

August 24, 2020

The Secretary
BSE Ltd.
P J Towers, Rotunda Bldg.,
Dalal Street, Fort
Mumbai – 400 001

Scrip Code: 500414

Dear Sir,

Sub: Notice of the 32nd Annual General Meeting (AGM) and Annual Report for the financial year 2019-20 – Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in furtherance to our letters dated August 11, 2020 and August 20, 2020, wherein the Company had informed that the 32nd Annual General Meeting of the Company is scheduled to be held on Friday, September 18, 2020 at 3.30 PM. (1ST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) only, in accordance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India ('Circulars').

In terms of the said Circulars and pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report of the Company for the Financial Year 2019-20 along with the Notice convening the 32nd AGM. The same has been sent to all the Members of the Company whose email addresses are registered with the Company / Depository Participant(s). AGM Notice may be referred for detailed instructions on registering email addresses(s) and voting/ attendance for the AGM.

The Annual Report for the financial year 2019-20 along with Notice of 32nd AGM is uploaded on the Company's website, www.timexindia.com.

Please take the same on record and inform the members of the Stock Exchange accordingly.

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


Dhiraj Kumar Maggo
GM – Legal, HR & Company Secretary



WE DON'T STOP



ANNUAL REPORT 2020
TIMEX GROUP INDIA LIMITED

TIMEX

THIS IS NOT A WATCH

WEARABLE WELLNESS

TESLAR TECHNOLOGY

- May reduce the negative effects of stress
- Is designed to resist the effects of EMF radiation
- Enhances the immune response in the presence of EMF



TESLAR
SWISS MADE

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Board of Directors

David Thomas Payne	Non-Executive Director & Chairman
Sharmila Sahai (Ms.)	Managing Director
Anil Malhotra	Non-Executive 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, HR & 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

E-10, Lower Ground Floor, Lajpat Nagar-III,
New Delhi - 110024

Works

Plot No.10
Baddi Industrial Area
Katha Bhatoli
Baddi, Distt. Solan (H.P)

**Registrar & Share
Transfer Agent**

Alankit Assignment Limited
4E/2, Alankit House
Jhandewalan Extension
New Delhi 110 055
Tel.: 011-42541234
Fax: 011 -42541967
Email: rta@alankit.com
Website : www.alankit.com

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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Second Annual General Meeting of the Members of **TIMEX GROUP INDIA LIMITED** will be held on Friday, 18th September, 2020 at 3.30 P.M. through Video Conferencing(VC)/Other Audio Visual means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2020, and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Malhotra (DIN: 00713889), who retires by rotation and being eligible, offers himself for re-appointment.

Registered Office:

**106-107, Ambadeep, 14, Kasturba
Gandhi Marg, New Delhi - 110 001**

By Order of the Board of Directors

For and on behalf of Timex Group India Ltd

Sd/-

Dhiraj Kumar Maggo

GM-Legal, HR & Company Secretary

Membership No. F7609

Dated: June 24, 2020

NOTES

1. Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The deemed venue for the 32nd AGM will be Unit No. 303, 3rd Floor, Tower B, World Trade Tower (WTT), C-1, Sector-16, Noida - 201301, Uttar Pradesh.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this notice.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 16, 2020 to September 17, 2020 (both days inclusive).
7. Relevant details, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director retiring by rotation and proposed to be re-appointed are annexed to this Notice.
8. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility which will enable the Members to cast their votes electronically

through the e-voting services provided by NSDL, on all resolutions set forth in this Notice (Remote e-voting). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

9. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their depository participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate changes, if any, in their Registered Address along with Pin Code Number and the bank details immediately to the Registrar and Share Transfer Agent, M/s Alankit Assignments Limited.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection electronically by the members without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 18, 2020. Members seeking to inspect such documents can send an email to investor.relations@timex.com.
11. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
12. In compliance with the Circulars, the Annual Report 2020, the Notice of the 32nd Annual General Meeting and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
13. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2020 will also be available on the Company's website, www.timexindia.com, website of BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com> for their download.
14. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, M/s Alankit Assignments Limited at rta@alankit.com to receive copies of the Annual Report 2020 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual Report and for procuring user ID / password for e-voting on the resolutions set out in the Notice:
 - a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@timex.com.
 - b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.relations@timex.com.
15. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
16. The Voting period begins on 15th September, 2020 at 9.00 AM and ends on 17th September, 2020 at 5.00 PM. During this period Members, holding shares either in physical form or dematerialised form, as on the cut-off date i.e. September 11, 2020, may cast their vote electronically. The Remote e-voting module shall be disabled by NSDL for voting thereafter. The voting rights of the Members shall be in proposition to their share of the paid-up equity share capital of the Company as on the cut-off date of September 11, 2020.
17. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
18. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 11, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

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19. Mr. Neelesh Kumar Jain, Proprietor, M/s N.K.J. & Associates, Company Secretaries, (Membership Number FCS 5593, Certificate of Practice No. 5233), has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through Remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated report of the total votes casted in favour of or against, if any, within 48 hours of the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman shall declare the result of the voting forthwith.

