision for doubtful security deposits	(100)	(98)	-	-
	<b>180</b>	<b>184</b>	<b>4</b>	<b>94</b>
<b>Other loans and advances</b>				
<i>Secured and considered good</i>				
Loans to employees **	-	-	- #	1
<i>Unsecured and considered good</i>				
Advances to suppliers	-	20	-	-
VAT receivable	96	60	-	-
CENVAT receivable	11	11	-	-
Advance income-tax [net of provision for tax Rs. 620 lakhs (previous year Rs. 620 lakhs)]	128	125	-	-
	<b>235</b>	<b>216</b>	<b>-</b>	<b>1</b>
	<b>415</b>	<b>400</b>	<b>4</b>	<b>95</b>
			*	*

# Amount is below rounding off threshold adopted by the company

\* Amount disclosed under 'Short term loans and advances

\*\* Secured by hypothecation of respective vehicles.



	(Rs. in lakhs)	
	31 March 2016	31 March 2015
<b>13. Other non-current assets</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Long-term trade receivables		
Unsecured, considered good	-	-
Unsecured, Considered doubtful	-	100
Less: Provision for doubtful receivables	-	(100)
	<u>-</u>	<u>-</u>
Bank deposits (due to mature after 12 months from the reporting date) ***	0#	2
(refer note 16)		
Interest accrued on fixed deposits	0 #	0 #
	<u><b>0</b></u>	<u><b>2</b></u>
*** Pledged with bank as security for guarantees issued on behalf of the Company.		
# Amount is below rounding off threshold adopted by the company		
<b>14. Inventories</b> <i>(valued at the lower of cost and net realisable value)</i>		
Raw materials and components*	1,171	880
Work-in-progress	124	141
Finished goods	1,386	1,444
Traded goods	729	59
	<u><b>3,410</b></u>	<u><b>2,524</b></u>
*Includes goods-in-transit amounting to Rs. 235 lakhs (previous year Rs. Nil)		
In the year ended 31 March 2016, the write down of inventories to net realisable value amounts to Rs. 796 lakhs (previous year Rs. 802 lakhs)		
<b>15. Trade receivables</b>		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	906	809
Unsecured, considered doubtful	567	502
Less: Provision for doubtful receivables	(567)	(502)
	<u><b>(A) 906</b></u>	<u><b>809</b></u>
Other receivables		
Unsecured, considered good	6,224	6,061
Unsecured, considered doubtful	21	37
Less: Provision for doubtful receivables	(21)	(37)
	<u><b>(B) 6,224</b></u>	<u><b>6,061</b></u>
	<u><b>(A) + (B) 7,130</b></u>	<u><b>6,870</b></u>

	(Rs. in lakhs)	
	31 March 2016	31 March 2015
<b>16. Cash and bank balances</b>		
Cash and cash equivalents		
- Cash on hand	3	4
- Cheques on hand	155	182
- Balances with banks:		
On current accounts	260	260
Other bank balances*	1	-
	<b>419</b>	<b>446</b>
<b>Details of bank balances/deposits</b>		
Bank balance available on demand included under 'Cash and cash equivalents'	260	260
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 13)	0 #	2
	<b>261</b>	<b>262</b>
# Amount is below rounding off threshold adopted by the company		
* Pledged with bank as security for guarantee issued on behalf of the company		
<b>17 Short-term loans and advances</b>		
<i>(unsecured, considered good)</i>		
<b>Current portion of long-term loans and advances (refer note 12)</b>	4	95
<b>To parties other than related parties</b>		
Prepaid expenses	25	26
Advances to employees	12	10
CENVAT receivable	1	34
Advances to suppliers	291	186
Others	21	6
	<b>354</b>	<b>357</b>
<b>18. Other current assets</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Interest accrued on fixed deposits	0 #	0 #
Insurance claim receivable [net of provision Rs Nil (previous year Rs 15 lakhs)]	-	15
Unbilled revenue	13	-
	<b>13 #</b>	<b>15</b>
# Amount is below rounding off threshold adopted by the Company.		
<b>19. Revenue from operations</b>		
Sale of products		
Finished goods	15,864	13,025
Traded goods	1,166	671
<b>Sale of products (gross)</b>	<b>17,030</b>	<b>13,696</b>
Less: Excise duty	189	239
<b>Sale of products (net)</b>	<b>16,841</b>	<b>13,457</b>
Sale of services	427	507
<b>Other operating revenues</b>		
- Dealers signing fees	-	1
-Liabilities /provisions no longer required written back	66	271
	<b>66</b>	<b>272</b>
	<b>17,334</b>	<b>14,236</b>

