TIMEXGROUP

Timex Group India Limited
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INDIA
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Tel. : +91 120 474 1300
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August 3, 2018

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

Scrip Code: 500414

Subject: 30th Annual General Meeting of the Company

Dear Sir/Madam,

Further to our letter dated July 9, 2018, we write to inform you that the 30th Annual General Meeting (AGM) of the Company was held on Friday, August 3, 2018 at 10.00 am at Air Force Auditorium, Subroto Park, New Delhi-110010 and the business mentioned in the Notice dated May 24, 2018 was transacted.

In this regard, please find enclosed the Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

A copy of Annual Report has been uploaded on the website of the Company.

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

TIMEX GROUP INDIA LIMITED

Enclosures: as above

TIMEX

ANNUAL REPORT 2018

TIMEX GROUP INDIA LIMITED


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Board of Directors	David Thomas Payne	Non-Executive Director & Chairman
	Tobias Reiss Schmidt	Non-Executive Director & Vice Chairman
	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	J.P. Morgan Chase Bank NA HDFC Bank Limited
Auditors	Deloitte Haskins and Sells LLP, Chartered Accountants
Registered Office	106-107, Ambadeep, 14, Kasturba Gandhi Marg, New Delhi – 110001
Works	Plot No.10 Baddi Industrial Area Katha Bhatoli Baddi, Distt. Solan (H.P)
Registrar & Share Transfer Agent	Alankit Assignments Limited 2E/21 Alankit House Jhandewalan Extension New Delhi 110 055 Tel.: 011-42541234 Fax: 011-42541967 Email: rta@alankit.com Website : www.alankit.com

DIRECTORS' REPORT

To the Members of Timex Group India Limited

The Directors are pleased to present the Thirtieth Annual Report and Audited Statement of Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS AND PERFORMANCE

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017, in terms of the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs. Accordingly, financial statements for the year ended and as at March 31, 2017 have been restated to conform to Ind AS. More details on transition to Ind AS have been given in Note no. 34 to the financial statement.

Rs. in Lakhs

Particulars	2017-18	2016-17
Revenue from operations (including other income)	21,015	20,062
Profit before Interest and Depreciation	1,107	109
Less: Interest	210	277
Less: Depreciation	167	207
Profit/ Loss for the year	730	(375)

The year 2017-18 saw many challenges and surprises including subdued consumer demand due to impact of demonetisation, end of excise holiday period for the Company's plant at Baddi, uncertainties due to introduction of Goods and Services Tax (GST), change in GST rate on watches in November 2017 from 28% to 18%, increase in custom duty on imported watches and consequent impact on the product pricing etc. Inspite of all these challenges, the Company has witnessed robust performance during the year 2017-18. The Revenue from Operations (including other income) during the year 2017-18 stood at INR 21,015 Lakh. The reported revenue growth figures are understated as the erstwhile excise duty equivalent also gets subsumed in the revenue component hence reducing the revenue growth. The revenue has grown by 14%, if the figures are re-stated for excise duty and GST. The net profit for the year was Rs. 730 Lakhs as against loss of Rs. 375 Lakhs in the previous year.

The difficult conditions were managed with meticulous planning and the focus was totally on long term thinking rather than short term gains. The Company passed on the benefits of GST rate reduction to the consumer with minimum disruption to the trade.

The production and purchase teams rose to the occasion and managed the transitions proactively. The finance team supported in educating the vendor base and helped in getting the IT infrastructure ready.

The sales team showed resourcefulness to manage changes with minimum impact to the trade and consumers. While the watch market trend was to liquidate Company's inventory by heavy discounting, our sales team focused on sell out of trade inventory and maximising Company's profits.

All sales channels, except Canteen Stores Dept. (CSD) and B2B, continued their improved performance and contributed to the revenue growth during the year. Distribution channel continued to be the main contributor to the revenue. The new age channels, E-commerce and Omni Channel, are growing as per the plans.

The Company followed its two-pronged product strategy of sustaining its traditional product portfolio and strengthening its fashion portfolio by launching premium stainless steel watches and technology products. The new collections developed by the Company have been well accepted both in Indian and international markets which have helped in improving the average selling price as well as increasing the sales to Group Companies globally. The Company also added new premium brands i.e. Gant, Cerruti 1881 and Nautica, in its traded brand portfolio which has also further strengthened the fashion portfolio in the price range of INR 10,000 – 25,000.

The Company, in collaboration with an Indian technology start up, developed a fitness band, which is a combination of fitness, safety and fashion and has several distinguished features including stainless steel case, premium mesh, leather and sports straps, SOS feature etc. This product saw a huge success and was highly appreciated. More such tech products will be rolled out in near future in line with the expectations of the young and tech oriented consumer segment.

During the year, the Company started online sales of its products through its website www.timexindia.com, a direct sales channel for sale of Company's products to the ultimate consumer.

The Company has also forayed into distribution of writing instruments, under premium 'Versace' brand, which will enjoy the synergies of well established distribution channel of the Company.

To support the sluggish consumer demand due to impact of demonetisation and GST, an impactful multimedia advertising campaign and tactical seasonal campaign was used throughout the year. The launch of new Timex l Blink fitness band witnessed remarkable success and was one of the best advertising campaigns of the year. Other licensed watch brands like Versus, Versace and Salvatore Ferragamo also grew significantly, backed by in-store presence and selective advertising and PR campaigns.

The Company continued to focus on increasing operational efficiencies, better working capital management, increased supply chain capability and efficiency and control costs. Closure of 11 warehouses, with the introduction of GST, contributed to cost saving and improving operational efficiencies.

On the people front, the company continued to invest in employee development and enhancement of skills. Various employee engagement activities were organised at all locations throughout the year to keep the employees fully engaged and motivated. Salary benchmarking and revision was done for the critical positions. In order to ensure seamless availability of strong leadership, the Company has decided to embark upon a succession planning journey for critical roles at the senior leadership.

We kick started the calendar year 2018 by organising a meeting with trade partners to share our vision for the next three years. Global Chairperson, CEO, CFO and other senior executive attended the event and shared their confidence in the India market and their continued support for the India team.

Dividend

In view of the accumulated losses, the Board of Directors has not recommended any dividend for this year.

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

Reserve Bank of India expects the Indian economy to grow at 6.6% during the FY 2017-18 and 7.2% during 2018-19 as the roll-out of GST stabilises and credit off take improves. Good monsoon, inflation at sub 5%, buoyant consumer confidence, lower tax rates post GST, significant number of consumer promotions are the tailwinds that have helped the economy grow. There are early signs of revival in investment activity as reflected in improving credit offtake, large resource mobilisation from the primary capital market, and improving capital goods production and imports. The process of recapitalisation of public sector banks has gone underway and large distressed borrowers are being referenced for resolution under the IBC. Export growth is expected to improve further on account of improving global demand.

As per International Monetary Fund's (IMF) latest forecast, India's economy is forecast to grow 7.4% in the FY19 from 6.7% in FY18 and accelerate further in FY20 to 7.8%. There will be a gradual increase in India's growth rate as structural reforms raise potential output.

It is expected that the higher economic growth will be coupled with increased purchasing power and strong private consumption which will boost the demand for watches as well as writing instruments going forward.

OVERVIEW OF WATCH INDUSTRY

The fiscal 2017-18 has been a good year for the watch industry despite the impact of demonetisation and introduction of GST, changes in GST rate and custom duty on imported watches.

Demonetisation and PAN disclosure for watches above Rs. 2,00,000 has impacted the luxury watch market. However, with the new international brands coming to India, industry is witnessing innovative distribution practices and realignment of market share.

The watch industry is expected to grow at a healthy rate on account of factors such as increasing purchasing power, introduction of new brands and wearable technology, improved distribution in Tier 3 and Tier 4 markets, increased activity of online e-commerce players etc. Fashion oriented young customer is increasingly buying watches which suit their lifestyles. This category of watches has been the fastest growing segment in the watch industry with the support of large format department store, boutique and mall led distribution and larger advertising spends.

Counterfeit and infringement of brands and intellectual property rights has posed a big problem for the industry and the industry as a whole has to deal with it. This is not only harmful for the brand owners but also for the customer who get the fake products and involves in unsolicited litigation. For protection of Company's IPR and customers, the Company has been taking various measures including civil action and raids at the premises of such unscrupulous operators, customer awareness about fake products etc.

GROWTH DRIVERS OF THE COMPANY

The Company has been growing at a faster rate than the industry and is focused at maintaining this growth while ensuring returns for all its stakeholders. With a view to achieve sustained growth in the fast-changing business environment and the growing competition, the Company has laid down well thought plans and has identified the following key growth drivers:

Product portfolio:

The Company continues to focus on all consumer segments by bringing innovative products with cutting edge design and globally renowned brands to the Indian consumer.

The two growth drivers in the Indian watch industry are fashion and youth segments.

We launched Versus by Versace in the fashion segment in the previous years and we are now strengthening the segment by introducing fashion brands Nautica, Gant and Cerruti 1881 in the Rs. 10,000 to 25,000 price segment.

Youth brand Helix continues to appeal to the millennials and Gen Z of India, with its refreshingly unique design language. The Company is focused on enhancing the brand through investments in innovative marketing and retail execution.

We also see growth coming from the technology segment and will be enhancing our existing offering to further strengthen our tech oriented products. The launch of Timex Blink was an industry first at its price point with a stainless steel body, and fashionable variants such as rose gold.

In addition to the above, the Company is addressing the ethnic women segment with the launch of its high end 'Fria' collection.

Enhancing the distribution footprint and increasing points of Sale:

Increasing the distribution footprint has been a key focus area for the Company. Strengthening Company's presence in Tier 2 and Tier 3 markets will drive the growth. Growth will also come from improvement in our counter share in large format stores and opening new showrooms.

In sync with the new way of working of the CSD channel, our focus will be to refresh and enhance our product portfolio to drive increased contribution from this channel. To increase sell through, we will be investing in better presentation of our products in the canteens.

The E-commerce market is expected to grow exponentially with the increased penetration of internet and smart phone. To seize the opportunity in the growing E-commerce market, Timex will continue its collaboration with all the key players in E-commerce channel to grow the Timex product portfolio. The Company also has in place an omni channel strategy to reap benefits of e-commerce. It started online sales of its products through its website www.timexindia.com which provides a direct sales channel to ultimate consumer.

Increasing Marketing initiatives:

To take the brand to the next level, we will invest further to increase the visibility and aspiration for our different brands. Innovative methods will be used to win the battle at the shop floor with the world class display and promoters. Digital marketing and Social media will engage with consumers directly. Press /TV advertisement will be used to make announcements about new launches or consumer promotions.

Strengthening our manufacturing capability:

With the increase in custom duty on imported watches, the India manufacturing facility has become more important to drive growth. We will be assembling Versus brand of watches in India and also looking at assembling other traded brands. The manufacturing facility in India has become an important manufacturing hub for India as well as group companies globally. This will support the growth of both the top line and bottom line of the Company.

Internal and External stakeholder support:

The Company enjoys the support of highly engaged and motivated employees with very low attrition rate which will continue to take the Company to the next level of growth. Suppliers and trade and institutional sales partners have always contributed their best for the Company's growth.

Managing Regulatory changes:

We are fully equipped with the IT infrastructure to comply with all regulatory changes. Trade partners as well as vendors will continue to be supported by us to adapt to the new regulatory requirements as well as Timex Group's global requirements. The Company has well designed systems and processes in place to ensure updation and compliance with all regulatory changes.

OPPORTUNITIES AND CHALLENGES

The Indian watch industry has strong growth potential which is substantiated by the following factors:

1. Only 35% of population wear wrist watches and only 5% of them own multiple watches.
2. Emerging middle class with the growing disposable income and purchasing power is expected give a boost to the watch industry.
3. Increased demand in fashion brands and premium priced watches by young population with improved education will improve the average prices and product margins.
4. E-commerce, online and omni channels will bring the next

level of growth for watch industry.

5. New technology and advance hi-tech products including fitness trackers and smart watches will create excitement and grow the market.
6. The Company will continue to grow in double digit with its strong product portfolio, brand perception and customer service.

RISKS & THREATS

A well-defined risk management framework has been put in place to identify, evaluate and assess the potential risks and challenges and determine the processes to mitigate and manage the same. A Committee comprising of senior management executives has been constituted to periodically review and assess the key risks in consultation with the functional managers. Detailed exercise has been carried out to identify, evaluate, manage and monitor the potential risks to the operations of the Company. The Board periodically reviews the risks and suggests steps to be taken to mitigate and manage the same.

The below specific key risks have been identified by the Company:-

• **Financial Risk**

1. The accumulated losses have eroded substantial part of net worth of the Company. However, the Company has improved its operational performance significantly over the last couple of years and as a result has reported profits in the year 2017-18. Accumulated losses will be wiped off from profits over a period of time. As per Company's business plans, its funding requirements will be comfortably met through internal accruals and borrowings from Banks.
2. There is a risk on the Company's margins due to adverse fluctuation in the foreign exchange as the Company imports substantial amount of inputs. Continued efforts to indigenise will help protect the Company from any adverse exchange rate fluctuations.

• **External Environment**

1. Fashion category is the fastest growing watch category. Fitness trackers and smart watches, though at a nascent stage of development, will continue to grow. To cater to fashion segment, the Company has added more international brands, such as Cerruti 1881, Gant and Nautica, into its product range. The launch of Timex l Blink fitness watch cum tracker with SOS feature has been a great success.
2. With the increase of internet usage, online sales will grow faster than the distribution channel. The Company has adopted omni channel sales model and started online sales through its website www.timexindia.com to tap the online consumers.
3. Mobile handset manufacturers and technology companies are investing on wearable technology. Wellness companies also are launching bands which are an extension to their health apps. Technology companies are tying up with various watch manufacturers to integrate technology with watches. The Company believes that continuous innovation is key to success. Timex Group Global Design Centre located in Milan, and the Global Supply Chain organization supports the Company to create differentiation and bring cutting edge technology and designs to a highly competitive marketplace. By thinking and acting both locally and globally, we are constantly challenging ourselves to look at the future.
4. Fake / counterfeit products have posed a big problem for the industry. The Industry needs to counter this collectively. The Company has been regularly taking legal action against counterfeiters.