The result, along with Scrutinizers Report will be placed on the Company's website, www.timexindia.com, and on the website of NSDL immediately after the result is declared by the Chairman or by any other person authorised by the Chairman, and the same shall also be communicated to the BSE Ltd.

20. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice. Please note that there will not be any arrangement for physically attending the meeting.
21. Shareholders, who would like to express their views/have questions may send their questions in advance, atleast 48 hours before the commencement of the meeting, mentioning their name, demat account number/folio number, email id, mobile number at investor.relations@timex.com. Such questions by the Members shall be taken up during the meeting or replied within 7 days from AGM date by the Company suitably.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor.relations@timex.com atleast 48 hours before the commencement of the Meeting. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR E-VOTING

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ID are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nkj@nkj.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the

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correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asstt. Manager at evoting@nsdl.co.in. or contact at Tel No. : +91 22 24994545 or +91 22 24994559 respectively.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investor.relations@timex.com.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor.relations@timex.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Registered Office:
106-107, Ambadeep, 14, Kasturba
Gandhi Marg, New Delhi - 110 001

By Order of the Board of Directors
For and on behalf of Timex Group India Ltd

Sd/-
Dhiraj Kumar Maggo
GM-Legal, HR & Company Secretary
Membership No. F7609

Dated: June 24, 2020

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ANNEXURE TO ITEM NO. 2 OF THE NOTICE

**Details of Director seeking re-appointment at the 32nd Annual General Meeting
(In pursuance of Secretarial Standards - 2 on General Meeting and Regulation 36 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

Name	Mr. Anil Malhotra
DIN	00713889
Date of Birth/ Age	01/03/1960/60 years
Nationality	Indian
Qualifications	Graduated With Economics Honours from Shri Ram College of Commerce, Delhi University
Experience (including nature of expertise in specific functional areas)/ Brief Resume	<p>Anil Malhotra is the Founder and Chairman of The ICS Group with diversified interests in IT Education, Institutional Training, Business Consulting, Venture Investing and Technology Entrepreneurship. He also has interests in the real estate sector encompassing institutional, commercial and residential segments. Mr. Malhotra has been instrumental in the IT education of over a million students, giving India a whole generation and one of the world's largest resources of human capital trained in cutting-edge technology. He founded ICS (Informatics Computer Systems) in 1983 at the young age of 23, and became one of India's most well-known success stories of youthful innovation and self-made enterprise.</p> <p>Mr. Malhotra has been Chairman of the Training Division of the Computer Industry's National apex body - Manufacturers Association for Information Technology (MAIT). He was conferred Honorary Membership of the Indian Public School's Conference and Honorary Fellowship of the Secondary Heads Association of Great Britain for his contribution in providing Quality Computer Education in India. He has been honored with the Rashtriya Samman, which is the Govt. of India's highest award to the country's top-most income tax payers over five consecutive years.</p> <p>Mr. Malhotra has also been honored with The Governor General of Canada's Medallion for his contribution to Entrepreneurship and Innovation in Canada and India.</p>
Terms and conditions of re-appointment	Proposed to be re-appointed as Non-Executive Non-Independent Director, liable to retire by rotation
Remuneration last drawn (including sitting fee if any)	NIL
Remuneration sought to be paid	NIL
Date of first appointment on the Board	October 30, 2013
Date of last re-appointment	NA
Shareholding in Timex Group India Limited as on March 31, 2020	NIL
Relationship with other directors, key managerial personnel of the Company	None
Number of Board Meetings attended	4
Name of Companies in which he/she holds directorship	<ul style="list-style-type: none"> • JTV Consultants Pvt Ltd • Kings Township Pvt Ltd
Name of Committees of other Indian Companies in which he/she holds Membership	NIL

TIMEX GROUP

DIRECTORS' REPORT

To the Members of Timex Group India Limited

The Directors are pleased to present the Thirty Second Annual Report and Audited Statement of Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS AND PERFORMANCE

(Rs. in Lakhs)

Particulars	2019-2020	2018-19
Revenue from operations (including other income)	25,229	24,190
Profit before Interest and Depreciation		
Depreciation	397	1,153
Less: Interest	280	158
Less: Depreciation	297	160
Profit before tax	(180)	835
Tax expense	-	89
Profit after tax	(180)	746
Total comprehensive income	(180)	720

The financial year 2019-20 was a challenging year for the watch industry. The consumer demand remained under pressure throughout the year. The situation was further aggravated by the unprecedented COVID-19 pandemic. The nationwide lockdown imposed to contain the spread of COVID-19 pandemic disrupted the complete demand and supply chains.

