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TIMEX

TIMEX GROUP INDIA LIMITED

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26th May, 2016

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

Scrip Code : 500414

Subject: Outcome of Board Meeting

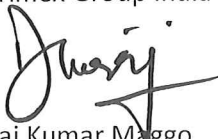
Dear Sir(s)

Please be informed that the Board of Directors has, at its meeting held today i.e. on May 26, 2016, inter-alia, considered and approved the following:

1. Audited Financial Results of the Company for the quarter and year ended 31st March, 2016. Accordingly, in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Audited Financial Results for the quarter and year ended on 31st March, 2016 along with the Auditors' Report thereon and duly signed prescribed Form B for modified opinion.
2. Issuance of Cumulative Redeemable Non Convertible Preference Shares on private placement basis for an amount upto Rs. 35 Crore.

This is for your kind information and record.

Thanking you
For Timex Group India Limited



Dhiraj Kumar Maggo
GM-Legal & Company Secretary

FORM B

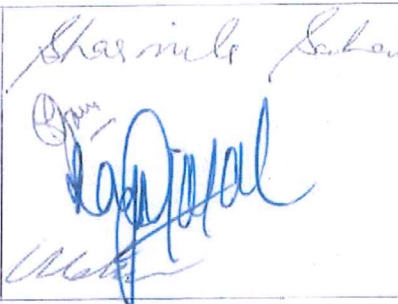
1	Name of the Company	Timex Group India Limited
2.	Annual Financial Statement for the year ended	31 March, 2016
3.	Type of Audit Qualification*	Qualified
4.	Frequency of qualification	Since 31 March 2012
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<p>Managerial remuneration of Rs 7.46 lakhs paid by the Company during the year ended 31 March 2012 was in excess of the amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by the Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application had been made in this regard by the Company vide its letter dated 30 August 2012.</p> <p>In response, the Company received direction from Central Government to recover the excess remuneration of Rs. 7.09 lakhs paid during the year ended 31 March 2012. Subsequently, the Company filed an application with the Central Government for waiver of such excess remuneration paid, since the concerned managerial person has resigned w.e.f. 31 January 2013. The Central Government vide its letter dated 18 November 2014, rejected the application filed for waiver of excess remuneration paid. The Company is taking necessary steps for recovery of this amount from the erstwhile Managing Director.</p>
	Additional comments from the board/audit committee chair :	None

*Following 'Emphasis of Matter' has been given in the independent Auditor' Report for the year ended 31 March, 2016:

Attention is invited to note 2 (b) of the financial statements, wherein it is explained that the Company has significant accumulated losses which have resulted in complete erosion of the net worth of the Company as at 31 March 2016. The ability of the Company to continue as a going

concern is dependent on improvement of the Company's future operations and continued financial support from the holding and ultimate holding company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

5.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	
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B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report on the Statement of Financial Results of Timex Group India Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Timex Group India Limited

1. We have audited the accompanying Statement of Financial Results ('the Statement') of Timex Group India Limited ('the Company') for the quarter and year ended 31 March 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement has been prepared on the basis of annual financial statements, which are the responsibility of the Company's Management and approved by the Board of Directors of the Company. Our responsibility is to express an opinion on this Statement based on our audit of such annual financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We draw attention to the fact that the figures for the quarter ended 31 March 2016 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter ended 31 December 2015 had been subjected to review.
4. Managerial remuneration of Rs. 7.46 lakhs paid by the Company during the year ended 31 March 2012 was in excess of the amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by the Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application had been made in this regard by the Company vide its letter dated 30 August 2012.

In response, the Company received direction from Central Government to recover the excess remuneration of Rs.7.09 lakhs paid during the year ended 31 March 2012. Subsequently, the Company filed an application with the Central Government for waiver of such excess remuneration paid, since the concerned managerial person has resigned w.e.f. 31 January 2013. The Central Government vide its letter dated 18 November 2014, rejected the application filed for waiver of

B S R & Co. LLP

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

5. Attention is invited to note 4 of the accompanying statement. The Company has significant accumulated losses which have resulted in complete erosion of the net worth of the Company as at 31 March 2016. The ability of the Company to continue as a going concern is dependent on the improvement of the Company's future operations and continued financial support from the holding and ultimate holding company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our report is not modified in respect of this matter.
6. In our opinion and to the best of our information and according to the explanations given to us, except for our comments in para 4 above, the impact of which cannot be ascertained read with para 5 above, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - (ii) give a true and fair view of the net loss and other financial information for the year ended 31 March 2016.