• **Internal Environment**

Import of raw material may get affected due to external environment. The Company is integrating with Timex Global supply chain to develop alternate indigenous vendors.

• **Other Risks**

Risks relating to information technology (IT), business continuity and disaster management, retention of key personnel, compliance of various laws, contractual obligations, risks relating to the general macroeconomic environment including risks associated with political and legal changes, changes in tax structures, commercial rules & laws are analyzed regularly and measures are taken to mitigate the same.

DIRECTORS

Composition

The Board of Directors comprises 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/Key Managerial Personnel

Mr. Tobias Reiss Schmidt was appointed as an additional director of the Company with effect from January 31, 2018. 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 the candidature of Mr. Tobias Reiss Schmidt as Director of the Company. The Board recommends his appointment as Director of the Company, liable to retire by rotation.

Mr. David Thomas Payne resigned from the position of director with effect from January 30, 2018. He was again appointed as an Additional Director and Chairman of the Company with effect from April 20, 2018. 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 the candidature of Mr. David Thomas Payne as Director of the Company. The Board recommends 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 one year with effect from November 18, 2017 which has been approved by the shareholders through postal ballot on April 13, 2018.

Mr. Colin Davis Arsenault resigned from the position of director and Chairman of the Company with effect from April 16, 2018.

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

There was no change in the Key Managerial Personnel during the year.

Declaration by the Independent Directors

All Independent Directors have submitted declarations confirming that they meet the criteria of independence, as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors have also confirmed compliance with the Company's code of conduct during the FY 2017-18.

Number of meetings of Board of Directors

Four Board meetings were held during the financial year 2017-2018 on May 25, 2017, September 11, 2017, November 6, 2017 and January 31, 2018. All 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 Board has constituted the following Committees pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

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

More details with respect to the composition, powers, roles, terms of reference, etc. of these Committees are given in the ‘Report on Corporate Governance’ of the Company which forms part of this Annual Report.

REMUNERATION POLICY

The Board of Directors has adopted a Policy on Directors appointment and remuneration, including criteria for determining qualifications, positive attributes and independence of the Directors and other matters as per sub-section (3) of Section 178 of the Companies Act, 2013. This Policy is attached as **Annexure A** and forms an integral part of this Report.

EMPLOYEE REMUNERATION

Pursuant to the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report, which forms part of this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

FORMAL ANNUAL EVALUATION

The Board has carried out performance evaluation of itself, its Committees and each of the Directors (without participation of the concerned director). Independent Directors collectively evaluated the Board’s performance, performance of the Chairman and other non-independent Directors. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

The performance evaluation concluded on the note that each of the individual directors, Committees and the Board as a whole, were performing efficiently and effectively and shared a common vision to turn organization goals into reality.

VIGIL MECHANISM

The Company has in place a Whistle Blower Policy which provides 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. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

The Whistle Blowers are not denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are given in the Report on Corporate Governance and are also available on the website of the Company at the link www.timexindia.com.

POLICY ON PREVENTION OF INSIDER TRADING

In terms of the 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.

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

The Board has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties. This Policy is in compliance with the applicable provisions of the Companies Act 2013, the Rules 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.

All related party transactions entered 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. For transactions which are foreseen and repetitive in nature, omnibus approval of Audit Committee is obtained at the beginning of the financial year. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

No material related party transaction 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.

FINANCE

The Company has not invited nor holds any fixed deposits. There were no overdue / unclaimed deposits as on 31st March 2018.

During the year under review, the Company made payment, net of credits, aggregating to Rs. 3,684 Lakh by way of Central, State and local sales taxes and duties as against Rs. 4,356 Lakh in the previous year.

SEGMENT WISE REPORTING

The segment wise information is 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 2018- 2019 has been paid to the Exchange.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Adequate internal control systems, commensurate with size, scale and complexity of Company's operations have been put in place to ensure compliance with policies and procedures. The Company has also adopted policies and procedures for ensuring the orderly and efficient conduct of its business, 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 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 Audit Committee regularly reviews the systems and operations to ensure their effectiveness and implementation. The Internal Auditors and Statutory Auditors regularly attend Audit Committee meetings and convey their views on the adequacy of internal control systems as well as financial disclosures. The Audit Committee is briefed about the corrective actions taken by the management on the audit observations. The Audit scope is regularly reviewed by the Audit Committee for enhancement/ modification of scope and coverage of specific areas. The Statutory Auditors review the internal financial controls periodically.

AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as the Statutory Auditors of the Company by the shareholders in their 29th annual general meeting, to hold office for a period of 5 years from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting.

The Board of Directors has, in its meeting held on May 24, 2018, on the recommendations of the Audit Committee, recommended to the shareholders the ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under section 141 of the Act and that the ratification of appointment, if made, shall be in accordance with the applicable provisions of the Act and the rules framed thereunder.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

The Report given by M/s Deloitte Haskins & Sells LLP, Statutory Auditors on the financial statement of the Company for the year 2017-18 is part of the Annual Report. There is no qualification, reservation or adverse remark or disclaimer in their Report.

b. Secretarial Auditors and Secretarial Audit Report

M/s NKJ and Associates, Company Secretaries (Certificate of Practice No. 5233) have carried out the Secretarial Audit of the Company for the financial year 2017-18. The Report given by the Secretarial Auditors is annexed as **Annexure B** and forms integral part of this Report. There is no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In terms of Section 204 of the Companies Act, 2013, the Audit Committee recommended and the Board of Directors appointed M/s. NKJ & Associates, Company Secretaries (Certificate of Practice No. 5233) as the Secretarial Auditors of the Company in relation to the financial year 2018-19. The Company has received their consent for appointment.

HUMAN RESOURCES

The Company continued its efforts to attract, develop and retain the right talent. In this direction, salary benchmarking and revision was done for the critical positions. To ensure seamless availability of strong leadership, the Company has decided to embark upon a succession planning journey for critical roles at the senior leadership.

Training calendar has been developed to enhance the skills of the employees at all levels. Various training programmes including product training, Global Online Learning Management Solution etc. were conducted during the year. The Company also focused on conducting various employee engagement activities at all locations throughout the year to keep the employees fully motivated and aligned.

In order to imbibe and strengthen the culture of performance and meritocracy at all levels of the organisation, the employees continued to focus on smart KRAs and KPIs in line with the Company's growth strategy and plan. The online performance management system, 'Workday', has been put in place for setting up of smart goals and objectives of all employees and thereby tracking it on a regular basis. Appraisals are also linked with these smart goals and objectives.

The Company comprises a small team of professionals, who are result oriented, committed and loyal. As on 31st March 2018, the Company had 381 employees on its rolls.

SECRETARIAL STANDARDS

The Directors state that applicable secretarial standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

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, 2018 and the date of Directors' Report i.e. 24th May, 2018.

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 is annexed herewith as **Annexure C** and forms an integral part of this Report.

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 D** to this Report forming an integral part of this report.

DEMATERIALISATION

The equity shares of the Company are being compulsorily traded in dematerialized form. As on 31st March 2018, 24627 shareholders representing 97.24% of the Equity Share Capital are holding shares in 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 have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have 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 have prepared the annual accounts on a going concern basis; and

(e) the directors have 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 have devised proper systems to ensure compliance with the provisions 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

Sd/-

Place : Noida, U.P. **David Thomas Payne**

Date : May 24, 2018 **Chairman**

DIN: 07504820

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 insetting its agenda;
- ensuring the provision of accurate, timely and clear information to directors;
- ensuring effective communication with shareholders;

- arranging the regular evaluation of the performance of the board, its committees and individual directors;
- 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.

Annexure-B

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 2018

To,
The Members,
Timex Group India Limited
106-107, Ambadeep, 14, Kasturba Gandhi Marg
New Delhi Central Delhi DL 110001

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, 2018 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, 2018 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;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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: 24 May, 2018

For NKJ & Associates
Company Secretaries

sd/-
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
106-107, Ambadeep, 14, Kasturba Gandhi Marg
New Delhi Central Delhi DL 110001

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

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

Place : New Delhi
Date : 24 May, 2018

sd/-
Neelesh Kumar Jain
FCS No.: 5593
C P No. : 5233

Annexure-C

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March 2018
(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**	**106-107, Ambadeep, 14, Kasturba Gandhi Marg, New Delhi-110001 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 Amsterdam 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 (1st April 2017)				No. of Shares held at the end of the year (31st March 2018)				% 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	74.933	75645100	0	75645100	74.933	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**	**74.933**	**75645100**	**0**	**75645100**	**74.933**	**0**
Total share-holding of Promoter(A)= (A)(1)+(A)(2)	**75645100**	**0**	**75645100**	**74.933**	**75645100**	**0**	**75645100**	**74.933**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	7800	7800	0.007	0	7800	7800	0.007	0
b) Banks/FI	200	1100	1300	0.000	200	1100	1300	0.000	0
c) Central Govt	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2017)				No. of Shares held at the end of the year (31st March 2018)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	89296	15600	104896	0.104	110616	15600	126216	0.125	0.021
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others(specify) Foreign National	400	0	400	0.000	400	0	400	0.000	0
Sub-total(B)(1):-	**89896**	**24500**	**114396**	**0.113**	**111216**	**24500**	**135716**	**0.134**	**0.021**
2. Non-Institutions									
a) Bodies Corp.									
i) Indians	2431518	17500	2449018	2.426	2106142	17300	2123442	2.103	-0.323
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	13817435	2421139	16238574	16.086	13271612	2371303	15642915	15.496	-0.590
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5189571	0	5189571	5.141	6022943	0	6022943	5.966	0.825
Others(specify)									
NRI	919801	384700	1304501	1.292	1000669	376400	1377069	1.364	0.072
Trust	8840	0	8840	0.008	2815	0	2815	0.003	-0.005
Subtotal(B)(2):-	**22367165**	**2823339**	**25190504**	**24.953**	**22404181**	**2765003**	**25169184**	**24.932**	**-0.021**
Total Public Share holding(B)=(B)(1)+(B)(2)	**22457061**	**2847839**	**25304900**	**25.07**	**22515397**	**2789503**	**25304900**	**25.07**	**0**
3. Share held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**98102161**	**2847839**	**100950000**	**100.00**	**98160497**	**2789503**	**100950000**	**100.00**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year (1st April 2017)			Shareholding at the end of the year (31st March 2018)			% Change in share holding during the year
		No of shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
1.	Timex Group Luxury Watches B.V.	75645100	74.93	0	75645100	74.93	0	0
	Total	**75645100**	**74.93**	**0**	**75645100**	**74.93**	**0**	**0**

(iii) Change in Promoters Shareholding
No Change in the shareholding of the promoters.

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	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. No.	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.	**Tarbir Shahpuri**						
	At the beginning of the year			1095000	1.084		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		14-04-2017	5000			1100000	1.090
		26-05-2017	1000			1101000	1.091
		30-06-2017	62108			1163108	1.152
		27-10-2017	100			1163208	1.152
		02-02-2018	38792			1202000	1.191
		09-02-2018	-2000			1200000	1.189
	At the end of the year (or on the date of separation, if separated during the year)			1200000	1.189		
2.	**Chetan Jayantilal Shah**						
	At the beginning of the year			800000	0.792		

	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		26-01-2018	250000			1050000	1.040
	At the end of the year (or on the date of separation, if separated during the year)			1050000	1.040		
3.	**S. Shyam**						
	At the beginning of the year			995476	0.986		
	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)			995476	0.986		
4.	**S. Shyam**						
	At the beginning of the year			221000	0.219		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		22-07-2017	40447			261447	0.259
		04-08-2017	670			262117	0.260
		08-09-2017	35000			297117	0.294
		02-02-2018	300000			597117	0.591
	At the end of the year (or on the date of separation, if separated during the year)			597117	0.591		
5.	**Dr. Sanjeev Arora**						
	At the beginning of the year			598355	0.593		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		30-03-2018	-10000			588355	0.583
	At the end of the year (or on the date of separation, if separated during the year)			588355	0.583		
6.	**Shashank S Khade**						
	At the beginning of the year			296615	0.294		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		26-05-2017	23100			319715	0.317
		02-06-2017	8030			327745	0.325
		25-08-2017	42500			370245	0.367
		15-09-2017	42000			412245	0.408
		22-09-2017	2484			414729	0.411
		30-09-2017	330			415059	0.411
		06-10-2017	10000			425059	0.421

		13-10-2017	29098			454157	0.450
		20-10-2017	14000			468157	0.464
	At the end of the year (or on the date of separation, if separated during the year)			468157	0.464		
7.	**LKP Securities Limited**						
	At the beginning of the year			0	0		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		07-04-2017	9582			9582	0.009
		14-04-2017	-332			9250	0.009
		23-06-2017	-9250			0	0
		25-01-2018	1000			1000	0.000
		02-02-2018	326000			327000	0.324
		09-02-2018	68716			395716	0.392
		16-02-2018	-9716			386000	0.382
		23-02-2018	15000			401000	0.397
		09-03-2018	16417			417417	0.413
		16-03-2018	-36417			381000	0.377
		23-03-2018	200			381200	0.378
	At the end of the year (or on the date of separation, if separated during the year)			381200	0.378		
8.	**Bharat Kunverji Kenia**						
	At the beginning of the year			320612	0.318		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		03-11-2017	11000			331612	0.328
		10-11-2017	9000			340612	0.337
	At the end of the year (or on the date of separation, if separated during the year)			340612	0.337		
9.	**Sonal Chetan Shah**						
	At the beginning of the year			300000	0.297		
	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)			300000	0.297		
10.	**Ramesh Kumar Bukka**						
	At the beginning of the year			125000	0.124		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				

		02-02-2018	27132			152132	0.151
	At the end of the year (or on the date of separation, if separated during the year)			152132	0.151		

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1st April 2017)		Increase/decrease in shareholding during the year specifying the reason for increase/ decrease	Shareholding at the end of the year (31st March 2018)	
	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.	Mr. David Thomas Payne**	0	0	-	0	0
3.	Mr. Tobias Reiss Schmidt***	0	0	-	0	0
4.	Ms. Sharmila Sahai	0	0	-	0	0
5.	Mr. Anil Malhotra	0	0	-	0	0
6.	Mr. Daya Dhaon	0	0	-	0	0
7.	Ms. Gagan Singh	0	0	-	0	0
8.	Mr. Pradeep Mukerjee	0	0	-	0	0
9.	Mr. Bijou Kurien	3800	0.00	-	3800	0.00
10.	Mr. Amit Jain	0	0	-	0	0
11.	Mr. Dhiraj Kumar Maggo	0	0	-	0	0

*Mr. Colin Davis Arsenault resigned with effect from April 16, 2018.