	(Rs. in lakhs)	
	31 March 2016	31 March 2015
<b>Break-up of revenue from sale of products</b>		
<b>Manufactured goods</b>		
- Watches	15,384	12,496
- Components and others	480	529
	<u>15,864</u>	<u>13,025</u>
<b>Traded goods</b>		
- Watches	1,166	671
	<u>1,166</u>	<u>671</u>
<b>Break-up of revenue from services rendered</b>		
- Support charges	401	480
- Customer services	26	27
	<u>427</u>	<u>507</u>
<b>20. Other income</b>		
Interest income on		
- bank deposits	0 #	0 #
- others	4	7
Miscellaneous income	0#	0 #
	<u>4</u>	<u>7</u>
# Amount is below rounding off threshold adopted by the Company.		
<b>21. Cost of materials and components consumed</b>		
Inventory of materials at the beginning of the year	880	937
Purchases	9,215	6,846
Inventory at the end of the year	(1,171)	(880)
	<u>8,924</u>	<u>6,903</u>
<b>Break-up of cost of materials and components consumed</b>		
Movements	2,080	1,643
Straps	2,009	1,502
Other materials	4,835	3,758
	<u>8,924</u>	<u>6,903</u>
<b>Break-up of inventory - materials and components</b>		
<b>Raw materials and components</b>		
Movements	126	84
Straps	302	212
Other materials	743	584
	<u>1,171</u>	<u>880</u>
<b>22. Purchases of stock-in-trade</b>		
Watches	1,065	651
	<u>1,065</u>	<u>651</u>

(Rs. in lakhs)

31 March 2016

31 March 2015

## 23. Changes in inventories of finished goods, work-in-progress and stock-in-trade

### Inventory at the end of the year

Traded goods	729	59
Work-in-progress	124	141
Finished goods	1,386	1,444
	<b>2,239</b>	<b>1,644</b>

### Inventory at the beginning of the year

Traded goods	59	22
Work-in-progress	141	109
Finished goods	1,444	1,373
	<b>1,644</b>	<b>1,504</b>

Excise duty related to increase / decrease in inventory of finished goods

	73	(18)
<b>(Increase)/decrease in inventory</b>	<b>(668)</b>	<b>(122)</b>

### Traded goods

Inventory at the end of the year	729	59
Inventory at the beginning of the year	59	22
<b>(Increase)/decrease in inventory</b>	<b>(670)</b>	<b>(37)</b>

### Work-in-progress

Inventory at the end of the year	124	141
Inventory at the beginning of the year	141	109
<b>(Increase)/decrease in inventory</b>	<b>17</b>	<b>(32)</b>

### Finished goods

Inventory at the end of the year	1,386	1,444
Inventory at the beginning of the year	1,444	1,373
<b>(Increase)/decrease in inventory</b>	<b>58</b>	<b>(71)</b>

Excise duty related to increase / decrease in inventory of finished goods

	73	(18)
	<b>(668)</b>	<b>(122)</b>

### Details of inventory

#### Traded Goods

Watches	729	59
	<b>729</b>	<b>59</b>

#### Work-in-progress

Watches	124	141
	<b>124</b>	<b>141</b>

#### Finished goods

Watches	1,386	1,444
	<b>1,386</b>	<b>1,444</b>

## 24. Employee benefits expense #

Salaries, wages and bonus	1,961	1,956
Contribution to provident and other funds	103	102
Compensated absences	45	63
Staff welfare expenses	136	123
	<b>2,245</b>	<b>2,244</b>

