

B S R & Co. LLP

Chartered Accountants

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Review report to the Board of Directors of Timex Group India Limited

1. We have reviewed the accompanying statement of unaudited financial results of Timex Group India Limited ('the Company') for the quarter and six months ended 30 September 2015, being submitted by the Company pursuant to the requirements of clause 41 of the Listing Agreement, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Managerial remuneration of Rs. 7.46 lakhs paid by the Company during the year ended 31 March 2012 was in excess of the amount approved by the Central Government. The Company's application for approval of such excess remuneration was rejected by the Central Government vide its letter dated 26 July 2012. The Company had requested the Central Government to re-consider the same and an application had been made in this regard by the Company vide its letter dated 30 August 2012.

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

4. 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 30 September 2015. 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.

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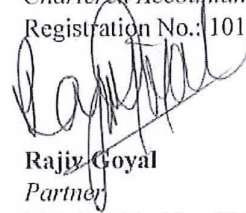
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5. Based on our review conducted as above, except for our comments in para 3 above, the impact of which cannot be ascertained read with para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

Registration No.: 101248W/W-100022



Rajiv Goyal

Partner

Membership No.: 094549

Place: Gurgaon

Date: 3 November 2015

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Timex Group India Limited
 Regd. Office : JA-1203, DLF Tower-A, Jasola, New Delhi-110025
 Statement of unaudited financial results for the quarter and six months ended 30 September 2015

(Rs. in lakhs)

Particulars	Quarter ended			Six months ended		Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	30 September 2015	30 June 2015	30 September 2014	30 September 2015	30 September 2014	31 March 2015
1. Income from operations						
a) Net sales/income from operations (net of excise duty)	4,076	3,800	3,215	7,876	6,473	13,964
b) Other operating income	4	1	-	5	-	272
Total income from operations (net)	4,080	3,801	3,215	7,881	6,473	14,236
2. Expenses						
a) Cost of materials consumed	2,199	1,988	2,118	4,187	3,613	6,903
b) Purchases of stock-in-trade	502	78	75	580	160	651
c) Changes in inventories of finished goods, work in progress and stock-in-trade	(500)	(107)	(512)	(607)	(379)	(122)
d) Employee benefits expense	548	562	555	1,110	1,095	2,244
e) Depreciation and amortization expense	64	56	56	120	109	224
f) Advertising, sales promotion and minimum guarantee expenses	406	773	679	1,179	1,329	2,320
g) Other expenses	1,133	858	931	1,991	1,542	3,039
Total expenses	4,352	4,208	3,902	8,560	7,469	15,259
3. Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	(272)	(407)	(687)	(679)	(996)	(1,023)
4. Other income	1	1	2	2	3	7
5. Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	(271)	(406)	(685)	(677)	(993)	(1,016)
6. Finance costs	81	68	63	149	114	253
7. Loss from ordinary activities after finance costs but before exceptional items (5-6)	(352)	(474)	(748)	(826)	(1,107)	(1,269)
8. Exceptional items	-	-	171	-	171	171
9. Loss for the period (7+8)	(352)	(474)	(577)	(826)	(936)	(1,098)
10. Paid-up equity share capital (face value Re.1)	1,010	1,010	1,010	1,010	1,010	1,010
11. Reserves excluding revaluation reserve	-	-	-	-	-	(6,536)
Basic and diluted earnings per share Rs. (not annualised except for year ended 31 March 2015)	(0.43)	(0.55)	(0.65)	(0.98)	(1.09)	(1.41)

See accompanying notes to the financial results.

A. Particulars of shareholding						
1- Public shareholding:						
- Number of shares	25,304,900	25,304,900	25,304,900	25,304,900	25,304,900	25,304,900
- Percentage of shareholding	25.07	25.07	25.07	25.07	25.07	25.07
2- Promoter and Promoter group shareholding :						
a) Pledged/ Encumbered						
-Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
-Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
-Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered						
-Number of shares	75,645,100	75,645,100	75,645,100	75,645,100	75,645,100	75,645,100
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
-Percentage of shares (as a % of the total share capital of the company)	74.93	74.93	74.93	74.93	74.93	74.93

B. Investor complaints	Quarter ended 30 September 2015
Pending at the beginning of the quarter (Nos)	1
Received during the quarter (Nos)	1
Disposed off during the quarter (Nos)	1
Remaining unresolved at the end of the quarter (Nos)	1