**Mr. David Thomas Payne resigned with effect from January 30, 2018. He was again appointed as an Additional Director with effect from April 20, 2018.

***Mr. Tobias Reiss Schmidt was appointed as an Additional Director with effect from January 31, 2018.

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
Indebtedness at the beginning of the financial year				
i)Principal Amount	-	25,14,07,702	-	**25,14,07,702**
ii)Interest due but not paid	-	-	-	**-**
iii)Interest accrued but not due	-	82,82,959	-	**82,82,959**
Total(i+ii+iii)		25,96,90,661		**25,96,90,661**
Change in Indebtedness during the financial year				
• Addition	-	39,01,43,100	-	**39,01,43,100**
• Reduction	-	35,86,44,431	-	**35,86,44,431**
Net Change	-	3,14,98,669	-	**3,14,98,669**
Indebtedness at the end of the financial year				
i) Principal Amount	-	28,29,06,371	-	**28,29,06,371**
ii) Interest due but not paid	-	1,73,260	-	**1,73,260**
iii) Interest accrued but not due	-	-	-	**-**
Total(i+ii+iii)	-	**28,30,79,631**	-	**28,30,79,631**

VI. REMUNERATION OF THE DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manger (Amount in Rs.)
		Ms. Sharmila Sahai
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax act, 1961 (b) Value if perquisites u/s 17(2) Income tax Act, 1962 (c) Profits in lieu of salary under section 17(3) Income Tax Act,1961	1,09,39,748 - -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - As % of profit - Others, specify	- -
5.	Others (Incentive, reimbursements & retirals)	8,25,547
	Total(A)	**1,17,65,295**
	Ceiling as per the Act	Remuneration paid is within the ceiling prescribed under Companies Act, 2013.

B. Remuneration of other directors

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Bijou Kurien	**Mr. Daya Dhaon**	**Ms. Gagan Singh**	**Mr. Pradeep Mukerjee**	
1.	A. Independent Directors • Fees for attending board/committee meetings • Commission • Others, please specify	2,20,000 - -	2,00,000 - -	2,20,000 - -	2,80,000 - -	**9,20,000** - -
2.	**Total(1)**	**2,20,000**	**2,00,000**	**2,20,000**	**2,80,000**	**9,20,000**
3.	B. Other Non-Executive Directors • Fees for attending board committee meetings • Commission • Others, please specify	NA	NA	NA	NA	NA
4.	**Total(2)**	NIL	NIL	NIL	NIL	NIL
5.	**Total(B)=(1+2)**	**2,20,000**	**2,00,000**	**2,20,000**	**2,80,000**	**9,20,000**
	Total Managerial Remuneration (A+B)					**1,26,85,295**
	Overall Ceiling as per the Act	The sitting fees has been paid within the limits prescribed under the Companies Act, 2013				

Mr. Colin Davis Arsenault, Mr. David Thomas Payne, Mr. Tobias Reiss Schmidt and Mr. Anil Malhotra were not paid any sitting fee or other remuneration during the year 2017-18.

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

S No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO/MD*	CFO- Amit Jain	Company Secretary - Dhiraj Kumar Maggo	Total (Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax act, 1961 (b) Value if perquisites u/s 17(2) Income tax Act, 1962 (c) Profits in lieu of salary under section 17(3) income Tax Act,1961		74,75,533 32,400 -	42,49,456 32,400 -	**1,17,24,989** **64,800** **-**
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - As % of profit - Others, specify		- -	- -	- -
5.	Others (Retirals & Reimbursements)		16,05,302	11,91,054	**27,96,356**
	Total		**91,13,235**	**54,72,910**	**1,45,86,145**

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

VII. PENALITIES/PUNISHMENT/COMPOUNDINGOF OFFENCES

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

Annexure-D

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**
Conservation of energy	
(i) the steps taken or impact on conservation of energy; (ii) the steps taken by the company for utilising alternate sources of energy; (iii) the capital investment on energy conservation equipment.	CFL Lights and Sodium lamps were replaced with LED Lights.
Technology Absorption	
(i) the efforts made towards technology absorption; (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) the expenditure incurred on Research and Development.	NA
Foreign exchange	
The Company has earned INR 1,629 Lakhs in Foreign exchange and used INR 4,929 lakhs.	

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Transparency and accountability are the two basic tenets of Corporate Governance which are integral part of our business and endeavour to ensure fairness for every stakeholder- our customers, investors, vendors and the communities wherever we operate. 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. We always seek to ensure that our performance is driven by integrity, value and ethics. Responsible corporate conduct is integral to the way we do our business.

We, at TIMEX, ensure that we evolve and follow the corporate governance guidelines and best practices. The norms and processes of Corporate Governance reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as the Company's leadership and governance structure.

Our Board is responsible for shaping the long-term vision and policy approach to steadily elevate the quality of governance in our Organisation. At Timex, we firmly believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the Management. 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 jewellery 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. The Board is chaired by Mr. David Thomas Payne as a Non-Executive Chairman. 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 24, 2018 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. David Thomas Payne	Chairman and Non-Executive Director	Nil	1	-
Mr. Tobias Reiss Schmidt	Vice Chairman and Non-Executive Director	Nil	-	-
Ms. Sharmila Sahai	Managing Director	Nil	-	-
Mr. Anil Malhotra	Non-Executive Director	Nil	4	-

Mr. Daya Dhaon	Non-Executive-Independent Director	Nil	-	-
Ms. Gagan Singh	Non-Executive-Independent Director	Nil	1	2(including 1 as chairperson)
Mr. Pradeep Mukerjee	Non-Executive-Independent Director	Nil	1	-
Mr. Bijou Kurien	Non-Executive-Independent Director	3800	8	3(including 1 as chairperson)

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 have 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. Tobias Reiss Schmidt was appointed as an additional director of the Company with effect from January 31, 2018. He was further appointed as the Vice Chairman of the Company with effect from April 20, 2018. Mr. Schmidt holds the office upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing the appointment of Mr. Schmidt as a director. The Board recommends his appointment as Director, liable to retire by rotation.

Ms. Sharmila Sahai has been re-appointed as the Managing Director of the Company for a term of one year with effect from November 18, 2017.

Mr. David Thomas Payne resigned from directorship of the Company with effect from January 30, 2018. However, 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 again appointed as an additional director and Chairman of the Company with effect from April 20, 2018. Mr. Payne holds the office upto 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.

Mr. Colin Davis Arsenault resigned from the position of Director and Chairman of the Company with effect from April 16, 2018.

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. Anil Malhotra will retire at the ensuing AGM and being eligible, seeks re-appointment. The Board has recommended his re-appointment.

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 four times during the financial year 2017-18 on 25th May, 2017, 11th September, 2017, 6th November, 2017 and 31st January, 2018 to consider amongst other business matters, the quarterly performance of the Company and financial results. The maximum interval between any two meetings was well within the maximum allowed gap of 120 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 2017-18 are as under:

Names	No. of Meetings attended	Attendance at last AGM
Mr. Colin Davis Arsenault*	4	Yes
Ms. Sharmila Sahai	4	Yes
Mr. Anil Malhotra	4	Yes
Mr. David Thomas Payne**	1	-
Mr. Tobias Reiss Schmidt***	1	NA
Mr. Daya Dhaon	3	Yes
Ms. Gagan Singh	3	Yes
Mr. Pradeep Mukerjee	4	Yes
Mr. Bijou Kurien	4	Yes

**Mr. Colin Davis Arsenault resigned with effect from 16th April, 2018.*

***Mr. David Thomas Payne resigned with effect from 30th January, 2018. He was again appointed as an additional director with effect from 20th April, 2018.*

****Mr. Tobias Reiss Schmidt was appointed as an additional director with effect from 31st January, 2018.*

d) 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.

e) 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.

The Company has an effective post Board meeting follow up procedure. Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board. The Board has established procedures to periodically review Compliance Report pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance.

INDEPENDENT DIRECTORS MEETING

A meeting of Independent Directors of the Company was held on January 30, 2018 whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

a) Review of performance of Non-Independent Directors and the Board as a whole;
b) Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARIZATION PROGRAMME

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. 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.

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. Tobias Reiss Schmidt 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 25th May, 2017, 11th September, 2017, 6th November, 2017 and 31st January, 2018.

The details of member's attendance at the Audit Committee Meetings during the financial year 2017-18 are as under:

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

1. *Mr. Colin Davis Arsenault resigned with effect from 16th April, 2018.*
2. *Mr. David Thomas Payne resigned with effect from 30th January, 2018. He was again appointed as a member with effect from 20th April, 2018.*
3. *Mr. Tobias Reiss Schmidt was appointed as a member with effect from 31st January, 2018.*

The meetings of Audit Committee are also attended by the Managing Director, Chief Financial Officer, Statutory

Auditors and Internal Auditors 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

Currently, the Committee comprises of five Non- Executive Directors, namely Mr. Daya Dhaon, Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. Tobias Reiss Schmidt 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 two times on 6th November, 2017 and 31st January, 2018.

The details of member's attendance at the Nomination & Remuneration Committee Meetings during the financial year 2017-18 are as follows:

Names	No. of Meeting attended
Mr. Daya Dhaon	1
Ms. Gagan Singh	2
Mr. Pradeep Mukerjee	2
Mr. Colin Davis Arsenault(1)	2
Mr. David Thomas Payne(2)	-
Mr. Tobias Reiss Schmidt(3)	NA

1. *Mr. Colin Davis Arsenault resigned with effect from 16th April, 2018.*
2. *Mr. David Thomas Payne resigned with effect from 30th January, 2018. He was again appointed as a member with effect from 20th April, 2018 .*
3. *Mr. Tobias Reiss Schmidt was appointed as a member with effect from 31st January, 2018.*

Performance evaluation criteria

The Nomination and Remuneration Committee have developed parameterized feedback forms for the performance evaluation of all director 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. Tobias Reiss Schmidt 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 complaints received from 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 etc. To expedite the process of share transfers, the Board has delegated the power of share transfer to Share Allotment and Transfer Committee.

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 25th May, 2017, 11th September, 2017, 6th November, 2017 and 31st January, 2018.

The details of member's attendance at the Stakeholders Relationship Committee Meetings during the financial year 2017-18 are as under:

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

1. *Mr. Colin Davis Arsenault resigned with effect from 16th April, 2018.*
2. *Mr. David Thomas Payne resigned with effect from 30th January, 2018. He was again appointed as a member with effect from 20th April, 2018.*
3. *Mr. Tobias Reiss Schmidt was appointed as a member with effect from 31st January, 2018.*

The details of complaints received and resolved during the Financial Year ended 31st March, 2018 are given in the table below:

Complaints outstanding as on April 1, 2017	0
Complaints received during the year ended March 31, 2018	3
Complaints resolved during the year ended March 31, 2018	3
Complaints pending as on March 31, 2018	0

Name and designation of compliance officer: Mr. Dhiraj Kumar Maggo - GM Legal & Company Secretary.

Address: 106-107, Ambadeep, 14, Kasturba Gandhi Marg, New Delhi-110001

d) Corporate Social Responsibility Committee

The Committee comprises of Ms. Gagan Singh, Ms. Sharmila Sahai and Mr. David Thomas Payne. Mr. David Thomas Payne was appointed as the member of the Committee in place of Mr. Colin Davis Arsenault with effect from April 20, 2018, as Mr. Arsenault resigned with effect from April 16, 2018. 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.

There was no meeting of the Corporate Social Responsibility Committee held during the year.

e) Share Allotment and Transfer Committee

The Committee comprise of Ms. Sharmila Sahai and Mr. David Thomas Payne. Mr. David Thomas Payne was appointed as the member of the Committee in place of Mr. Colin Davis Arsenault with effect from April 20, 2018, as Mr. Arsenault resigned with effect from April 16, 2018. The Share Allotment and Transfer Committee consider requests of share transfer/ transmission/ transposition/ split/ consolidation/ sub-division/ duplicate share certificate etc. The summary of number of requests received and resolved in every quarter is placed before the Board for its information and noting.

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 at Corporate Office and at all regional offices for prevention and prohibition of sexual harassment and redressal against complaints of sexual harassment of working women at the workplace as per Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 read with Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Rules, 2013. This Internal Complaints Committee has the power/jurisdiction to deal with complaints of sexual harassment of working women as per the rules specified therein. All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2017-18, no such complaints were received across the organisation.

CODE OF CONDUCT

In compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has formulated and adopted a Code of Conduct for its Board of Directors and senior management and has put the same on the company's website www.timexindia.com. The Code has been circulated to all members of the Board and Senior Management and they have affirmed the compliance of the same. A declaration signed by the Managing Director of the Company regarding affirmation of the compliance with the code of conduct by Board Members and Senior Management for the financial year ended March 31, 2018, is annexed hereto.

DISCLOSURES

a) **Related party transactions**

All transactions entered into with related parties as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 during the financial year were in ordinary course of business and on arm's length basis. Audit Committee reviews the Related Party Transactions periodically.