The team Timex worked against all the odds and managed to find opportunities. In spite of adverse conditions, the Revenue from Operations (including other income) has grown by 4% over the previous year but the Company has incurred Loss of Rs. 180 lac as against Net Profit after tax of Rs. 746 lac in the previous year. B2B, Canteen Stores Dept. (CSD) and Distribution sales channels have performed better. The new age channels such as E-commerce and Omni Channel were slow but are expected to grow faster in post COVID times.

During the year, the Company launched a multi-faceted product assortment in line with the changing consumer taste and its strategy of sustaining its traditional product portfolio while strengthening the premium segment with its fashion portfolio.

Boldly claiming its share in the fitness-oriented smartwatch and smart-band markets, the Company launched a slew of unique and affordable smart products such as iConnect by Timex - a collection of smartwatches with a calling feature, and Helix Gusto fitness band for its young consumers enabling them to keep a track of their fitness routine. A lightweight third product was added to iConnect by Timex category with the 'Active' collection. Marketing campaigns for introduction of these fitness products generated significant enthusiasm in the market. The recent launch of the iConnect by Timex range won the brand the prestigious 'Lifestyle Smartwatch of

the year' award for 2019 at the Jagran Hitech Awards. The Company continues to pursue a robust technology roadmap to be future ready as consumer preferences change.

Introduction of globally successful products such as the Q Timex 1979 Reissue recognized as the 'diver inspired' watch and award winning products such as the Timex Celestial Opulence created unprecedented buzz in the market and on social media. Appealing to independent women of today and winning the brand worldwide recognition, 'Celestial Opulence' carries the allure of the night sky. Staying true to its global heritage, the Company brought to India, the exclusive American Documents collection, - Made in America, with a Swiss movement.

Driving the mid segment were the "Giorgio Galli Collection", a line of exclusive styles for women designed in Italy, and the '10 year Battery Life' collection that witnessed good demand and helped the brand present innovative concepts to its consumers. These collections have strengthened Timex as a brand across channels, especially the Modern retail channel.

Continuing its focus on the fashion segment, the Company added another feather in its cap with the launch of "Ted Baker", one of the fastest-growing global lifestyle brands. Quintessentially British, it is famed for its quirky yet commercial fashion offering, high quality design detailing and distinctive use of pattern and colour. The brand and the products have been accepted well in the market.

The Company launched the "TESLAR" watch collection, housing the TESLAR Technology, designed to resist the harmful effects of electromagnetic frequency radiation. The watch collection aims to protect people from the dangers of man-made electromagnetic fields created by cell phone systems, computers and all other electrical sources causing daily stress, poor sleep habits and hectic work environments.

The Company continued to build strong dominance in the premium fashion segment, by scaling footprint of the brand 'Versus by Versace' for fashion-conscious consumers through association with fashion shows & influencer programs.

The year 2019 also witnessed the launch of a new brand for the Company - 'TMX' with a focus on catering to the Tier 2 and Tier 3 markets in India with superior product offerings, backed with a comprehensive regional outreach plan of PR and digital and marketing activities. The launch was kick-started by the 'Khushiyo ki ghadi' campaign with Suresh Raina as its brand ambassador.

The Company continues to receive good response for its products from domestic and international markets.

Storytelling packed with excellent narrative and execution heralded this year's marketing campaigns. The highlights of advertising this financial year were subtle messaging and classier approach to create a larger story that binds everything to our core vision. The numerous celebrities & influencers that engaged with the brand's premium launches made it a star-studded affair. The marketing efforts of the Company

covered occasion-based marketing, topical posts, offers, influencer marketing, trade marketing and digital marketing to balance its communication across different demographics. To solidify its digital presence, the Company also worked upon and is all set to launch and upgrade its brand new website.

To tackle the menace of counterfeit products and ensure better customer experience, the Company also initiated the QR code system. It assures the customers of the genuineness of the watches.

The company has successfully consolidated its warehousing operations by setting up one warehouse in Noida, Uttar Pradesh and closed all other major warehouses. Apart from being cost effective, this initiative will bring efficiency in managing the warehouse operations and ensure better fill rates and faster execution of customer orders.