Place: Gurgaon
Date: 26 May 2016

For B S R & Co. LLP
Chartered Accountants
Registration No.: 101248W/W-100022


Rajiv Goyal
Partner
Membership No.: 094549

SK

Timex Group India Limited
Regd. Office : JA-1203, DLF Tower-A, Jasola, New Delhi-110025
Statement of audited financial results for the year ended 31 March 2016

(Rs. in lakhs)

Particulars	Quarter ended			Year Ended	
	Audited	Unaudited	Audited	Audited	Audited
	31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 March 2015
1. Income from Operations					
a) Net sales/income from operations (net of excise duty)	4,300	5,092	3,177	17,268	13,964
b) Other operating income	39	22	271	66	272
Total income from Operations (net)	4,339	5,114	3,448	17,334	14,236
2. Expenses					
a) Cost of materials consumed	2,740	1,997	1,587	8,924	6,903
b) Purchases of stock-in-trade	413	72	387	1,065	651
c) Changes in inventories of finished goods, work in progress and stock-in-trade	(988)	927	(339)	(668)	(122)
d) Employee benefits expense	514	621	494	2,245	2,244
e) Depreciation and amortization expense	64	94	57	278	224
f) Advertising, sales promotion and minimum guarantee expenses	497	336	404	2,012	2,320
g) Other expenses	1,081	980	806	4,052	3,039
Total expenses	4,321	5,027	3,396	17,908	15,259
3. Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	18	87	52	(574)	(1,023)
4. Other income	-	2	3	4	7
5. Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	18	89	55	(570)	(1,016)
6. Finance costs	133	75	66	357	253
7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(115)	14	(11)	(927)	(1,269)
8. Exceptional items	-	-	-	-	171
9. Profit/(Loss) for the period (7+8)	(115)	14	(11)	(927)	(1,098)
10. Paid-up equity share capital (face value Re.1)	1,010	1,010	1,010	1,010	1,010
11. Reserves excluding revaluation reserve	-	-	-	-	(6,536)
Basic and diluted earnings per share (nominal value of Re. 1 each) (not annualised except for year ended 31 March 2016 and 31 March 2015)	(0.20)	(0.07)	(0.09)	(1.25)	(1.41)

Statement of Assets and Liabilities as at 31 March 2016

(Rs. in lakhs)

Particulars	Audited	Audited
	As at 31 March 2016	As at 31 March 2015
Equity and liabilities		
1. Shareholders' funds		
a) Share capital	5,120	5,120
b) Reserves and surplus	(7,463)	(6,536)
Sub total -Shareholders' funds	(2,343)	(1,416)
2. Non-current liabilities		
a) Other long term liabilities	16	-
b) Long-term provisions	385	349
Sub total -Non-current liabilities	401	349
3. Current liabilities		
a) Short-term borrowings	3,444	2,769
b) Trade payables	8,369	7,298
c) Other current liabilities	2,437	2,088
d) Short-term provisions	615	659
Sub total -Current liabilities	14,865	12,814
Total equity and liabilities	12,923	11,747
Assets		
4. Non-current assets		
a) Fixed assets	1,182	1,133
b) Long-term loans and advances	415	400
c) Other non-current assets	-	2
Sub total -Non-current assets	1,597	1,535
5. Current assets		
a) Inventories	3,410	2,524
b) Trade receivables	7,130	6,870
c) Cash and bank balances	419	446
d) Short-term loans and advances	354	357
e) Other current assets	13	15
Sub total -Current assets	11,326	10,212
Total assets	12,923	11,747



Segment wise Revenue, Results and Capital employed for the quarter and year ended 31 March 2016