# Refer note 30

	(Rs. in lakhs)	
	31 March 2016	31 March 2015
<b>25. Finance costs</b>		
Interest expense	294	253
Interest on delayed payment of statutory dues	63	0 #
	<u>357</u>	<u>253</u>
# Amount is below rounding off threshold adopted by the Company.		
<b>26. Depreciation and amortisation</b>		
Depreciation of tangible fixed assets	252	208
Amortisation of intangible assets (refer note 10 and 11)	26	16
	<u>278</u>	<u>224</u>
<b>27. Other expenses</b>		
Consumption of stores and spare parts	21	16
Power and fuel	53	60
Selling and distribution	531	435
Rent (refer note 31)	316	362
Repairs and maintenance		
- Building	49	24
- Machinery	50	40
- Others	3	9
Insurance	53	46
Rates and taxes, excluding taxes on income	334	200
Travelling	385	351
Legal and professional (refer note below)	247	216
Advertising expenses	585	530
Sales promotion expenses	1,020	1,068
Minimum Guarantee expenses	407	722
Bank charges	10	8
Communication	69	64
Warranty	131	154
Director's sitting fees	11	13
Meeting and conference	174	95
Purchased services	690	518
Bad debts written off	39	-
Provision for doubtful debts	49	-
Provision for doubtful advances	2	47
Insurance claim receivable written off	15	-
Assets written off	21	20
Loss on sale of assets (net)	10	(0)
Foreign exchange loss (net)	433	111
Miscellaneous expenses	356	250
	<u>6,064</u>	<u>5,359</u>
<b>Note: Payment to auditors (inclusive of services tax)</b>		
As auditor		
Statutory audit	19	18
Tax audit	2	2
Limited review of quarterly results	20	18
In other capacity		
Group audit	8	8
Reimbursement of expenses	4	3
	<u>53</u>	<u>49</u>

- 28.** 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 response, the Central government vide its letter dated 18 November 2014, 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 taking necessary steps for recovery of this amount from the erstwhile Managing Director.

**29. 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 2016 is based on the profit/ (loss) attributable to equity shareholders of Rs. (1,257) lakhs (previous year loss: Rs. (1,428) 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 2016 is based on profit/ (loss) attributable to equity shareholders of Rs. (1,257) lakhs (previous year loss: Rs (1,428) 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 2016	31 March 2015
Loss after tax	(927)	(1,098)
Less: Preference dividend and tax thereon	330	330
Net loss attributable to equity shareholders for calculation of basic EPS	(1,257)	(1,428)
Loss adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	(1,257)	(1,428)

**Shares**

	31 March 2016	31 March 2015
Weighted average number of equity shares attributable to equity shareholders for calculation of basic and diluted EPS (in lakhs)	1,010	1,010

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

	31 March 2016	31 March 2015
Basic	(1.25)	(1.41)
Diluted	(1.25)	(1.41)

**30. 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 obligation 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. 87 lakhs (previous year: Rs. 84 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 2016 amounts to Rs. Nil (previous year Rs. Nil) based on an actuarial valuation carried out by an independent actuary as at 31 March 2016.