The Company's plant in Baddi, Himachal Pradesh has received SA 8000 certification which is one of the world's first auditable social certification standards for decent workplaces, across all industrial sectors. The accredited certification demonstrates good practice to consumers, buyers, companies and other stakeholders. With the aim to ensure practical world-life situations, the Company has been the recipient of the certification owing to its methods of encouraging sustainable systematic changes in workplace management. Further, the certification provides ongoing and reliable assurance that the organization is upholding social performance expectations, while also continuously improving its management systems to address and prevent social and labour risks.

COVID-19 Pandemic

The Novel Coronavirus disease (COVID-19) was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of India took various actions to contain the COVID-19 pandemic, such as closing of borders and lockdown restrictions, which resulted in significant disruption to people and businesses. Like for many others, demand for our products and the supply chain have been significantly impacted.

In response to COVID-19 pandemic situation, the Company quickly instituted measures to trace all employees and be assured of their safety, health and well-being. Fortunately, no COVID-19 case has been found across our manpower in India. Keeping in view the safety of our employees and in line with the guidelines issued by the Government, the plant and offices were closed and the workforce was shifted to an entirely new 'work-from-home' model.

The business will take some time to reach the pre-COVID 19 level as watches are non-essential consumer discretionary category. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focussed on controlling costs, maintaining liquidity and closely

monitoring the supply chain. The Company is watchful of all opportunities which can positively impact the revenue and cash flow and will take steps to grab all such opportunities. The Board, through its engagement with the management, will guide the Company in recalibrating its growth strategy to address these challenges and to make use of the new opportunities.

COVID-19 pandemic has caused business disruption resulting in severe negative impact on revenue, collection and cash flow. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic till date of approval of financial statements. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic condition and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic condition arise. Based on an initial assessment of likely adverse impact on business and financial risks on account of COVID-19, the management is confident that there is no medium to long term risks to the Company's ability to serve its customers and markets and the use of going concern assumption has been considered appropriate by the Board of Directors in preparation of financial statements of the Company.

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

According to the data released by National Statistical Office (NSO), Indian economy has grown by 4.2% in 2019-20 against 6.1% during the FY 2018-19. The growth rate has slowed down to an eleven year low due to various factors including slowdown in gross fixed capital formation and private consumption expenditure. Further, various agencies have forecasted contraction in the Indian economy in FY 2020-21 due to the impact of weak global demand and COVID-19 lockdown imposed in the country which has resulted in complete disruption of demand - supply chain. The revival is expected in 2021-22 on the back of various government measures and reforms to revive growth of the economy.

Lower economic growth coupled with high unemployment rate, lower purchasing power and weak private consumption may negatively impact the demand for watches in the short term.

OVERVIEW OF WATCH INDUSTRY

Due to slump in the overall consumer sentiments and demand, and liquidity crunch, the financial year 2019-20 has not been a good year for the watch industry. The situation has been

TIMEX GROUP

further deteriorated due to nationwide lockdown imposed to contain the spread of COVID-19 pandemic.

During the FY 2019-20, the technology products and youth and fashion products were the major contributors. Luxury segment still continues to face challenges of demand.

The watch industry also faces challenge from counterfeits, fake and smuggled products. The Company has continued its drive against such malpractices through civil action/ raids against manufacturers / sellers of counterfeit products, consumer awareness about fake products etc.

GROWTH DRIVERS OF THE COMPANY

The Company is focussed to achieve sustained growth in the fast-changing business environment and the growing competition and ensure returns for all its stakeholders. The Company has laid down well thought plans and has identified the following key growth drivers:

Product portfolio:

Over the past few years, the Company has strengthened its product portfolio with innovative products that have made a mark in the mind of the consumer at various price points. Going forward the focus will be on maintaining the momentum.

With a special focus on smart products, the Company will be coming out with varied technology infused products - from advanced smartwatches to fitness bands in the fashion space. This will continue to be a focus area with our consumers focusing on wellness and looking for smart technology options.

In addition to the above, the Company will continue launching legacy products that talk of our brands' heritage, trend based collections for the fashion conscious consumer, strengthening the women's segment with premium occasion wear watches, and creating new innovative concepts.

The Company will further strengthen its brand portfolio by launching select international lifestyle and fashion brands in India. These would vary from fashion to luxury and cater to an array of consumer tastes and needs.

The Company will continue to bring trendy and unique watches under Helix brand for the youth. Technology segment is expected to grow at a faster pace and to cater to the needs of this segment; the Company will bring exciting range of tech products including smart watches and fashionable fitness bands.

Growing E-commerce channel and increasing points of Sale:

The E-commerce channel has become more important and relevant in the post COVID environment where consumer wants to choose, select and order products online without any need to visit the store. This channel has the potential to grow exponentially. The Company will focus to increase its market share in the e-commerce segment through launch of exciting products through all key players in E-commerce

channel, omni channel, direct online sales through www.timexindia.com and becoming a seller on all major e-commerce portals.