None of the transactions with any of the related parties was 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. 28 of Financial Statements, forming part of the Annual Report.

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

b) **Details of Non-compliance**

The Company has complied with the requirements of the BSE Ltd., SEBI and other statutory authorities on all matters relating to capital markets during the last three years. A report on the compliances on the applicable laws for the Company is placed before the Board on a quarterly basis for its review and consideration. 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.

c) **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.

During the year under review, no personnel were denied the access to the Audit Committee.

d) **Details of compliance with mandatory requirements and adoption of the discretionary requirements**

The Company has fully complied with the mandatory requirements of the Code of Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- Separate posts of Chairman and Managing Director: The Company has maintained separate posts for Chairperson and Managing Director of the Company.
- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

e) **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.

f) **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 BSE Ltd. where the securities of the Company are listed within 30 days of the end of each quarter.

g) **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 take effective measures to mitigate the same in the best possible manner. The Board is also periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks.

h) **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 on March 31, 2018 which is annexed to this Report.

i) **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.

j) **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.

DIRECTORS REMUNERATION

Non Executive Directors including Independent Directors do not have any pecuniary relationships or transactions with the Company. The independent directors were paid sitting fees of Rs. 20,000/- each for attending the meetings of the Board of Directors or its 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 March 31, 2018 are as follows-

Sl. No.	Name	Sitting Fees	Salary and Benefits	Performance Bonus	Retirals	Total (in Rs.)
1.	Ms. Sharmila Sahai	NIL	1,12,91,735	NIL	4,73,560	**1,17,65,295**
2.	Ms. Gagan Singh	2,20,000	NIL	NIL	NIL	**2,20,000**
3.	Mr. Bijou Kurien	2,20,000	NIL	NIL	NIL	**2,20,000**
4.	Mr. Daya Dhaon	2,00,000	NIL	NIL	NIL	**2,00,000**
5.	Mr. Pradeep Mukerjee	2,80,000	NIL	NIL	NIL	**2,80,000**

Note: Mr. Colin Davis Arsenault, Mr. David Thomas Payne, Mr. Anil Malhotra and Mr. Tobias Reiss Schmidt were not paid any sitting fees or other remuneration during the year 2017-18.

Ms. Sharmila Sahai was re-appointed as Managing Director of the Company for a period of 1 year w.e.f November 18, 2017. In terms of the agreement, the Company or Ms. Sharmila Sahai can terminate the Appointment Agreement by giving 3 months notice in writing. There is no severance 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 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	:	Friday, 3rd August, 2018 at 10.00 am at Air Force Auditorium, Subroto Park, New Delhi-110010
Financial Year	:	April 1, 2017 to March 31, 2018
Tentative calendar of events for the financial year 2018-19 (April- March)		To review and approve unaudited Financial Results for the quarter First quarter - upto 14th August, 2018 Second quarter - upto 14th November, 2018 Third quarter - upto 14th February, 2019 Fourth quarter - upto 15th May, 2019 or alternatively upto 30th May, 2019 with Annual Results for the Year ending 31st March 2019.
Book closure Date	:	August 1, 2018 to August 2, 2018 (both days inclusive)
Listing of shares on Stock Exchanges	:	BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Registered Office	:	106-107, Ambadeep, 14, Kasturba Gandhi Marg, New Delhi-110001
Listing Fees	:	Listing fees as prescribed has been paid to the Stock Exchange up to March 31, 2019
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 Alankit Assignment Limited as Registrar and Shares Transfer Agent. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within fifteen days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services (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 Allotment and Transfer Committee. A summary of transfer, transmission of securities of the company so approved by the Share Allotment and 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
06.08.2015	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	-
03.08.2016	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	3
27.07.2017	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	1

POSTAL BALLOT*

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 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 have casted their vote electronically. The Postal Ballot Forms received within 30 days of dispatch along with the votes casted electronically were considered by the Scrutinizer and thereafter Scrutinizer submitted his report to the Company for declaration of results. The results were 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.

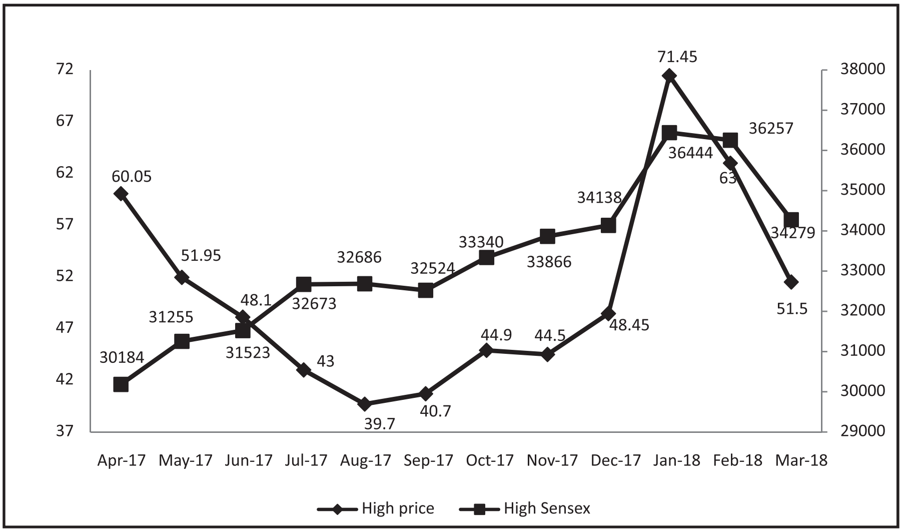
Details of the voting pattern and resolutions are given below:

Date of Declaration of Postal Ballot Results	Name of the Scrutinizer	Brief particulars of resolution	Percentage of votes cast in favour of the resolution
April 13, 2018	Mr. Neelesh Kumar Jain, proprietor, M/s N.K.J & Associates, Company Secretaries	Special Resolution to consider the extension of maturity period of Preference Shares	99.997
		Special Resolution to consider the re-appointment of Ms. Sharmila Sahai as the Managing Director of the Company	99.998
		Special Resolution to consider the revision of remuneration of Ms. Sharmila Sahai, Managing Director of the Company	99.996

* The process of Postal Ballot was initiated in the financial year 2017-18, however the result was declared on April 13, 2018 thereby making this postal ballot fall in 2 financial years i.e. 2017-18 and 2018-19.

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 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
High	60.50	51.95	48.10	43.00	39.70	40.70	44.90	44.50	48.45	71.45	63.00	51.50
Low	49.05	41.65	36.60	36.55	35.15	36.90	36.00	36.05	43.00	42.55	49.50	41.05

STOCK CODE

The stock code of the Company at BSE Ltd.	500414
ISIN allotted by National Securities Depository Limited and Central Depository 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. Shares 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 2018, the distribution of Company's shareholding was as follows: -

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Amount
UPTO - 2500	54836	98.299	8922221	8.838
2501 - 5000	475	0.851	1810170	1.793
5001 - 10000	241	0.432	1844827	1.827
10001 - 20000	117	0.210	1707994	1.692
20001 - 30000	42	0.075	1025356	1.016
30001 - 40000	24	0.043	845033	0.837
40001 - 50000	13	0.023	596459	0.591
50001 - 100000	17	0.030	1286920	1.275
100001 AND ABOVE	20	0.036	82911020	82.131
TOTAL	**55785**	**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 24627 no. of shareholders holding their shares in dematerialized form, which represent 97.24% of the Equity paid up capital of the Company.

PLANT LOCATION

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

ADDRESS FOR CORRESPONDANCE

Timex Group India Limited, 106-107, Ambadeep, 14, Kasturba Gandhi Marg, New Delhi-110001
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) read with Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that;

a) We have reviewed the Financial Statements and the cash flow statement for the year ended 31st March, 2018 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 ended 31st March, 2018 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 ended 31st March, 2018;
   ii. significant changes in accounting policies during the year ended 31st March, 2018 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/-	Sd/-
Sharmila Sahai	Amit Jain
Managing Director	Chief Financial Officer
(DIN: 00893750)	

Date : 24th May, 2018
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

To,
Board of Directors
Timex Group India Limited

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 2017-18, 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.

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

Date : 15th May, 2018
Place : Noida

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
106-107, Ambadeep, 14, Kasturba
Gandhi Marg, New Delhi-110001

1. We have reviewed the implementation of the corporate governance procedures by Timex Group India Limited (the Company) during the year ended March 31st 2018, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For N.K.J & ASSOCIATES
Company Secretaries

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

Date : 24th May, 2018
Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TIMEX GROUP INDIA LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Timex Group India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 25, 2017 expressed an unmodified opinion and report for the year ended March 31, 2016 dated May 26, 2016 expressed a qualified opinion due to excess managerial remuneration paid (refer note 37 to the accompanying financial statements) on those financial statements, and have been restated to comply with Ind AS Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
   f) 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 A".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 Ind AS financial statements – Refer Note 27 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. – Refer Note 27(e) to the financial statements;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company– Refer Note 27(f) to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manjula Banerji
Partner
(Membership No.: 086423)

Noida, May 24, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2018 in conjunction with our audit of the Ind AS 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, based on the criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manjula Banerji
Partner
(Membership No.: 086423)

Noida, May 24, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us the Company does not have any immovable properties of freehold or leasehold land and building disclosed as property, plant and equipment and hence reporting under clause (i) (c) of the CARO 2016 ("the Order") is not applicable.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for stock lying with third parties and goods in transit for which confirmations have been obtained and subsequent receipts have been verified in most of the cases. The discrepancies noted on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year in the terms of the provision of section 73 to 76 or any other relevant provision of the Act. Accordingly, para 3 (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act. Accordingly, para 3 (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax, Value Added Tax, Works Contract Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax, Value Added Tax, Works Contract Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) 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, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited by the Company with the appropriate authorities on account of any dispute.

(Rs. Lakhs)

Name of the Statute	Nature of the dues	Forum where dispute	Period	Amount*
Sales Tax Laws	State Sales Tax	Upto Commissioner (Appeals)	1992-2014	672
	Central Sales Tax	Upto Commissioner (Appeals)	1994-2017	161

*amount paid as per demand orders including interest and penalty wherever quantified in the Order

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding dues to any financial institution, government or debenture holders during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manjula Banerji
Partner
(Membership No.: 086423)

Noida, May 24, 2018

BALANCE SHEET

As at March 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	2	586	658	815
(b) Capital work-in-progress	2	5	-	-
(c) Intangible assets	3	144	186	229
(d) Financial assets				
Other financial assets	4	95	136	180
(e) Tax assets (net)	5	123	120	118
(f) Other non-current assets	6	152	174	243
Total non-current assets		1,105	1,274	1,585
(2) Current assets				
(a) Inventories	7	4,506	3,676	4,004
(b) Financial assets				
(i) Trade receivables	8	5,909	4,126	4,383
(ii) Cash and cash equivalents	9	322	407	418
(iii) Bank balances other than (ii) above	10	2	2	1
(iv) Loans	11	-	0 #	0#
(v) Other financial assets	4	0 #	0 #	4
(c) Other current assets	6	271	191	365
Total current assets		11,010	8,402	9,175
TOTAL ASSETS		**12,115**	**9,676**	**10,760**
# Amount is below rounding off threshold adopted by the Company				
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	1,010	1,010	1,010
(b) Other equity	13	518	(212)	(3,337)
Total equity		1,528	798	(2,327)
Liabilities				
(1) Non-current liabilities				
(a) Provisions	14	544	525	385
(b) Other non-current liabilities	15	18	-	-
Total non-current liabilities		562	525	385
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	2,829	2,514	3,444
(ii) Trade payables	17	6,654	5,103	8,521
(iii) Other financial liabilities	18	178	259	203
(b) Provisions	14	169	119	112
(c) Other current liabilities	15	195	358	422
Total current liabilities		10,025	8,353	12,702
Total liabilities		10,587	8,878	13,087
TOTAL EQUITY AND LIABILITIES		**12,115**	**9,676**	**10,760**
# Amount is below rounding off threshold adopted by the Company				
Accompanying notes forming part of the financial statements	1 to 39			

In terms of our report attached

For Deloitte Haskins and Sells LLP
Chartered Accountants

Manjula Banerji
Partner

Place : Noida
Date : May 24, 2018

For and on behalf of the Board of Directors

Davis Thomas Payne
Chairman
(DIN - 07504820)

Sharmila Sahai
Managing Director
(DIN - 00893750)

Amit Jain
Chief Financial Officer

Dhiraj Kumar Maggo
Company Secretary
(Membership No.: F7609)

Place : Noida
Date : May 24, 2018

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	19	20,940	20,048
II	Other income	20	75	14
III	**Total Income (I + II)**		**21,015**	**20,062**
IV	**Expenses**			
	Cost of materials consumed	21.1	10,626	9,669
	Purchases of stock-in-trade	21.2	1,081	1,057
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.3	(668)	483
	Excise duty on sale of goods		210	37
	Employee benefits expense	22	2,563	2,370
	Finance costs	23	210	277
	Depreciation and amortisation expense	24	167	207
	Other expenses	25	6,074	6,289
	Total Expenses (IV)		**20,263**	**20,389**
V	**Profit/(loss) before tax (III - IV)**		**752**	**(327)**
VI	**Tax Expense**	26		
	Current tax		-	-
	Deferred tax		-	-
	Total tax expense		**-**	**-**
VII	**Profit/(loss) after tax (V - VI)**		**752**	**(327)**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Gain / (loss) on defined benefit obligations	29.2	(22)	(48)
	Total other comprehensive income		(22)	(48)
IX	**Total comprehensive income (VII + VIII)**		**730**	**(375)**
	Earning per equity share (Face value of share - Re. 1 each)			
	Basic (in Rs.)	31	0.75	(0.99)
	Diluted (in Rs.)	31	0.75	(0.99

Accompanying notes forming part of the financial statements 1 to 39

In terms of our report attached
For Deloitte Haskins and Sells LLP
Chartered Accountants