## Principal assumptions at the valuation date

	31 March 2016	31 March 2015
Discount rate	8.05%	8.00%
Expected rate of return on assets	9.00%	8.73%
Discount rate for the remaining term to maturity of the investment	7.84%	8.02%
Average historic yield on investment	8.79%	8.75%
Guaranteed rate of return	8.80%	8.75%

## Composition of plan assets

Category of assets (% allocation)	31 March 2016	31 March 2015
Government of India securities	57%	59%
Corporate bonds	0%	48%
Special deposit scheme	54%	2%
Equity shares of Listed company	1%	0%
Others	-12%	-9%
<b>Grand total</b>	<b>100%</b>	<b>100%</b>

## 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. 9 lakhs (previous year: Rs. 13 lakhs).

## Employee State Insurance fund

The Company's contribution paid/ payable under the scheme to the Employee State Insurance is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to Employee State Insurance Fund for the period aggregated to Rs. 7 lakhs (previous year: Rs. 5 lakhs).

## Gratuity

The Company operates a post-employment defined benefit plan that provides for gratuity. The gratuity plan entitles an employee, who has rendered at least 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 2016	31 March 2015
Present value of obligations	240	215
Liability recognised in balance sheet	<b>240</b>	<b>215</b>

## 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 2016	31 March 2015	31 March 2016	31 March 2015
Gratuity	231	207	9	8

## Movement in present values of defined benefit obligations

(Rs. in lakhs)

	31 March 2016	31 March 2015
Defined benefit obligation at commencement of the period	215	163
Current service cost	32	20
Interest cost	20	16
Actuarial (gains) / losses	7	67
Past service cost	-	14
Liabilities assumed on Acquisition / (Settled on Divestiture)	(6)	(15)
Benefits paid by the plan	(28)	(50)
<b>Defined benefit obligation at end of the period</b>	<b>240</b>	<b>215</b>

## Expense recognised in Statement of Profit and Loss

(Rs. in lakhs)

	31 March 2016	31 March 2015
Current service cost	32	20
Interest cost	20	16
Actuarial (gains) / losses	7	67
Past service cost	-	14
<b>Total included in 'employee benefits expense'</b>	<b>59</b>	<b>117</b>

## Principal actuarial assumptions for gratuity and compensated absences

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

### Economic Assumptions:

	31 March 2016	31 March 2015
Discount rate	8.05%	8%
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 2016	31 March 2015
Retirement age (years)	58	58
Mortality	IALM (2006-08)	IALM (2006-08)

### Withdrawal Rates:

Age (years)	31 March 2016	31 March 2015
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 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	240	215	163	174	154
Experience adjustment arising on plan liabilities	9	34	1	36	1

The Company expects Rs. 8 lakhs benefit payout in the next year (previous year: Rs. 8 lakhs)

## 31. 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. 316 lakhs (previous year Rs. 362 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

(Rs. in lakhs)

Future lease payments due	31 March 2016	31 March 2015
Payable within one year	71	64
Payable between one to five years	190	-
<b>Total</b>	<b>261</b>	<b>64</b>

## 32. 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	Eagleville 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.
	Timex Nederland B.V.
	Timex Group B.V. T/A Mersey Manufacturers
	Fralsen S.A.S*
	TMX Limited N.V.
	Timex Group USA, Inc. (German Branch)*
	Timex do Brasil Comércio E Indústria Ltda*
	Timex Group USA, Inc.
	Timex Group Precision Engineering Limited
	Timex Hong Kong Limited*
	Timex Portugal Relojoaria LDA*
	Timex Group Magyarország kft.*
	Vertime B.V.
Key Management Personnel	M.K Bandopadhyay, Managing Director – Operations and Supply Chain Management (till 19 November 2014)* Sharmila Sahai, Managing Director