The Company has a strong distribution channel and that is the strength of the Company. The Company will focus to further strengthen it by increasing the points of sale especially in Tier II and Tier III markets. The Company is in a good position to achieve this with the variety of products relevant to every category of customer i.e. from mass to fashion to luxury. Our product portfolio which includes watches designed and manufactured in India as well as the international range gives ample choice to consumers. Further, improved branding and increased engagement with consumers will help in improving our position in the large format stores. Showroom Channel will be further strengthened by opening more showrooms in B & C class towns. This channel helps in enhancement of brand visibility, consumer insights, consumer engagement and showcasing of global collection.

Increasing Marketing initiatives:

Reaching the right audiences, connecting with them, educating them, and delivering them the right experience will be the key elements of our marketing strategy. We will continue to leverage digital channels to showcase our brand's uniqueness with our iconic models to establish the brand as an authentic American brand and increase customer engagement.

We will analyze micro and macro environments to find target markets and ways to serve our audience. The company will continue to focus on digital marketing, visual merchandising, tactical consumer initiatives, and in-store visibility to translate its brand values into reality.

The Timexindia.com website will be regularly updated with technology to give a seamless experience to our consumers.

Strengthening our manufacturing capability:

The prestigious SA 8000 certification will help the Baddi plant to qualify as a manufacturing centre for world class brands. The plant has started manufacturing watches for other brands within the Timex Group and more such opportunities will be explored including manufacturing watches for other brand owners.

The plant has seen continuous increase in production of watches per day and reduction of production cost per watch. It has become an important manufacturing hub for India as well as group companies globally. The watches manufactured at this factory have been well accepted by other group companies globally and the export of watches has been continuously increasing.

Internal and External stakeholder support:

The Company has the support of highly skilled, experienced 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.

OPPORTUNITIES AND CHALLENGES

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

1. Wrist watch penetration is very low at only 35% which indicates huge untapped market.
2. Traditional watches comprise of 73% of the total Indian watch industry which shows that majority of the consumers like to wear traditional watches.
3. Surge in aspirational consumer with high disposable income will help in market growth.
4. New age digital sales channels such as e-commerce, online and omni channels will grow exponentially and contribute to the growth for watch industry.
5. Technology based products such as Smart watches, bands and wearables are growing at a fast pace and will increase the overall size of watch market.
6. Growing demand for international / fashion brands and premium watches by young population will improve the average prices and margins.

RISKS & THREATS

The Company has in place a well-defined risk management framework to identify, evaluate and assess the potential risks and challenges and determine the processes to mitigate and manage the same. The Risk Management Committee comprising of senior management executives periodically reviews and assesses the key risks in consultation with the functional managers. The potential risks to the operations are identified, evaluated, managed and monitored regularly. The Board periodically reviews the risks and suggests steps to be taken to mitigate and manage the same. The Company has identified the below specific key risks:-

• Financial Risk

1. The accumulated losses of the past years have eroded substantial part of the net worth of the Company. Further, Company's performance has been severely impacted due to COVID-19 pandemic. However, with the significant improvement in the operational performance of the Company over the last couple of years, the Company has been able to improve this situation. The Company also expects growth in its operations in future post COVID-19 situations with continuous improvement in the operational efficiency. While accumulated losses will be wiped off from profits over a period of time, the Company continues to recognize and monitor this risk closely.
2. Foreign exchange fluctuations with a falling rupee pose a risk for the Company's margins as the Company imports significant amount of material. The Company is integrating with the Timex Global supply chain and taking measures to indigenise and

develop indigenous vendors which will reduce the impact of adverse exchange rate fluctuations on the Company's margins.

• External Environment

1. Technology and fashion products are witnessing fast growing demand. Fitness trackers and smart watches will also continue to grow. The Company will continue to add more international brands into its product range to cater to the demand of fashion category. The Company will be coming out with more technology products for the users of technology product.
2. With the increased penetration of internet, digital sales channel will grow faster. E-commerce sales, omni channel sales and online sales through the website www.shop.timexindia.com are the focus areas for next level of growth.
3. Competition is increasing its investment in brand campaigns and is adopting price reduction techniques to disrupt the market. 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 in creating differentiation and bringing 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. The watch industry continues to face the challenge of fake / counterfeit products. The Industry needs to counter this collectively. The Company keeps a close watch on counterfeit products and has been regularly taking legal action against counterfeiters.

• Other Risks

Other risks include the usual 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. These are analyzed regularly and measures are taken to mitigate the same.

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DIRECTORS

Composition

The Board of Directors comprises six (6) Directors consisting of three (3) Independent Directors, two (2) Non-Executive Directors and One (1) Managing Director.