Manjula Banerji
Partner

Place : Noida
Date : May 24, 2018

For and on behalf of the Board of Directors

Davis Thomas Payne
Chairman
(DIN - 07504820)

Sharmila Sahai
Managing Director
(DIN - 00893750)

Amit Jain
Chief Financial Officer
Place : Noida
Date : May 24, 2018

Dhiraj Kumar Maggo
Company Secretary
(Membership No.: F7609)

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

(a) Equity share capital

	Amount
Balance as at April 1, 2016	1,010
Changes in equity share capital during the year	-
Balance as at March 31, 2017	1,010
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**1,010**

(b) Other Equity	Securities Premium	Equity component of compound financial instrument- Preference share	Retained earnings	TOTAL
Balance as at April 1, 2016	351	4,110	(7,798)	**(3,337)**
Profit/(loss) for the year	-	-	(327)	**(327)**
Other comprehensive income for the year, net of income tax	-	-	(48)	**(48)**
Total comprehensive income for the year	-	-	**(375)**	**(375)**
Equity component of preference shares issued during the year	-	3,500	-	**3,500**
Balance as at March 31, 2017	**351**	**7,610**	**(8,173)**	**(212)**
Profit/(loss) for the year	-	-	752	**752**
Other comprehensive income for the year, net of income tax	-	-	(22)	**(22)**
Total comprehensive income for the year	-	-	**730**	**730**
Balance as at March 31, 2018	**351**	**7,610**	**(7,443)**	**518**

Accompanying notes forming part of the financial statements 1 to 39

In terms of our report attached
For Deloitte Haskins and Sells LLP
Chartered Accountants

Manjula Banerji
Partner

Place : Noida
Date : May 24, 2018

For and on behalf of the Board of Directors

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Amit Jain
Chief Financial Officer
Place : Noida
Date : May 24, 2018

Dhiraj Kumar Maggo
Company Secretary
(Membership No.: F7609)

CASH FLOW STATEMENT
for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	752	(327)
	Adjustments for:		
	Interest income	(1)	(4)
	Liabilities/provisions no longer required written back	(46)	(60)
	Grant Income	(6)	-
	Finance costs	210	277
	Depreciation and amortisation expenses	167	207
	Net loss on sale / discarding of property, plant and equipment	-	1
	Assets written off	5	53
	Bad debts written off	-	6
	Provision for doubtful debts	5	10
	Net unrealised currency exchange fluctuation gains	9	(35)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets		
	Inventories	(830)	328
	Trade receivables	(1,755)	241
	Loans (Current)	0 #	0 #
	Other financial assets (Current)	-	4
	Other financial assets (Non-current)	41	44
	Other assets (Current)	(80)	174
	Other assets (Non-current)	22	69
	Adjustments for increase / (decrease) in operating liabilities		
	Trade payables	1,557	(3,323)
	Provisions (Current)	28	(41)
	Provisions (Non-current)	19	140
	Other liabilities (Current)	(169)	(64)
	Cash generated /(outflow) from operations	**(72)**	**(2,300)**
	Income taxes paid (net of refunds)	(3)	(2)
	Net cash generated /(used) in operating activities	**(75)**	**(2,302)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Interest received	1	4
	Bank balances not considered as cash and cash equivalents	-	(1)
	Payment for purchase of property, plant and equipment and other intangible assets	(64)	(83)
	Proceeds from disposal of property, plant and equipment	-	-
	Government grant received	29	-
	Net cash generated / (used) in investing activities	**(34)**	**(80)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Net proceeds / (repayment) from borrowings (Current)	1,615	(2,230)
	Proceeds from issue of preference shares capital	-	3,500
	Net proceeds / (repayment) of loan from related party	(1,300)	1,300
	Finance costs paid	(291)	(199)
	Net cash generated / (used) in financing activities	**24**	**2,371**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(85)**	**(11)**
	Cash and cash equivalents at the beginning of the year	407	418
	Cash and cash equivalents at the end of the year	**322**	**407**

Note:

Component of cash and cash equivalents :

Balances with Banks		
-In current accounts	114	261
Cheques, drafts on hand	207	145
Cash on hand	1	1
	322	**407**

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

Accompanying notes forming part of the financial statements 1 to 39

In terms of our report attached

For Deloitte Haskins and Sells LLP
Chartered Accountants

Manjula Banerji
Partner

Place : Noida
Date : May 24, 2018

For and on behalf of the Board of Directors

Davis Thomas Payne
Chairman
(DIN - 07504820)

Sharmila Sahai
Managing Director
(DIN - 00893750)

Amit Jain
Chief Financial Officer
Place : Noida
Date : May 24, 2018

Dhiraj Kumar Maggo
Company Secretary
(Membership No.: F7609)

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

1 CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

A CORPORATE INFORMATION

Timex Group India Limited ("the Company") is a public limited company domiciled in India and was incorporated on October 4, 1988. The Company's equity shares are listed at BSE Limited. The registered office of the Company is situated at 106-107, Ambadeep, 14, K G Marg, New Delhi, India-110001. The Company's Parent Company is Timex Group Luxury Watches B.V., Netherlands and Ultimate Holding Company is Eagleville Group B.V., Netherlands.

The principal activities of the Company are manufacturing and trading of watches and rendering of related after sales service. The Company's manufacturing facility is located at Baddi, Himachal Pradesh. The Company also provides information and technology support services to the Group Companies.

The financial statements were approved for issue in accordance with a resolution of the directors on May 24, 2018.

B SIGNIFICANT ACCOUNTING POLICIES

1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Upto the year ended March 31, 2017, the Company had prepared and presented its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 1, 2016. Refer Note 34 for details of first-time adoption exceptions and exemptions availed by the Company.

2 Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received on selling of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. 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 twelve months.

3 Use of going concern assumption

The Company has reported profit of Rs. 752 lakhs during the year ended March 31, 2018. However, the Company has past accumulated losses which have resulted in substantial erosion of equity of the Company. In this year the Company has delivered growth in revenue with improved operational efficiency and has reported profit of Rs. 752 lakhs as compared to loss of Rs. 327 lakhs in the corresponding year ended March 31, 2017. The Company expects growth in its operations in coming years with continuous improvement in the operational efficiency and business plan approved by the Board of Directors. The Company plans to meet its funding requirements through funds from operations and bank borrowings, which have been guaranteed by the Intermediate Holding Company. In view of the above, the use of going concern assumption has been considered appropriate in preparation of financial statements of the Company.

4 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value of all of its Property, plant and equipment recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

Cost of acquisition or construction is inclusive of freight, duties, relevant taxes (other than those subsequently recoverable from the tax authorities), incidental expenses and interest on loans attributable to the acquisition of qualifying assets up to the date the asset is ready for its intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalised only if such expenditure results in an increase in the future economic benefits from such asset beyond its previously assessed standard of performance. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values using the straight-line method on the basis of estimated useful life of the assets determined by the Company which are different from the useful life as prescribed in Schedule II of the Companies Act, 2013. The estimated useful life of the assets have been assessed based on taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support, etc. The estimated useful lives as assessed and considered for depreciation are as under:

Buildings	30 years
Leasehold Improvements	Over the period of lease
Plant and machinery	15 years
Furniture and fixtures	5 years
Computer equipments	4 to 6 years
Office equipments	5 years

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.

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at end of each reporting period and adjusted prospectively, if appropriate.

5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over their respective useful lives on a straight line basis from the date they are available for use. The estimated useful life of an identifiable intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Software is amortised over 5-7 years, depending on its estimated useful life, on a straight-line basis.

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

6 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

7 Borrowing

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

8 Government Grant

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate, Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in the statement of profit and loss in the period in which they become receivable.

9 Leasing

Company as lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lease rental expenses from operating leases is generally recognised on a straight line basis over the term of the relevant lease. However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

10 Foreign Currencies

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (i.e. 'the functional currency'). The financial statements are presented in Indian Rupee (INR/Rs.), the national currency of India, which is the Company's functional and presentation currency.

b) Transaction and balances

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

11 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

(a) Raw materials and stores & spares - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. 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.

(b) Stock in trade, work in process and finished goods- Direct cost plus appropriate share of overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

12 Provisions and Contingent Liabilities

Provisions

The Company recognises a provision when there is a present obligation (legal or constructive) as a result of past event and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of receivable can be measured reliably.

Provision for Warranties:

A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of 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. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a) Sale of goods:

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods which generally coincides when the goods are delivered to the customers;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

b) Rendering of services

Service income is recognised on rendering of services.

c) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated accordance with the Income-tax Act, 1961, using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax is recognised in the statement of profit and loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the statement of profit and loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

c) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

15 Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, medical benefits, etc. which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

Defined contribution plan

Provident fund, superannuation fund and employee's state insurance are the defined contribution schemes offered by the Company. The contributions to these schemes are charged to statement of profit and loss of the year in which contribution to such schemes becomes due on the basis of services rendered by the employees.

Defined benefit plan

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 Other Comprehensive Income. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

17 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

18 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

(a) Classification of financial assets

i. Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in the statement of profit and loss and is included in the 'Other income' line item.

ii. Investments in equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investment.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Currently, the Company does not have any investments in equity instruments which are held for trading and therefore none of the instruments are designated FVTOCI.

iii. Investments in equity instruments at Fair Value Through Profit or loss (FVTPL)

Investments in equity instruments are classified at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(b) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit or loss.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in provision matrix and Company's historical experience for customers. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

(c) Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

For the purpose of transition to Ind AS, the Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

(d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Financial Liabilities including equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(b) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

i. Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' or 'Other expenses' line item.

ii. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(c) Compound financial instruments

The component parts of compound financial instruments (preference shares) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The repayment of the preference shares will be settled by the exchange of a fixed amount of cash is liability component.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon repayment.

The dividend portion classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the dividend portion classified as equity will remain in equity until repaid, in which case, the balance recognised in equity will be transferred to other component of equity. Refer note 1.C.(i).(b)

(d) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

(e) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

For the purpose of transition to Ind AS, the Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

19 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

20 Recent accounting pronouncements

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from April 1, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks or rewards. The Company is evaluating the requirements of Ind AS 115 and its effect of the financial statements.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

Amendment to Ind AS 7: Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting of a reconciliation between the opening and closing balances in Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any impact on the financial statements.

C Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Actual results may differ from the estimates.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

(i) Significant accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

(a) Contingent Liabilities

In ordinary course of business, the Company faces claims by various parties. The Company assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

(b) Preference shares:

To consider accounting of preference shares as equity or liability depends on the conditions if the Company has a valid expectation of redemption of such preference share capital at the time of issue of these preference shares.

The Company has evaluated its operations, performance and expected cash flows at the time of infusion of such share capital to consider its ability to repay the preference share capital. The Company cumulatively never had significant cash flows/ profits to enable it to redeem the preference shares and considering this, at the time of issue of these preference shares, there was no valid expectations of this amount being repaid, as such the entire share capital is classified as equity in these Ind AS Financial Statements.

(ii) Significant estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans/ Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans. Further details about various employee benefit obligations are given in Note 29.

(b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The Company establishes provision, based on reasonable estimates. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations of tax regulation by the taxable entity and the responsible tax authority. Such differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Companies.

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Deferred tax assets have not been recognised in the financials, as per the management there is absence of reasonable certainty that sufficient taxable income in near future will be available against which such deferred tax assets can be realised.

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Buildings	213	224	235
Leasehold improvements	5	20	35
Plant and Machinery	204	223	254
Furniture and Fixtures	23	44	129
Computers Equipment	117	119	128
Office Equipment	24	28	34
	586	**658**	**815**
CAPITAL WORK IN PROGRESS	**5**	**-**	**-**

	Buildings*	Leasehold improvements	Plant and machinery	Furniture and fixtures	Computer equipments	Office equipments	Total
Cost or Deemed Cost							
Balance at April 1, 2016	**235**	**35**	**254**	**129**	**128**	**34**	**815**
Additions	-	-	8	1	46	6	61
Disposals	-	-	(12)	(60)	(4)	(4)	(80)
Balance at March 31, 2017	**235**	**35**	**250**	**70**	**170**	**36**	**796**
Additions	-	-	9	-	46	4	59
Disposals	-	-	-	(17)	(5)	-	(22)
Balance at March 31, 2018	**235**	**35**	**259**	**53**	**211**	**40**	**833**
Accumulated depreciation							
Balance at April 1, 2016	-	-	-	-	-	-	-
Depreciation expense	11	15	28	48	53	9	164
Disposals / adjustments	-	-	(1)	(22)	(2)	(1)	(26)
Balance at March 31, 2017	**11**	**15**	**27**	**26**	**51**	**8**	**138**
Depreciation expense	11	15	28	16	47	8	125
Disposals / adjustments	-	-	-	(12)	(4)	-	(16)
Balance at March 31, 2018	**22**	**30**	**55**	**30**	**94**	**16**	**247**
Carrying Amount							
Balance at April 1, 2016	**235**	**35**	**254**	**129**	**128**	**34**	**815**
Additions	-	-	8	1	46	6	61
Disposals	-	-	(11)	(38)	(2)	(3)	(54)
Depreciation expenses	(11)	(15)	(28)	(48)	(53)	(9)	(164)
Balance at March 31, 2017	**224**	**20**	**223**	**44**	**119**	**28**	**658**
Additions	-	-	9	-	46	4	59
Disposals	-	-	-	(5)	(1)	-	(6)
Depreciation expenses	(11)	(15)	(28)	(16)	(47)	(8)	(125)
Balance at March 31, 2018	**213**	**5**	**204**	**23**	**117**	**24**	**586**

* Buildings are constructed on leasehold land.