Particulars	Quarter ended			Year Ended	
	Audited	Unaudited	Audited	Audited	Audited
	31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 March 2015
1 Segment Revenue					
-Watches	4,296	5,067	3,411	17,167	14,105
-Others	43	47	37	167	131
Total Income	4,339	5,114	3,448	17,334	14,236
2 Segment Results [profit/(loss)] before tax and interest					
-Watches	556	275	127	790	(447)
-Others	13	10	5	40	19
Total	569	285	132	830	(428)
Exceptional items	-	-	-	-	171
Segment Results [profit/(loss)] after exceptional items	569	285	132	830	(257)
Less:					
Unallocated expenses/(unallocated income) net	551	198	80	1,404	595
Interest expense/(income) net	133	73	63	353	246
Profit/(Loss) before tax	(115)	14	(11)	(927)	(1,098)
3 Capital employed (segment assets-segment liabilities)					
-Watches	29	(256)	247	29	247
-Others	508	494	350	508	350
Total capital employed in segments	537	238	597	537	597
Unallocable capital employed	(2,880)	(2,466)	(2,013)	(2,880)	(2,013)
Total capital employed	(2,343)	(2,228)	(1,416)	(2,343)	(1,416)

- The figures for the quarter ended 31 March 2016 and 31 March 2015 are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the period ended 31 December 2015 and 31 December 2014 respectively. The figures upto nine months ended of 31 December 2015 and 31 December 2014 were only reviewed and not subject to audit.
- The statutory auditors have carried out audit of the financial results for the quarter and year ended 31 March 2016 and a modified opinion has been issued in respect of managerial remuneration (refer note 3 below).
- Managerial remuneration of Rs 7.46 lakhs paid by the Company during the year ended 31 March 2012 was in excess of the amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application was made in this regard by the Company vide its letter dated 30 August 2012. In response, the Company received direction from Central Government to recover the excess remuneration of Rs. 7.09 lakhs paid during the year ended 31 March 2012. Subsequently, the Company filed an application with the Central Government for waiver of such excess remuneration paid, since the concerned managerial person has resigned w.e.f. 31 January 2013. In the previous year, the Central government vide its letter dated 18 November 2014 rejected the application filed by the Company for waiver of remuneration paid in excess of the limits specified in the Companies Act, 1956. The Company is taking necessary steps for recovery of this amount from the erstwhile Managing Director.
- The accumulated losses of the Company as at 31 March 2016 are Rs. 7,814 lakhs, which have resulted in complete erosion of the net worth of the Company. The Company has incurred loss of Rs. 115 lakhs for the quarter ended 31 March 2016 (Rs. 927 lakhs for the year ended 31 March 2016) and as at that date, the Company's current liabilities are in excess of its current assets by Rs. 3,539 lakhs. The Company expects growth in its operations in coming years and is taking measures to improve its operational efficiency. However, the Company expects to incur losses during the fiscal year 2016-17. As per the business plans approved by the board of directors, the funding requirements of the Company will be met through funds from operations and bank borrowings, which have been guaranteed by Timex Group Luxury Watches B.V., the holding Company. Further, preference shares amounting to Rs. 3,500 lakhs, subject to shareholders' approval are proposed to be issued to the holding company during the year 2016-17. In view of the above, the use of going concern assumption has been considered appropriate in preparation of financial statements of the Company.
- There was an exchange gain of Rs. 23 lakhs during the quarter ended 31 March 2016, Rs 91 lakhs during the quarter ended 31 December 2015 and Rs 66 lakhs during the quarter ended 31 March 2015. There was an exchange loss of Rs. 433 lakhs for the year ended 31 March 2016 and Rs. 111 lakhs for the year ended 31 March 2015.
- The above results have been reviewed by the Audit Committee and adopted by the Board of Directors at its meeting held on 26 May 2016.
- The report of statutory auditors is being filed with the Bombay Stock Exchange and is also available on the Company's website (www.timexindia.com).

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


Sharmila Sahni
Managing Director
Place: Noida
Date: 26 May 2016