Appointment/ Resignation from the Board of Directors/ Key Managerial Personnel

Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Pradeep Mukerjee, Independent Directors of the Company, completed their first term as Independent Directors on March 31, 2019. They were re-appointed as Independent Directors to hold office for the second term of five years each with effect from April 01, 2019.

Ms. Sharmila Sahai was re-appointed as the Managing Director of the Company for a term of three years with effect from November 18, 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

Pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has received declaration from all Independent Directors confirming their compliance with the criteria of independence and their independence from the management. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

In the opinion of the Board all Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of retail, sales and marketing, manufacturing, finance and tax, governance and risk, human resources, strategy etc. and that they hold highest standards of integrity.

All Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Company has also received confirmation from all Independent Directors regarding their compliance with the Company's code of conduct during the FY 2019-20.

Number of meetings of Board of Directors

Four Board meetings were held during the financial year 2019-20 on May 9, 2019, August 2, 2019, November 7, 2019 and January 30, 2020. 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 the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has, on the recommendations of the Nomination and Remuneration Committee, adopted a Nomination and Remuneration Policy which contains the process and guidelines to be followed for identification, evaluation and fixation of remuneration of directors, key managerial personnel and other employees and other matters as prescribed under the Companies Act, 2013 and Listing Regulations.

The Policy has been enacted mainly to deal with the following matters, falling within the scope of the NRC:

- to institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed as KMP and/or in senior management/ other employees and recommend to the Board of Directors their appointment and removal from time to time;
- to formulate the criteria for determining qualifications, positive attributes and independence of Directors;
- to establish evaluation criteria of Board, its Committees, individual Directors, key managerial personnel, senior management and other employees;
- to establish processes for fixation of remuneration of Directors, key managerial personnel, senior management and other employees.

The Nomination and Remuneration Policy is available on the website of the Company i.e. www.timexindia.com. It is affirmed that the remuneration paid to Directors, key managerial personnel and all other employees of the Company is in accordance with the Nomination and Remuneration Policy of the Company.

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 is 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 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/ WHISTLE BLOWER POLICY

The Company has adopted 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, as amended, the Company has framed a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, b) Code of Fair Disclosure and c) Policy on investigation in case of leak / suspected leak of unpublished price sensitive information. 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

The Company has not given any loans or guarantees or made any investments covered under Section 186 of the Companies Act, 2013 during the year under review.

RELATED PARTY TRANSACTIONS

Pursuant to the provisions of the Companies Act 2013, the Rules there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 has been uploaded on the website of the Company at www.timexindia.com.

All the related party transactions executed by the Company during the year were in the ordinary course of business, on arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Omnibus approval of Audit Committee is obtained at the beginning of the financial year for the related party transactions which are foreseen and repetitive in nature. 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 2020.

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During the year under review, the Company made payment, net of credits, aggregating to Rs. 3,435 Lakh by way of Central, State and local sales taxes and duties as against Rs. 2,792 Lakh in the previous year.

SEGMENT WISE REPORTING

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

LISTING

The Equity Shares of the Company are listed on the BSE Ltd. The annual listing fee for the year 2020-21 has been paid to the Exchange.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has put in place adequate internal control systems, commensurate with size, scale and complexity of Company's operations 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.

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 2019-20 is part of the Annual Report. There has been 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 2019-20. The Report given by the Secretarial Auditors is annexed as **Annexure A** and forms integral part of this Report. There has been 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 2020-21. The Company has received their consent for appointment.

HUMAN RESOURCES

The Company believes that the employees are its most important assets. Experienced, talented and motivated manpower is the key to ensure successful operations and achieving the growth plans. The Company is committed to hiring and retaining the best talent. The Company has been taking various initiatives for promoting a collaborative, transparent and participative organization culture, and rewarding individual contribution and innovation. Growth and development of the manpower is a regular focus area and the Company will continue to invest in this. The Human Resources Department regularly organises training programmes at all locations to sharpen and update the skills of the employees. Employee engagement activities are organised at all locations to keep the employees fully motivated and aligned.

The Company provides good work culture and regular opportunities for growth of employees. As a result, the attrition rate of employees is very low. The Company has put in place a succession planning roadmap for critical roles at the senior leadership to ensure seamless availability of competent talent. Top potential employees at critical level have undergone leadership training programme to develop their skills.

The Company has been emphasising on the culture of performance and meritocracy at all levels of the organisation

to motivate and encourage the employees to give their best performance. The Company has adopted transparent and agreed upon smart KRAs and KPIs in line with the Company's growth strategy and plan. The goals and objectives are defined and tracked in an online performance management system, called 'Workday'. Performance appraisals are also linked with these smart goals and objectives.