Note: The Company has opted to use the carrying value under previous GAAP as deemed cost for its property, plant and equipment

CAPITAL WORK-IN-PROGRESS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	-	-
Additions	5	-
Transfer to property, plant and equipment	-	-
Balance at the end of the year	**5**	**-**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

3 INTANGIBLE ASSETS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Computer software	144	186	229
	144	**186**	**229**

PARTICULARS	**Computer Software**
Cost or Deemed Cost	
Balance at April 1, 2016	**229**
Additions / Adjustments	-
Disposals	-
Balance at March 31, 2017	**229**
Additions / Adjustments	-
Disposals	-
Balance at March 31, 2018	**229**
Accumulated amortisation and impairment	
Balance at April 1, 2016	-
Amortisation expenses	43
Disposals	-
Balance at March 31, 2017	**43**
Amortisation expenses	42
Disposals	-
Balance at March 31, 2018	**85**
Carrying Amount	
Balance at April 1, 2016	**229**
Additions	-
Disposals	-
Amortisation expenses	43
Balance at March 31, 2017	**186**
Additions	-
Disposals	-
Amortisation expenses	42
Balance at March 31, 2018	**144**

Note: The Company has opted to use the carrying value under previous GAAP as deemed cost for its intangible assets.

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

4 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Non-current						
Security deposits						
- Considered good	95		136		180	
- Considered doubtful	-		-		100	
Less: Provision for doubtful security deposits	-		-		(100)	
Others						
- Bank deposits* (due to mature after 12 months from the reporting date)	-		0	#	0	#
	95		**136**		**180**	
Current						
Security deposits	-		-		**4**	
Interest accrued on fixed deposits with banks	0	#	0	#	0	#
	0	**#**	**0**	**#**	**4**	

* Pledged with bank as security for guarantees issued on behalf of the Company.
# Amount is below rounding off threshold adopted by the Company

5 TAX ASSETS (NET)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current tax assets			
Taxes paid (net)	123	120	118
	123	**120**	**118**

6 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current			
Sales tax receivable	20	36	96
CENVAT receivable	-	4	11
Prepaid lease	132	134	136
	152	**174**	**243**
Current			
Prepaid expenses	30	45	46
Prepaid lease	2	2	2
Sales tax receivable	-	9	-
CENVAT receivable	-	16	1
Goods and service tax receivable	151	-	-
Advance to suppliers	86	110	291
Advances to employees	2	9	12
Others	-	-	13
	271	**191**	**365**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

7 INVENTORIES
(Lower of cost and net realisable value)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw material	1,479	1,317	1,171
Work-in-progress	-	147	124
Finished goods	2,573	1,558	1,980
Stock-in-trade	454	654	729
	4,506	**3,676**	**4,004**
Included in above, goods-in-transit:			
Raw material	19	53	235
Finished goods	25	18	14
Stock-in-trade	6	5	-
	50	**76**	**249**

Notes

(i) The cost of inventories recognised as an expense during the year is Rs.12,358 lakhs (2017: Rs. 12,345 lakhs)

(ii) The cost of inventories recognised as an expense includes Rs. 195 lakhs (2017: Rs. 238 lakhs) in respect of write-downs of inventory or to bring the valuation of inventory to net realisable value.

(iii) The method of valuation of inventories has been stated in note 1.B.11.

8 TRADE RECEIVABLES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good	5,909	4,126	4,383
Unsecured, considered doubtful	407	472	588
Less: Allowance for doubtful debts	(407)	(472)	(588)
	5,909	**4,126**	**4,383**

The Company uses expected credit loss model to assess the impairement loss or gain. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in provision matrix and Company's historical experience for customers.

Notes

(i) The credit period allowed generally varies on sales, on case to case basis, channel to channel and on market conditions.

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) Age of receivables:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within credit period	3,374	2,562	2,366
Upto 180 days	981	942	1,367
Upto 181 to 365 days	615	146	154
More than 365 days	1,346	948	1,084
	6,316	**4,598**	**4,971**

(iii) There is one customer as at March 31, 2018 with balance of Rs. 1,341 lakhs representing more than 10% of the total balance of trade receivables. In previous years ending on March 31, 2017 and March 31, 2016 there was no customer representing more than 10% of total balance of trade receivables.

(iv) Movement in expected credit loss allowance:

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Balance at the beginning of the year	**472**	**588**
Movement in the expected credit loss allowance on trade receivables calculated at the lifetime expected credit loss	(65)	(116)
Balance at the end of the year	**407**	**472**

(v) The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

9 CASH AND CASH EQUIVALENTS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks			
-In current accounts	114	261	260
Cheques, drafts on hand	207	145	155
Cash on hand	1	1	3
	322	**407**	**418**

10 OTHER BANK BALANCES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposit accounts with maturity beyond three months upto twelve months*	2	2	1
	2	**2**	**1**

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

11 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Loans to employees	-	0 #	0 #
	-	**0** #	**0** #

Amount is below rounding off threshold adopted by the Company

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

12 SHARE CAPITAL	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Equity Share Capital			
Authorised equity share capital:			
90,00,00,000 (2017: 90,00,00,000 and 2016: 125,00,00,000) equity shares of Re. 1 each	9,000	9,000	12,500
	9,000	**9,000**	**12,500**
Issued, subscribed and fully paid up equity share capital			
10,09,50,000 equity shares of Re. 1 each	**1,010**	**1,010**	**1,010**

(i) Reconciliation of authorised equity share capital

	Number of shares	Amount
Balance at April 1, 2016	1,25,00,00,000	12,500
Less: Movement during the year*	(35,00,00,000)	(3,500)
Balance at March 31, 2017	90,00,00,000	9,000
Add / Less: Movement during the year	-	-
Balance at March 31, 2018	**9000,00,000**	**9,000**

*correspondingly authorised preference share capital was increased

(ii) Reconciliation of issued, subscribed and fully paid up equity share capital

	Number of shares	Amount
Balance at April 1, 2016	10,09,50,000	1,010
Add / Less: Movement during the year	-	-
Balance at March 31, 2017	10,09,50,000	1,010
Add / Less: Movement during the year	-	-
Balance at March 31, 2018	**10,09,50,000**	**1,010**

The Company has bought back Nil equity shares in aggregate in the last five financial years.

Terms/ rights 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.

(iii) Details of equity shares held by the holding company:

	Number of fully paid shares	% holding in the shares
As at March 31, 2018		
Timex Group Luxury Watches B.V., the Holding Company	7,56,45,100	74.93%

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2017		
Timex Group Luxury Watches B.V., the Holding Company	7,56,45,100	74.93%
As at April 1, 2016		
Timex Group Luxury Watches B.V., the Holding Company	7,56,45,100	74.93%

(iv) Details of equity shares held by each shareholder holding more than 5% shares:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Class of shares/ Name of shareholder	**Number of Shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**
Fully paid equity shares						
Timex Group Luxury Watches B.V.	7,56,45,100	74.93%	7,56,45,100	74.93%	7,56,45,100	74.93%

B. Non-convertible preference share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised preference share capital			
8,00,00,000 (2017: 8,00,00,000 and 2016: 4,50,00,000) preference shares of Rs. 10 each	8,000	8,000	4,500
	8,000	**8,000**	**4,500**
Issued, subscribed and fully paid up preference share capital			
7,61,00,000 (2017: 7,61,00,000 and 2016: 4,11,00,000) preference shares of Rs. 10 each	7,610	7,610	4,110
	7,610	**7,610**	**4,110**

(i) Equity component of redeemable preference share capital

	Number of shares	Amount
Balance at April 1, 2016	4,11,00,000	4,110
Add: Issue during the year	3,50,00,000	3,500
Balance at March 31, 2017	7,61,00,000	7,610
Add / Less: Movement during the year	-	-
Balance at March 31, 2018	**7,61,00,000**	**7,610**

(ii) Details of preference shares held by the holding company:

	Number of fully paid shares	% holding in the shares by the holding company
As at March 31, 2018		
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	25,00,000	100%
13.88%(2017:13.88% and, 2016:7.10%) cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	1,57,00,000	100%

(All amounts in Rs. Lakhs, unless otherwise stated)

13.88% (2017:13.88%, 2016:7.10%) cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	2,29,00,000	100%
5%(2017:5%) cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	3,50,00,000	100%
	7,61,00,000	**100%**
As at March 31, 2017		
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	25,00,000	100%
13.88% (2016: 7.10%) cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	1,57,00,000	100%
13.88% (2016:7.10%) cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	2,29,00,000	100%
5% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	3,50,00,000	100%
	7,61,00,000	**100%**
As at April 1, 2016		
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	25,00,000	100%
7.10% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	1,57,00,000	100%
7.10% cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	2,29,00,000	100%
	4,11,00,000	**100%**

(iii) Details of preference shares held by each shareholder holding more than 5% shares:

	As at March 31, 2018		**As at March 31, 2017**		**As at April 1, 2016**	
Class of shares/ Name of shareholder	**Number of Shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**
Fully paid preference shares						
Timex Group Luxury Watches						
0.1% non cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	25,00,000	100%	25,00,000	100%	25,00,000	100%
13.88% (2017:13.88% and 2016:7.1%) cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	1,57,00,000	100%	1,57,00,000	100%	1,57,00,000	100%

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

13.88% (2017:13.88% and 2016:7.1%) cumulative redeemable non convertible preference shares of Rs.10 each fully paid up	2,29,00,000	100%	2,29,00,000	100%	2,29,00,000	100%
5% (2017:5%) cumulative redeemable non convertible preference shares of Rs. 10 each fully paid up	3,50,00,000	100%	3,50,00,000	100%	-	-

Terms/ rights attached to issued preference shares:

25,00,000 (2017:25,00,000; 2016:25,00,000) 0.1%(2017:0.10%; 2016:0.10%) 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.

3,86,00,000 (2017:3,86,00,000; 2016:3,86,00,000) 13.88% (2017:13.88%; 2016:7.1%) cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 13.88% 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.

3,50,00,000 (2017: 3,50,00,000) 5% (2017: 5%) cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 5% 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 shares. 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 is till March 24, 2023. Original maturity was ten years from the date of allotment i.e. March 25, 2003, with an option to the Company of an earlier redemption after March 24, 2005. The shares were due for redemption on March 24, 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 March 24, 2018 and were further extended by another five years, i.e till March 24, 2023.

Maturity period for redemption of 13.88% (2017:13.88% ; 2016:7.10%) preference shares amounting to Rs. 1,570 lakhs is till March 26, 2024. Original maturity was ten years from the date of allotment i.e. March 27, 2004, with an option to the Company of an earlier redemption after March 27, 2006. The shares were due for redemption on March 26, 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 March 26, 2019 and were further extended by another five years, i.e till March 24, 2024.

Maturity period for redemption of 13.88% (2017:13.88% ; 2016:7.10%) preference shares amounting to Rs. 2,290 lakhs is till March 20, 2026. Original maturity was ten years from the date of allotment i.e. March 21, 2006, with an option to the Company of an earlier redemption after March 21, 2008. The shares were due for redemption on March 20, 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 March 20, 2021 and were further extended by another five years, i.e till March 24, 2026.

Maturity period for redemption of 5% preference shares amounting to Rs. 3,500 lakhs (previous year Rs 3,500 lakhs) is till February 15, 2027, with an option to the Company of an earlier redemption after February 15, 2022.

During the year, the holders of preference share capital have waived off the dividend for the financial years 2016-2017 and 2017-2018. The Company has obtained relevant approval from the holders of preference shares and regulatory authority for the waiver of dividend and extension of maturity of above preference shares.

Also refer note 27(b) and foot note 4 to note 28

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

13 OTHER EQUITY	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Retained earnings	(7,443)	(8,173)	(7,798)
Securities premium reserve	351	351	351
Equity component of compound financial instrument			
-Preference share capital (refer note 1.C.(i).(b) and 12.B)	7,610	7,610	4,110
	518	**(212)**	**(3,337)**

13.1 Retained earnings	**As at March 31, 2018**	**As at March 31, 2017**
Balance at beginning of the year	(8,173)	(7,798)
Profit/(loss) for the year	752	(327)
Other comprehensive income arising from remeasurement of defined benefit obligation	(22)	(48)
Balance at end of the year	**(7,443)**	**(8,173)**

13.2 Securities premium reserve	**As at March 31, 2018**	**As at March 31, 2017**
Balance at beginning of the year	351	351
Movement during the year	-	-
Balance at end of the year	**351**	**351**

13.3 Equity component of compound financial instrument- Preference share	**As at March 31, 2018**	**As at March 31, 2017**
Balance at beginning of the year	7,610	4,110
Equity component of preference shares issued during the year	-	3,500
Balance at end of the year	**7,610**	**7,610**

14 PROVISIONS	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Non-current			
Provision for employee benefits			
Provision for gratuity (refer note 29.2)	359	322	231
Provision for compensated absences (refer note 29.3)	185	203	154
	544	**525**	**385**
Current			
Provision for employee benefits			
Provision for gratuity (refer note 29.2)	45	6	9
Provision for compensated absences (refer note 29.3)	30	17	16
Others			
Provision for warranties (refer note 1.B.12)	94	96	87
	169	**119**	**112**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Movement in other provisions are as follows:	**Provision for warranties**
As at April 1, 2016	87
Provision created/(reversed) during the year	159
Provision utilised during the year	(150)
As at March 31, 2017	96
Provision created/(reversed) during the year	165
Provision utilised during the year	(167)
As at March 31, 2018	**94**

15 OTHER LIABILITIES	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Non-Current			
Deferred government grant*	18	-	-
	18	**-**	**-**
Current			
Advances received from customers	56	67	138
Deferred government grant*	6	-	-
Statutory dues payable	118	276	269
Others	15	15	15
	195	**358**	**422**

* The Company has received a capital investment subsidy under Central Capital Investment Subsidy Scheme, 2003 from the Government of Himachal Pradesh for cost incurred for construction of its manufacuring facility located at Baddi, Himachal Pradesh. There is no unfulfilled conditions or contigencies attached to this grant.