\* No transactions during the current year

## B. Transactions and outstanding balances with related parties:

Party Name	IT Support expenses*	Purchase of goods	Reimbursement		Service income	Service charges paid @	Sale of goods	Payable	Receivable
			Paid	Received					
<b>Holding company</b>									
Timex Group Luxury Watches B.V.	-	-	-	-	-	-	-	-	<b>1</b>
	-	-	-	1	-	-	-	-	1
<b>Fellow Subsidiaries</b>									
Timex Group B.V.	-	-	-	-	<b>124</b>	-	-	-	<b>505</b>
	-	-	-	-	131	-	-	-	358
Timex Group USA Inc.	<b>31</b>	<b>162**</b>	-	-	<b>43</b>	<b>297</b>	-	<b>1,178</b>	<b>72</b>
	25	-	-	4	-	101	-	644	28
TMX Limited NV	<b>7</b>	<b>1045</b>	-	-	<b>209</b>	-	-	<b>4,286</b>	<b>78</b>
	2	964	-	-	259	-	-	4,473	101
Timex Nederland B.V.	-	-	-	-	-	<b>24</b>	-	<b>755</b>	-
	-	-	-	-	-	230	-	686	-
Vertime B.V.	-	<b>510</b>	-	<b>103</b>	-	-	-	<b>122</b>	-
	-	264	-	39	-	-	-	51	-
Timex Group Precision Engineering Limited (including service tax)	-	<b>5</b>	-	-	<b>29</b>	-	-	<b>1</b>	-
	-	4	-	-	101	-	-	1	-
TMX Limited NV (sales division)	-	-	-	-	-	-	<b>579</b>	-	<b>117</b>
	-	-	-	-	-	-	440	-	79
Others	-	-	-	-	-	-	-	<b>18</b>	<b>7</b>
	-	-	-	-	-	-	-	21	14

\*Included in miscellaneous expenses

\*\*Included in intangible assets as GSI implementation cost

@ Included in sales promotion expense

Timex Group B.V., a fellow subsidiary, has provided a standby letter of credit amounting to Rs. 3,880 lakhs (previous year Rs. 3,880 lakhs) to the bankers of the Company as a guarantee for use of cash credit and overdraft facilities (including working capital loans).

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 redemption of such shares, pursuant to the provisions of Section 106 of the Companies Act, 1956 has been extended by the preference shareholders by five years i.e. till 26 March 2019 and the Company has completed all formalities related to the same.

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. The shares were due for redemption on 20 March 2016. 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 20 March 2021. The preference shareholders and RBI have agreed to this extension. The Company has received an approval from the equity shareholders by postal ballot resolution dated 5 April 2016 for extension of redemption date to 20 March 2021.

## C. Transactions with key management personnel:

(Rs. in lakhs)

	31 March 2016	31 March 2015
<b>Remuneration</b>		
M.K Bandyopadhyay #	-	95
Sharmila Sahai*	95	104

\* 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.

# Previous year transaction includes gratuity and leave encashment payments on resignation.

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

(Rs. in lakhs)

Particulars	31 March 2016		31 March 2015	
	Value (Rs. lakhs)	% of total consumption	Value (Rs. lakhs)	% of total consumption
<b>Raw materials and components</b>				
Imported	4,800	54	3,754	54
Indigenous	4,124	46	3,149	46
<b>Total</b>	<b>8,924</b>	<b>100</b>	<b>6,903</b>	<b>100</b>
<b>Stores and consumables</b>				
Imported	-	-	-	-
Indigenous	21	100	16	100
<b>Total</b>	<b>21</b>	<b>100</b>	<b>16</b>	<b>100</b>

## 34. Value of imports on CIF basis

(Rs. in lakhs)

Particulars	31 March 2016	31 March 2015
Raw material and components	3,648	2,599
Watches	1,016	646
Capital goods (ERP implementation cost)	162	-
	<b>4,826</b>	<b>3,245</b>

## 35. Expenditure in foreign currency

(Rs. in lakhs)

Particulars	31 March 2016	31 March 2015
Travelling	7	5
IT support expenses *	38	27
Service charges @	321	331
Sales promotion	10	-
	<b>376</b>	<b>363</b>

\* included in miscellaneous expense

@ included in sales promotion expense

## 36. Earnings in foreign currency

(Rs. in lakhs)

Particulars	31 March 2016	31 March 2015
Exports on F.O.B basis	756	563
Service income	376	390
	<b>1,132</b>	<b>953</b>