The Company has a lean and efficient structure and has 397 employees on its rolls as on 31st March 2020.

SIGNIFICANT CHANGE IN KEY FINANCIAL RATIOS

The interest coverage ratio was at 0.36 for the financial year ended March 31, 2020 as compared to 6.28 for previous financial year. The ratio has reduced by 94% due to reduction in the earnings before interest and increase in interest cost.

The Operating Profit Margin of the Company has reduced from 4.77 to 1.57 due to decreased Operating profit and the Net Profit Margin has reduced from 3.08 to -0.71 due to decreased Net profits of the Company.

The return on net worth has decreased from 32.03% to -8.7% due to decrease in the net income/ profit after tax of the Company.

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

There have been no material changes and commitments affecting the financial position of the Company that occurred between the end of the financial year and the date of Directors' Report of the Company except for the impact arising out of the COVID-19 pandemic.

The Company's business was negatively impacted during the nationwide lockdown imposed from March 2020 to contain COVID-19 pandemic. In compliance with the government guidelines/ orders on nationwide lockdown, the Company closed its plant, offices, service centres, warehouses etc. All consumer touch points including stores, shops, shopping malls, online platforms (for non-essential products) etc. were closed during the lockdown period. The Government started easing up the lockdown restrictions gradually from May 2020 and thereafter the Company also started opening up its workplaces in a phased manner and with limited staff keeping in mind the safety of all its stakeholders. As on the date of this Report, the Baddi plant, offices, service centres, warehouses etc. of the Company are open with limited manpower as per applicable norms. A significant number of stores, shops, shopping malls, online platforms etc. have also resumed operations as per prescribed norms and the other consumer touch points are in the process of opening. COVID-19

pandemic has created uncertainties for the business but the Company is committed to serve the interest of all its stakeholders in the best possible manner. Please refer Note 3 of Notes to the financial statements for further details in respect of impact of COVID-19 on the financial statements of the Company.

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 B** 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 C** to this Report forming an integral part of this report.

DEMATERIALIZATION

The equity shares of the Company are being compulsorily traded in dematerialized form. As on 31st March 2020, 23810 shareholders representing 97.44% of the Equity Share Capital are holding shares in dematerialized form.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors has, on the recommendations of the Corporate Social Responsibility Committee, adopted a Corporate Social Responsibility (CSR) Policy which provides guidelines for undertaking CSR activities by the Company. The CSR Policy is available on the Company's website at www.timexindia.com. There has been no change in the Policy during the year. The annual report on CSR activities and expenditure as required under Section 135 of the Companies Act 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 is given as **Annexure D** to this Report.

COST RECORDS

Maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, is not applicable on the Company. Accordingly, such records are not made and maintained.

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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. These Committees have 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 2019-20, no such complaint was received across the organisation.

During the year, the Company has complied with the provisions of 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 and has formed necessary committees at all locations.

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 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;

- (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 and;
- (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: Connecticut, USA
Date: 24 June, 2020

David Thomas Payne
Chairman
DIN: 07504820

Annexure-A

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 2020

To,

The Members,

Timex Group India Limited

106-107, Ambadeep, 14, Kasturba Gandhi Marg

New Delhi Central Delhi 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, 2020 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, 2020 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) The 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, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulation, 2014;

- (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, 2018;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013

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.

During the year under review company has altered its Memorandum of Association by addition of one object clause in the field of safety and tracking devices and duly complied 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, if any, 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 June, 2020

For NKJ & Associates
Company Secretaries

Sd/-
Neelesh Kr. Jain
FCS No.: 5593
C P No. : 5233
UDIN : F005593B000374445

TIMEX GROUP

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 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.

Date: 24 June, 2020
Place: New Delhi

Sd/-
Neelesh Kumar Jain
FCS No. 5593
CP No. 5233

Annexure - B

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[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 3E/7 Alankit Heights, Jhandewalan Extension, New Delhi-110055 Telephone: 011-42541234 Fax Number: 011-23552001 Email Id : rta@alankit.com

TIMEX GROUP

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 Products/ services	% 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 Netherlands	-	Holding Company	74.93%	Section 2(46)

IV. SHARE HOLDING 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 2019)				No. of Shares held at the end of the year (31st March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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/FI	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