Statement of Assets and Liabilities as at 30 September 2015

(Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	Unaudited As at 30 September 2015	Audited As at 31 March 2015
Equity and liabilities		
1. Shareholders' funds		
a) Share capital	5,120	5,120
b) Reserves and surplus	(7,362)	(6,536)
Sub total -Shareholders' funds	(2,242)	(1,416)
2. Non-current liabilities		
a) Long-term provisions	388	349
Sub total -Non-current liabilities	388	349
3. Current liabilities		
a) Short-term borrowings	3,424	2,769
b) Trade payables	8,665	7,298
c) Other current liabilities	2,378	2,088
d) Short-term provisions	623	659
Sub total -Current liabilities	15,090	12,814
Total equity and liabilities	13,236	11,747
Assets		
4. Non-current assets		
a) Fixed assets	1,169	1,133
b) Long-term loans and advances	427	400
c) Other non-current assets	2	2
Sub total -Non-current assets	1,598	1,535
5. Current assets		
a) Inventories	3,403	2,524
b) Trade receivables	7,538	6,870
c) Cash and bank balances	466	446
d) Short-term loans and advances	231	357
e) Other current assets	-	15
Sub total -Current assets	11,638	10,212
Total assets	13,236	11,747

Segment wise Revenue, Results and Capital employed under clause 41 of the listing agreement

(Rs. in lakhs)

Particulars	(Rs. in lakhs)					
	Quarter ended			Six months ended		Year ended
	Unaudited 30 September 2015	Unaudited 30 June 2015	Unaudited 30 September 2014	Unaudited 30 September 2015	Unaudited 30 September 2014	Audited 31 March 2015
1 Segment Revenue						
-Watches	4,041	3,763	3,181	7,804	6,410	14,105
-Others	39	38	34	77	63	131
Total Income	4,080	3,801	3,215	7,881	6,473	14,236
2 Segment Results [profit/(loss)] before tax and interest						
-Watches	81	(122)	(446)	(41)	(542)	(447)
-Others	8	9	11	17	13	19
Total	89	(113)	(435)	(24)	(529)	(428)
Exceptional items	-	-	171	-	171	171
Segment Results [profit/(loss)] after exceptional items	89	(113)	(264)	(24)	(358)	(257)
Less:						
Unallocated expenses /(unallocated income) net	361	294	252	655	467	595
Interest expense/(income) net	80	67	61	147	111	246
Profit/(Loss) before tax	(352)	(474)	(577)	(826)	(936)	(1,098)
3 Capital employed (segment assets-segment liabilities)						
-Watches	(84)	158	450	(84)	450	247
-Others	445	392	281	445	281	350
Total capital employed in segments	361	550	731	361	731	597
Unallocable capital employed	(2,603)	(2,440)	(1,987)	(2,603)	(1,987)	(2,013)
Total capital employed	(2,242)	(1,890)	(1,256)	(2,242)	(1,256)	(1,416)



- 1) The statement of unaudited financial results for the quarter and six months ended 30 September 2015 has been prepared following the same accounting policies as those followed in the annual financial statements for the year ended 31 March 2015.
- 2) The results for the quarter and six months ended 30 September 2015 have been subject to "Limited Review" by the statutory auditors of the Company in compliance with the requirement of the listing agreement with the Stock Exchange and a modified opinion has been issued in respect of managerial remuneration (refer note 3 below).
- 3) 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 in the process of taking necessary steps for recovery of this amount from the erstwhile Managing Director.
- 4) The accumulated losses of the Company as at 30 September 2015 are Rs. 7,713 lakhs, which have resulted in complete erosion of the net worth of the Company. The Company has also incurred losses of Rs. 352 lakhs for the quarter ended 30 September 2015 (Rs. 826 lakhs for the six months ended 30 September 2015). 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 current fiscal year 2015-16. As per the business plans approved by the board of directors, the funding requirements of the Company will be met through funds from operations and bank borrowings, which have been guaranteed by Timex Group Luxury Watches B.V., the holding Company. In view of the above, the use of going concern assumption has been considered appropriate in preparation of financial statements of the Company.
- 5) There was an exchange loss of Rs. 205 lakhs during quarter ended 30 September 2015 as against Rs. 114 lakhs for the quarter ended 30 June 2015.
- 6) The above results have been reviewed by the Audit Committee and adopted by the Board of Directors at its meeting held on 3 November 2015.
- 7) 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 Sahai

Managing Director

Place: Chandigarh

Date: 3 November 2015