16 BORROWINGS	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Current			
Unsecured - at amortised cost			
Loan repayable on demand from banks*			
-Cash credit from banks	1,129	1,214	2,244
-Working capital loan from bank	1,700	-	1,200
Loan repayable on demand from related party**	-	1,300	-
	2,829	**2,514**	**3,444**

* Cash credit facilities from banks carry interest ranging between 9.30% to 11.40% p.a., computed on a monthly basis on actual amount utilised, and are repayable on demand. The cash credit facilities are guaranteed by Timex Group B.V., an intermediate holding company.

Working capital loan carry interest ranging between 9.05% to 9.60% p.a. The working capital loan are guaranteed by Timex Group B.V., an intermediate holding company and are repayable within 30 days.

** The Company had taken loans from Timex Group Precision Engineering Limited during the previous year, which carries interest ranging between 8.00% to 8.50% p.a. and has been repaid on January 5, 2018.

17 TRADE PAYABLES	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Payable to Micro and Small enterprises*	-	-	-
Others	6,654	5,103	8,521
	6,654	**5,103**	**8,521**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 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 March 31, 2018, March 31, 2017 and April 1, 2016 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.

18 OTHER FINANCIAL LIABILITIES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Interest accrued but not due on borrowings	2	83	5
Security deposits	17	17	17
Payable to capital creditors	159	159	181
	178	**259**	**203**

19 REVENUE FROM OPERATIONS

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)*		
Manufactured goods		
Watches	17,286	16,342
Components and others	568	528
Traded goods		
Watches	2,652	2,766
	20,506	**19,636**
Income from services provided		
Support services	262	322
Customer Services	37	26
	299	**348**
Other operating revenues		
Liabilities /provisions no longer required written back	46	60
Others	89	4
	135	**64**
	20,940	**20,048**

*Consequent to introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the following additional information is being provided to facilitate such understanding:

	Year ended March 31, 2018	Year ended March 31, 2017
A. Sale of products	20,506	19,636
B. Excise duty	210	37
C. Sale of products excluding excise duty (A - B)	**20,296**	**19,599**

20 OTHER INCOME

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on financial assets carried at amorized cost		
- on bank deposits	0 #	0 #
- on others	1	4
Net foreign exchange gains	59	10

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Grant Income	6	-
Miscellaneous income	9	0 #
	75	**14**

Amount is below rounding off threshold adopted by the Company

21.1 COST OF MATERIALS CONSUMED

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock of raw materials	1,317	1,171
Add: Purchases of raw materials	10,788	9,815
	12,105	10,986
Less: Closing stock of raw materials	1,479	1,317
Cost of materials consumed	**10,626**	**9,669**

21.2 PURCHASES OF STOCK IN TRADE

	Year ended March 31, 2018	Year ended March 31, 2017
Watches	1,081	1,057
	1,081	**1,057**

21.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year:		
Work-in-progress	-	147
Finished goods	2,573	1,558
Stock-in-trade	454	654
	3,027	**2,359**
Inventories at the beginning of the year:		
Work-in-progress	147	124
Finished goods	1,558	1,980
Stock-in-trade	654	729
	2,359	**2,833**
(Increase)/decrease in inventories :		
Work-in-progress	147	(23)
Finished goods	(1,015)	422
Stock-in-trade	200	75
	(668)	**474**
Movement in excise duty on inventory of finished goods	-	9
Net (Increase)/decrease in inventories	**(668)**	**483**

22 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus and gratuity	2,251	2,037
Contribution to provident and other funds (refer note 29)	126	112
Compensated absences (refer note 29)	27	73
Workmen and staff welfare expenses	159	148
	2,563	**2,370**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

23 FINANCE COSTS	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on borrowings	210	276
Interest expense on others	-	1
	210	**277**

24 DEPRECIATION AND AMORTISATION EXPENSE	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment (refer note 2)	125	164
Amortisation of intangible assets (refer note 3)	42	43
	167	**207**

25 OTHER EXPENSES	Year ended March 31, 2018	Year ended March 31, 2017
Stores and spares consumed	31	65
Power and fuel	60	61
Selling and distribution expenses	565	589
Rent (refer note 32)	224	233
Repairs and maintenance:		
- Buildings	66	61
- Plant and machinery	33	37
- Others	4	3
Insurance	46	48
Rates and taxes	55	188
Advertising	659	894
Sales promotion	1,527	1,413
Minimum guarantee expenses	211	303
Professional and legal charges	224	229
Travel	523	440
Directors' sitting fees	9	13
Provision for doubtful debts	5	10
Bad debts written off	-	6
Loss on sale of property, plant and equipment (net)	-	1
Property, plant and equipment written off	5	53
Bank charges	7	11
Communication expenses	54	69
Warranty	165	159
Meeting and conference	169	89
Purchased services	940	899
Auditor remuneration:		
- Audit fees	13	14
- For limited review of unaudited financial results	12	15
- For group audit	-	6
- For tax audit	2	2
- For taxation matters	7	-
- For other services/certificates	-	1
- Reimbursement of out of pocket expenses	1	4
Exchange currency fluctuation (net)	-	-
Miscellaneous expenses*	457	373
	6,074	**6,289**

*Does not include any item of expenditure with a value of more than 1% of the revenue from operations

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

26 INCOME TAXES

26.1 The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Profit / (loss) before tax including comprehensive income	**730**	**(375)**
Income-tax expense / (credit) @ 33.063% (2017: 30.90%)	241	(116)
Effect of unused tax offsets and losses not recognised as deferred tax assets	(630)	(140)
Effect of adjustments during assessment	78	474
Effect of changes in tax rates	311	(218)
Income tax expenses recognised in profit and loss	**-**	**-**

The tax rate used for the current year reconciliation above is the corporate tax rate of 33.063% (2017: 30.90%) payable by corporate entities in India on taxable profits under the Indian tax law.

26.2 Tax effects of unrecognised deductible temporary, unused tax losses and unused tax credits:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities	-	-	-
Deferred tax assets			
Provision for gratuity	118	108	74
Provision for compensated absences	63	72	52
Provision for doubtful debts and advances	119	156	213
Deferred government grant	7	-	-
Property, plant and equipment and intangible assets	55	54	46
Business Loss carry forward	1,467	1,973	2,198
Unabsorbed depreciation	310	353	253
Others	95	148	168
	2,234	**2,864**	**3,004**
Deferred tax asset recognised (to the extent of deferred tax liability recognised above)	-	-	-
Net deferred tax asset/(liability)	**-**	**-**	**-**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax assets have not been recognised in the financials, as per the management there is absence of reasonable certainty that sufficient taxable income in near future will be available against which such deferred tax assets can be realised.

Business losses would expire upto financial year ending March 31, 2025. Further, the unrecognised tax credits pertaining to unabsorbed depreciation has no expiry.

27 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Claims against the Company not acknowledged as debts:			
Sales tax	776	215	270
Excise duty	-	6	6

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Customs duty	-	8	8
	Others	160	128	96
b.	Dividend on cumulative preference shares*			
	2012-13	-	-	274
	2013-14	-	-	274
	2014-15	-	-	274
	2015-16	-	-	274
	2016-17	-	557	-
	2017-18	-	-	-
	Corporate dividend tax on cumulative preference shares			
	2012-13	-	-	56
	2013-14	-	-	56
	2014-15	-	-	56
	2015-16	-	-	56
	2016-17	-	113	-
	2017-18	-	-	-

* 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%. During the previous year, the Company obtained relevant approvals from the regulatory authorities and the coupon rate applicable to these series of preference shares was revised to 13.88% effective 1 April 2016 till the date of maturity. Further, the holders of the preference shares have waived the dividend for the financial years 2016-17 and 2017-18, thus there is no outstanding dividend on cumulative preference shares as at March 31, 2018. Also refer Note 12.B.

c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

d. The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 15 lakhs (2017: Nil; 2016: Nil).

e. The Company has other commitments, for purchases / sales orders which are issued after considering requirements as per operating cycle for purchase / sale of goods and services, employee benefits. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

f. There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013.

28 RELATED PARTY TRANSACTIONS

28 Description of related parties

A	**Ultimate Holding Company**	Eagleville Group B.V.*
	Intermediate Holding Company	Timex Group B.V.*
		Timex Nederland B.V.
	Holding Company	Timex Group Luxury Watches B.V.

(All amounts in Rs. Lakhs, unless otherwise stated)

B	**Fellow Subsidiary Companies** (Only with whom the Company had transactions during the current year and previous year)	TMX Limited N.V. Timex Group USA, Inc. Timex Group Precision Engineering Limited** Timex Group Canada, Inc. Tiempo, S.A. de C.V. TX Group Europe Limited Timex Group Polska Sp. Z o.o. Vertime B.V. Timex Group USA, Inc. (German Branch)
C	**Key Managerial Personnel**	Mr. Tobias Reiss Schmidt^ Mr. David Thomas Payne^^ Mr. Colin Davis Arsenault^^^ Ms. Sharmila Sahai Mr. Anil Malhotra Mr. Daya Dhaon Ms. Gagan Singh Mr. Pradeep Mukerjee Mr. Bijou Kurien Mr. Amit Jain Mr. Dhiraj Kumar Maggo

* No transactions during the current year and previous year
** Upto March 6, 2018
^ From January 31, 2018
^^ Upto January 30, 2018 and From April 20, 2018
^^^ Upto April 16, 2018

28.2 Disclosure of transactions between the Company and related parties

Nature of transaction	Related Party	Year ended March 31, 2018	Year ended March 31, 2017
Sale of goods	Timex Group USA, Inc.	-	3
	TMX Limited N.V.	1,003	748
	Tiempo, S.A. de C.V.	20	101
	Timex Group Polska Sp. Z o.o.	-	85
	Timex Group Canada, Inc.	2	4
	TX Group Europe Limited	-	1
	Timex Group Precision Engineering Limited	2	-
		1,027	942
IT support expenses*	Timex Group USA, Inc.	26	25
	TMX Limited N.V.	21	25
		47	50
Loan received	Timex Group Precision Engineering Limited	450	1,300
		450	1,300
Loan repaid	Timex Group Precision Engineering Limited	1,750	-
		1,750	-
Interest expense on loan	Timex Group Precision Engineering Limited	102	92
		102	92

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Nature of transaction	Related Party	Year ended March 31, 2018	Year ended March 31, 2017
Reimbursement of expenses (received)	Timex Group USA, Inc.	1	2
	Timex Nederland B.V.	3	3
	Vertime B.V.@	123	91
	Timex Group Precision Engineering Limited	-	3
	TMX Limited N.V.	3	-
		130	99
Purchase of goods	TMX Limited N.V.	710	953
	Vertime B.V.	734	563
	Timex Group Precision Engineering Limited	1	2
		1,445	1,518
Service income	Timex Group USA, Inc.	65	135
	TMX Limited N.V.	174	164
	Timex Group Precision Engineering Limited	18	26
		257	325
Service charges paid @	Timex Group USA, Inc.	394	373
	Timex Nederland B.V.	90	74
		484	447
Issue of preference shares	Timex Group Luxury Watches B.V.	-	3,500
		-	3,500
Key management personnel compensation	Short-term benefits [includes sitting fees]	263	215
	Post-employment benefits	7	7
	Other long-term benefits	3	8
		273	**230**
	Ms. Sharmila Sahai	118	110
	Mr. Daya Dhaon	2	3
	Ms. Gagan Singh	2	3
	Mr. Pradeep Mukerjee	3	3
	Mr. Bijou Kurien	2	3
	Mr. Amit Jain	91	65
	Mr. Dhiraj Maggo	55	43
		273	**230**

* Included in miscellaneous expenses
@ Included in sales promotion expense

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

28.3 Disclosure of outstanding balances as at the year end between the Company and related parties

Outstanding balances	Related Party	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Receivable	Timex Group Luxury Watches B.V.	1	1	1
	Timex Group B.V.	497	495	512
	Timex Group USA, Inc.	271	204	72
	TMX Limited N.V.	1,341	445	195
	Timex Nederland B.V.	7	3	-
	Tiempo, S.A. de C.V.	21	99	-
	Timex Group Canada, Inc.	1	0 #	-
	Timex Group Polska Sp. Z o.o.	-	83	-
	TX Group Europe Limited	-	1	-
		2,139	1,331	780
Payable	Timex Group USA, Inc. ^^	1,974	1,540	1,178
	TMX Limited N.V.	659	576	4,286
	Timex Nederland B.V.	907	812	755
	Vertime B.V.	159	114	122
	Timex Group Precision Engineering Limited	-	1	1
	Timex Group USA, Inc. (German Branch)	20	17	18
		3,719	3,060	6,360
Loan (including interest) repayable on demand	Timex Group Precision Engineering Ltd.	-	1,383	-
		-	1,383	-

Amount is below rounding off threshold adopted by the company
^^ Amount includes payable for capital goods

Foot Notes :

1. Sale and purchase of goods and services to and from related parties and other transactions with related parties were made at arms length price.
2. All outstanding balances are unsecured and are repayable in cash. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of amounts owed by related parties.
3. Timex Group B.V., an intermediate holding company, has provided bank guarantee amounting to Rs. 3,880 lakhs (2017: Rs. 3,880 lakhs, 2016: Rs. 3,880 lakhs) to the bankers of the Company for use of cash credit and overdraft facilities (including working capital loans).
4. During the year, the Company has got extension of the maturity date for three series of preference shares with redemptions falling in the years 2023 to 2026 and dividends for the financial years 2016-2017 and 2017-2018 were waived off. (Refer Note 12.B and Note 27.b for details)

29 EMPLOYEE BENEFITS

29.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	Year ended March 31, 2018	Year ended March 31, 2017
Superannuation fund (Refer to note (i) below)	8	7
Provident fund (Refer to note (ii) below)	110	97

(All amounts in Rs. Lakhs, unless otherwise stated)

Employees' State Insurance Corporation (Refer to note (iii) below)	8	8
	126	**112**

The expenses incurred on account of the above defined contribution plans have been included in Note 22 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

(i) 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 trustees of the scheme have entrusted the adminstration of the trust scheme to Life Corporation of India Limited (LIC).