## 37. 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 2016	31 March 2015
<b>Deferred tax liabilities</b>		
Difference between net book value and written down value as per Income tax Act, 1961	-	13
<b>Total deferred tax liability</b>	<b>-</b>	<b>13</b>
<b>Deferred tax assets</b>		
Gratuity	83	73
Compensated absences	59	52
Provision for doubtful debts and advances	238	216
Provision for warranty	30	29
Provision for sales returns and unearned margin	162	171
Provision for litigations	9	14
Carried forward depreciation	391	300
Carried forward loss	2,521	2,313
Difference between net book value and written down value as per Income tax Act, 1961	55	-
<b>Total deferred tax asset</b>	<b>3,548</b>	<b>3,168</b>
Deferred tax asset recognised (to the extent of deferred tax liability recognised above)	Nil	13
Net deferred tax asset/(liability)	Nil	Nil

## 38. Segment information

The Company's business segment comprises:

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

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

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

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

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



## Primary segment reporting (by business segment):

(Rs. in lakhs)

	Watches		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment revenues						
External sales (gross)	17,290	14,072	167	131	17,457	14,203
Excise duty	(189)	(239)	-	-	(189)	(239)
External sales (net)	17,101	13,833	167	131	17,268	13,964
Other business related income	66	272	-	-	66	272
<b>Total revenue</b>	<b>17,167</b>	<b>14,105</b>	<b>167</b>	<b>131</b>	<b>17,334</b>	<b>14,236</b>
Results						
Segment results	790	(447)	40	19	830	(428)
Less: Unallocated expenses					1,404	595
<b>Loss before interest, tax and exceptional items</b>					<b>(574)</b>	<b>(1,023)</b>
Exceptional items					-	171
<b>Loss before interest and tax</b>					<b>(574)</b>	<b>(852)</b>
Interest expense					(357)	(253)
Interest income					4	7
<b>Loss before tax</b>					<b>(927)</b>	<b>(1,098)</b>
<b>Other information</b>						
<b>Assets</b>						
Segment assets	11,463	10,621	518	358	11,981	10,979
Unallocated corporate assets					942	768
<b>Total assets</b>					<b>12,923</b>	<b>11,747</b>
<b>Liabilities</b>						
Segment liabilities	11,434	10,374	10	8	11,444	10,382
Unallocated corporate liabilities					3,822	2,781
Share capital (including share premium amount and balance in Statement of Profit and Loss)					(2,343)	(1,416)
<b>Total liabilities</b>					<b>12,923</b>	<b>11,747</b>
<b>Others</b>						
Capital expenditure	57	85	-	-	57	85
Unallocated capital expenditure					305	27
<b>Total capital expenditure</b>					<b>362</b>	<b>112</b>
Depreciation	190	189	0#	0#	190	189
Unallocated depreciation					88	35
<b>Total depreciation</b>					<b>278</b>	<b>224</b>

# 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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment revenue	16,166	13,282	1,168	954	17,334	14,236
Segment assets	12,143	11,150	780	597	12,923	11,747
Capital expenditure	362	112	-	-	362	112

## 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.

**39. Contingent liabilities and commitments**

*(to the extent not provided for)*

**Commitments**

(Rs. in lakhs)

Particulars	31 March 2016	31 March 2015
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 2016	31 March 2015
Claims against the Company not acknowledged as debt		
a) Sales tax	270	283
b) Excise duty	6	92
c) Customs duty	8	8
d) Income tax*	-	-
e) Others	96	141
Dividend on cumulative preference shares		
2012-2013	274	274
2013-2014	274	274
2014-2015	274	274
2015-2016	274	-
Corporate dividend tax on cumulative preference shares		
2012-2013	56	56
2013-2014	56	56
2014-2015	56	56
2015-2016	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.

- 40.** 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 2016 and 31 March 2015 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.
- 41.** 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 2009 till the date of maturity. The holders of these preference shares have further waived the dividend for the years 2012-13, 2013-14, 2014-15 and 2015-16, subject to the condition that the coupon rate for these series shall be revised from 7.1% to 13.88% effective 1 April 2016. The Company is in the process of obtaining relevant approvals from the regulatory authorities.

## 42. Unhedged foreign currency exposures

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

Particulars	31 March 2016		31 March 2015	
	(in original currency)	(Rs. in lakhs)	(in original currency)	(Rs. in lakhs)
Trade payables				
- USD	94	6,223	96	6,008
- EURO	0#	18	0#	19
- HKD	12	102	4	31
- CHF	2	122	1	51
- JPY	12	7	-	-
Trade receivables				
- USD	12	774	9	591
- HKD	1	6	1	6
Other current liabilities				
- USD	2	162	-	-

# Amount is below rounding off threshold adopted by the Company.

43. As at 31 March 2016, the Company has foreign currency receivables amounting to Rs. 39 lakhs (previous year Rs. 39 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 complying with RBI guidelines in order to write-off these amounts.

## 44. Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management is of the opinion that its international transactions are at 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.

45. During the year ended 31 March 2015, the Company 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.
46. 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 previous 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 for the year ended 31 March 2015.

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.: 101248W/W-100022

**Rajiv Goyal**

Partner

Membership No.: 094549

Place : Gurgaon

Date : 26 May 2016

**Colin Davis Arsenault**

Chairman

DIN : 07156629

Place : Noida

Date : 26 May 2016

**Sharmila Sahai**

Managing Director

DIN : 00893750

Place : Noida

Date : 26 May 2016

**Amit Jain**

Chief Financial Officer

Place : Noida

Date : 26 May 2016

**Dhiraj Kumar Maggo**

Company Secretary

Membership No.: F7609

Place : Noida

Date : 26 May 2016

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

## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(Rs. In Lakhs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	17,338	17,338
	2.	Total Expenditure	18,265	18,265
	3.	Net Profit/(Loss)	(927)	(927)
	4.	Earnings Per Share (of Re. 1 each)	(1.25)	(1.25)
	5.	Total Assets	12,923	12,923
	6.	Total Liabilities	15,266	15,266
	7.	Net Worth	(2,343)	(2,343)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:	Managerial remuneration of Rs 7.46 lakhs paid by the Company during the year ended 31 March 2012 was in excess of the amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application 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. The Central Government vide its letter dated 18 November 2014, rejected the application filed for waiver of excess remuneration paid. The Company is taking necessary steps for recovery of this amount from the erstwhile Managing Director.		
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified		
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Since 31 March 2012		
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA		

	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) <b>Management's estimation on the impact of audit qualification:</b>	NA
	(ii) <b>If management is unable to estimate the impact, reasons for the same:</b>	<p>The company has initiated legal proceedings for recovery of excess remuneration of Rs. 7.09 lakhs paid in excess of central government approval. Once the company recovers this amount there would be a favourable impact on profitability of the company to the extent of the recovered amount.</p> <p>Since the outcome of the legal case is not certain as on date and the final outcome will be known in future course of time, therefore the management is unable to estimate the impact of the audit qualification.</p>
	(iii) <b>Auditors' Comments on (i) or (ii) above:</b>	Agree with management comments.
<b>III.</b>	<b>Signatories:</b>	
	<p>Sharmila Sahai Managing Director Place: Noida Date: 13/06/2016</p> <p>Gagan Singh Audit Committee Chairman Place: Noida Date: 13/06/2016</p>	<p>Amit Jain CFO Place: Noida Date: 10/06/2016</p> <p>Rajiv Goyal Auditor of the company Place: Gurgaon Date: 13/06/2016</p>





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**TIMEX**



YASH RAJ FILMS PRESENTS



# SULTAN



WRITER-DIRECTOR ALI ABBAS ZAFAR

PRODUCER ADITYA CHOPRA

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