(ii) Provident fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund. The contributions are charged to the statement of Profit and Loss as they accrue.

(iii) 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.

29.2 Defined benefit plans

Gratuity- The Company provides for gratuity for employees as per the Payment of Gratuity Act 1972. 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.

(i) These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**
Discount rate (p.a)	7.50%	7.35%	8.05%
Salary increase rate (p.a)	10.00%	8.00%	8.00%
Retirement age (years)	58	58	58
Mortality rates	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

(All amounts in Rs. Lakhs, unless otherwise stated)

Withdrawal rate			
Up to 30 years	25.00%	25.00%	25.00%
31 to 44 years	10.00%	10.00%	10.00%
Above 44 years	15.00%	15.00%	15.00%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of Gratuity benefit plant is as follows:-

	Year ended March 31, 2018	Year ended March 31, 2017
Current Service cost	46	39
Net Interest Cost / (Income) on the Net Defined Benefit	24	19
	70	**58**

These amounts for the year are included in Note 22 "Employee Benefits Expenses".

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2018		Year ended March 31, 2017
Return on plan assets (excluding amounts included in net internet expenses)	-		-
Actuarial (gain)/losses arising from change in demographic assumptions	(91)		-
Actuarial (gain)/losses arising from changes in financial assumptions	113		29
Actuarial (gain)/losses arising from changes in experience adjustments	0	#	19
	22		**48**

\# Amount is below rounding off threshold adopted by the company

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present value of funded defined benefit obligation	404	328	240
Fair Value of Plan	-	-	-
Surplus / (Deficit)	**(404)**	**(328)**	**(240)**
Effect of asset ceiling, if any	-	-	-
Net assets / (liability)	**(404)**	**(328)**	**(240)**

(vi) Movements in the present value of defined benefit obligation are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Opening defined benefit obligation	328	240
Current Service Cost	46	39

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended March 31, 2018		Year ended March 31, 2017
Interest Cost	24		19
Actuarial (gain)/losses arising from change in demographic assumptions	(91)		-
Actuarial (gain)/losses arising from changes in financial assumptions	113		29
Actuarial (gain)/losses arising from changes in experience adjustments	0	#	19
Benefits paid	(16)		(18)
Acquisition Adjustment	-		-
Contribution by plan participants / employees	-		-
Settlement / transfer in	-		-
Closing defined benefit obligation	**404**		**328**

Amount is below rounding off threshold adopted by the Company

(vii) Classification into non-current and current:

Gratuity	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current	359	322	231
Current	45	6	9
	404	**328**	**240**

(viii) The average duration of the defined benefit obligation is 7 years. The Company expects to make a contribution of Rs. 45 lakhs to the defined benefit plans during the next financial year.

(ix) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

	As at March 31, 2018		As at March 31, 2017	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation Rate
Defined benefit obligation on plus 50 basis points	391	418	307	351
Defined benefit obligation on minus 50 basis points	417	391	351	307

29.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 22 " Employee Benefits expense"	Year ended March 31, 2018	Year ended March 31, 2017
Compensated absences expenses	27	73
	27	**73**

The defined benefit obligation which are provided for but not funded are as under:	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Compensated absences liability:			
Non-Current	185	203	154
Current	30	17	16
	215	**220**	**170**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

30 SEGMENT REPORTING

The Company is primarily in the business of manufacturing and trading of watches and rendering of related after sales service (“Watches”). The other activities of the Company comprises of providing information & technology support services to the group companies. The income from these other activities is not material in financial terms. The Managing Director of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment of the Company.

Entity wide disclosure

Revenue from operations	**Year ended March 31, 2018**	**Year ended March 31, 2017**
- Domestic	19,550	18,619
- Overseas	1,390	1,429
	20,940	**20,048**

Non current segment assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
-Within India	887	1,018	1,287
-Outside India	-	-	-
	887	**1,018**	**1,287**

Domestic information includes sales and services to customers located in India.

Overseas information includes sales and services rendered to customers located outside India.

Non-current segment assets includes property, plant and equipments, capital work in progress, intangible assets and other non current assets.

No single customer contributed 10% or more to the company's revenue for both the financial years 2017-18 and 2016-17.

31 EARNINGS PER SHARE

	Year ended March 31, 2018	**Year ended March 31, 2017**
Profit / (Loss) after tax	752	(327)
Less: Preference share dividend and tax thereon (refer note 12.B.(iii))	-	(670)
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	752	(997)
Weighted average number of equity shares for the purpose of calculating basic earnings per shares and diluted earnings per share.	10,09,50,000	10,09,50,000
Basic Earnings per share (Rs.)	0.75	(0.99)
Diluted Earnings per share (Rs.)	0.75	(0.99)

32 OPERATING LEASE

The Company has taken land and building, office premises, 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. These arrangements are both cancellable and non-cancellable in nature and range between two to ninety five years. The future minimum lease payments under non-cancellable operating leases are as under:-

	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**
Non-cancellable operating lease commitments			
-Within one year	95	102	71
-Later than one year & not later than five years	46	141	190
	141	**243**	**261**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Lease Rent Recognised in the Statement of profit and loss as per Note 25	224	233

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders through maintaining reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents) and total equity of the Company. Holding Company has infused capital by way of preference shares as and when needed. The Company's management reviews the capital structure of the Company on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital.

The following table provides detail of the debt and equity at the end of the reporting period:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt	2,829	2,514	3,444
Cash & cash equivalents	322	407	418
Net Debt	2,507	2,107	3,026
Total Equity	1,528	798	(2,327)
Net debt to equity ratio	**1.64**	**2.64**	**(1.30)**

33.2 Financial instruments by category

	As at March 31, 2018	As at March 31, 2017		As at April 1, 2016	
Financial Assets					
Measured at amortised cost^					
(a) Trade Receivables	5,909	4,126		4,383	
(b) Cash and cash equivalents	322	407		418	
(c) Bank balances other than above	2	2		1	
(d) Loans	-	0	#	0	#
(e) Other financial assets	95	136		184	
	6,328	**4,671**		**4,986**	

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Liabilities			
Measured at amortised cost^			
(a) Borrowings	2,829	2,514	3,444
(b) Trade Payables	6,654	5,103	8,521
(c) Other financial liabilities	178	259	203
	9,661	**7,876**	**12,168**

^ Carrying value of the financial assets and liabilities designated at amortised cost approximates its fair value.
# Amount is below rounding off threshold adopted by the Company

33.3 Financial Risk Management

The Board of directors has approved risk management policy which provides framework to identify, evaluate business risk and challenges across the company. The company has constituted risk management committee of senior management team. These policies and guidelines cover foreign currency risk, credit risk and liquidity risk. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the Company's results and financial position.

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

33.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities and financing activities.

In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company are mainly in U.S. Dollar (USD). The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in Rs., are as follows:

Particulars	Original Currency	As at March 31, 2018 (in original currency)	As at March 31, 2018 (Rs. in lakhs)	As at March 31, 2017 (in original currency)	As at March 31, 2017 (Rs. in lakhs)	As at April 1, 2016 (in original currency)	As at April 1, 2016 (Rs. in lakhs)
Trade receivables	USD	33	2,170	21	1,358	12	774
	HKD	-	-	-	-	1	6
Trade payables	USD	58	3,775	45	2,896	94	6,223
	EURO	0 #	20	0 #	17	0 #	18
	HKD	7	60	3	24	12	102
	CHF	2	133	2	114	2	122
	JPY	22	14	25	15	12	7
Payables to capital creditors	USD	2	159	2	159	2	162

The Company does not enter into or trade financial instrument including derivative financial instruments for speculative purpose

Amount is below rounding off threshold adopted by the Company

Foreign currency sensitivity analysis

The Company is mainly exposed to USD.

The following table details the Company's sensitivity to a 1% increase and decrease in the Rs. against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2018 Rs. Strengthens by 1%	Year ended March 31, 2018 Rs. weakens by 1%	Year ended March 31, 2017 Rs. Strengthens by 1%	Year ended March 31, 2017 Rs. weakens by 1%
Impact on profit /(loss) for the year				
USD	(18)	18	(17)	17

33.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Refer note 8 for the disclosures for trade receivables.

Financial assets for which loss allowance is measured:

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other financial assets	4	-	-	100
Trade receivables	8	407	472	588
		407	**472**	**688**
Balance at the beginning		**472**	**688**	**639**
Provided during the year		5	16	88
Utilised during the year		(30)	(35)	(39)
Reversed during the year		(40)	(197)	-
Balance at the end		**407**	**472**	**688**

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.

33.3.3 Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

	Less than 1 year	More than 1 year	Total
As at March 31, 2018			
Borrowings	2,829	-	**2,829**
Trade payables	6,654	-	**6,654**
Other financial liabilities	178	-	**178**
	9,661	**-**	**9,661**
As at March 31, 2017			
Borrowings	2,514	-	**2,514**
Trade payables	5,103	-	**5,103**
Other financial liabilities	259	-	**259**
	7,876	**-**	**7,876**
As at April 1, 2016			
Borrowings	3,444	-	**3,444**
Trade payables	8,521	-	**8,521**
Other financial liabilities	203	-	**203**
	12,168	**-**	**12,168**

34 FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared the opening balance sheet as per Ind AS as on April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company. The Company has applied the following transition exemptions apart from mandatory exceptions in Ind AS 101:

1 Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

2 Arrangements containing a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

34.1 Reconciliation of total equity

Particulars	**Notes**	**As at March 31, 2017** (end of last period presented under previous GAAP)	**As at April 1, 2016** (Date of Transition)
Total equity (shareholder's fund) as per previous GAAP	d	**776**	**(2,343)**
Ind AS Adjustments increase / (decrease):			
Reversal of lease equalisation reserve	a	22	16
Equity as reported under Ind AS		**798**	**(2,327)**

34.2 Reconciliation of total comprehensive income

Particulars	**Notes**	**Year ended March 31, 2017** (latest period presented under previous GAAP)
Net profit /(loss) as reported under previous GAAP		**(381)**
Ind AS Adjustments increase / (decrease):		
Reversal of lease equalisation reserve	a	6
Actuarial (Gain) / loss on defined benefit plan transferred to other comprehensive income	b	48
Total adjustment to profit or loss		**54**
Profit / (loss) under Ind AS		**(327)**
Other comprehensive income		
Actuarial Gain / (loss) on defined benefit plan	b	(48)
Total other comprehensive income / (loss)	c	**(48)**
Total comprehensive income / (loss) under Ind AS		**(375)**

Note: No statement of comprehensive income was prepared under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

34.3 Effect of Ind AS adoption on the statement of cash flows

Particulars	**Notes**	**Year ended March 31, 2017** (End of last period presented under previous GAAP) **Previous GAAP**	**Effect of transition to Ind As**	**Ind AS**
Previous GAAP				
Net cash flows from operating activities		(2,302)	-	(2,302)
Net cash flows from investing activities		(80)	-	(80)
Net cash flows from financing activities		2,371	-	2,371
Net increase (decrease) in cash and cash equivalents		**(11)**	-	**(11)**
Cash and cash equivalents at beginning of period		418	-	418
Cash and cash equivalents at end of period		**407**	-	**407**

Notes to first time adoption

a. Operating lease:

Under previous GAAP in respect of operating lease, lease rental has to be recognised as expense in the statement of profit and loss on straight-line basis over the term of lease for which lease equalisation reserve was created. Under Ind AS, such straight-line basis of accounting for the operating lease is not required if such increase in rent is in line with the expected general inflation. Accordingly, lease equalisation reserve of Rs. 16 lakhs and Rs. 22 lakhs as on March 31, 2016 and March 31, 2017 respectively has been reversed and charged in the statement of profit and loss of Rs. 6 lakhs for the year end March 31, 2017 has been reversed.

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

b. Actuarial gain/ (loss) on defined benefit plans:

Under previous GAAP in respect of defined benefit plan, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses forming part of re-measurement of the net defined benefit liability / asset is recognised in other comprehensive income. There is no impact on the total equity.

c. Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

d. The Company has issued preference share capital aggregating to Rs. 7,610 lakhs to its Holding Company which under the previous GAAP was forming part of share capital under the shareholder's fund. The Company cumulatively never had significant cash flows/ profits to enable it to redeem the preference shares and considering this, at the time of issue of these preference shares, there was no valid expectations of this amount being repaid, as such the entire preference share capital needs to be classified as Equity under Ind AS. Accordingly, this amount has been classified as "Equity component of compound financial instrument – preference share" under the head Other Equity in these Ind AS Financial Statements on transition date.

35 The Ministry of Micro, Small and Medium Enterprises has issued an office Memorandum dated August 26, 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 March 31, 2018, March 31, 2017 and April 1, 2016 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.

36 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.

37 Managerial remuneration of Rs 7.46 lakhs paid by the Company during the year ended March 31, 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 July 26, 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 August 30, 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 March 31, 2012. Subsequently, the Company filed an application with the Central Government for waiver of such excess remuneration paid, since the concerned managerial personel has resigned w.e.f. January 31, 2013. In response, the government vide its letter dated November 18, 2014, rejected the application filed by the Company for waiver of remuneration paid in excess of the limits specified in the Companies Act, 1956. During the year, the Company has recovered the excess managerial remuneration along with interest thereon aggregating to Rs. 8.47 lakhs from the erstwhile managing director.

38 The prescribed corporate social responsibility expenditure required to be spent in financial year 2017-18 as per the requirements of section 135 of the Companies Act, 2013 is Rs. Nil, as the Company had reported losses in past three years.

39 Financial statements for the year ended and as at March 31, 2017 were audited by previous auditors - B S R & Co LLP.

For and on behalf of the Board of Directors

David Thomas Payne Chairman (DIN - 07504820)	**Sharmila Sahai** Managing Director (DIN - 00893750)
Amit Jain Chief Financial Officer	**Dhiraj Kumar Maggo** Company Secretary (Membership No - F7609)

Place : Noida
Date : May 24, 2018


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