TIMEX GROUP

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2019)				No. of Shares held at the end of the year (31st March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	7800	7800	0.008	0	7800	7800	0.008	0
b) Banks/FI	200	1100	1300	0.001	201	1100	1301	0.001	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	4423	15600	20023	0.020	4423	15600	20023	0.020	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others(specify Foreign National)	400	0	400	0.000	500	0	500	0.000	0
Sub-total(B)(1):-	5023	24500	29523	0.029	5124	24500	29624	0.029	0
2. Non-Institutions									
• Bodies Corp.									
i) Indians	1436596	15600	1452196	1.439	2733284	15600	2748884	2.723	1.284
ii) Overseas	0	0	0	0	0	0	0	0	0
• Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	12183406	2227262	14410668	14.275	12347828	2157343	14505171	14.369	0.094
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8010713	0	8010713	7.935	6718525	0	6718525	6.655	-1.28
• Others(specify NRI Trust)	1045900 1100	354800 0	1400700 1100	1.388 0.001	957496 1100	344100 0	1301596 1100	1.289 0.001	-0.099 0
Subtotal(B)(2):-	22677715	2597662	25275377	25.038	22758233	2517043	25275276	25.037	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	22682738	2622162	25304900	25.07	22763357	2541543	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)	98327838	2622162	100950000	100.00	98408457	2541543	100950000	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (1st April 2019)			Shareholding at the end of the year (31st March 2020)			% 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				
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Not Applicable			
3.	At the end of the year				

(iv) Shareholding Pattern of 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.	Mitesh N Mehta						
	At the beginning of the year			1239940	1.23		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		05/04/2019	-70000			1169940	1.16
		12/04/2019	20000			1189940	1.18
		07/06/2019	115000			1304940	1.30
		02/08/2019	120000			1424940	1.41
		27/09/2019	68000			1492940	1.48
		25/10/2019	38000			1530940	1.52
		22/11/2019	81000			1611940	1.60
		29/11/2019	5000			1616940	1.60
		13/12/2019	118997			1735937	1.72
		20/12/2019	3			1735940	1.72
		27/12/2019	38734			1774674	1.76
		03/01/2020	169266			1943940	1.94
		10/01/2020	14291			1958231	1.94
		31/01/2020	98709			2056940	2.04
		07/02/2020	108176			2165116	2.14
		14/02/2020	-16176			2148940	2.13
		13/03/2020	319000			2467940	2.44

TIMEX GROUP

	At the end of the year (or on the date of separation, if separated during the year)			2467940	2.44		
2.	Chetan Jayantilal Shah						
	At the beginning of the year			1050000	1.04		
	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)			1050000	1.04		
3.	Shashank S Khade						
	At the beginning of the year			602233	0.60		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		26/07/2019	11885			614118	0.61
		02/08/2019	6795			620913	0.62
		09/08/2019	5000			625913	0.62
		23/08/2019	2000			627913	0.62
		30/08/2019	6225			634138	0.63
		06/09/2019	6000			640138	0.63
		13/9/2019	200			640338	0.63
		29/11/2019	25810			666148	0.66
		13/12/2019	3918			670066	0.66
		20/12/2019	40300			710366	0.70
		27/12/2019	125094			835460	0.83
		03/01/2020	700			836160	0.83
		20/03/2020	8000			844160	0.84
		27/03/2020	904			845064	0.84
	At the end of the year (or on the date of separation, if separated during the year)			845064	0.84		
4.	Narendra Kumar K Mehta						
	At the beginning of the year			601900	0.60		
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		12/04/2019	28100			630000	0.62
		02/08/2019	85000			715000	0.71
		04/10/2019	2000			717000	0.71
		18/10/2019	-2145			714855	0.71
		29/11/2019	18000			732855	0.73
		13/12/2019	16000			748855	0.74
		03/01/2020	-82000			666855	0.66
		10/01/2020	5000			671855	0.66
		31/01/2020	-64000			607855	0.60
		07/02/2020	15000			622855	0.62
		14/02/2020	103000			725855	0.72
		06/03/2020	25000			750855	0.74
		27/03/2020	10000			760855	0.75

TIMEX GROUP

	At the end of the year (or on the date of separation, if separated during the year)			760855	0.75		
5.	Bharat Kunverji Kenia						
	At the beginning of the year			340612	0.34		
	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)			340612	0.34		
6.	Sonal Chetan Shah						
	At the beginning of the year			300000	0.30		
	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	0.30		
7.	Ramesh Kumar Bukka						
	At the beginning of the year			152132	0.15		
	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)			152132	0.15		
8.	Pranav Rajesh Jain			145694	0.14		
	At the beginning of the year						
	Sale(-)/Purchase(+) during the Year	As on Benpos Date	No of shares				
		24/05/2019	2705			148399	0.15
		21/06/2019	73			148472	0.15
		29/11/2019	1			148473	0.15
		06/12/2020	138			148611	0.15
		13/12/2019	200			148811	0.15
		20/12/2019	2150			150961	0.15
		27/12/2019	1000			151961	0.15
	At the end of the year (or on the date of separation, if separated during the year)			151961	0.15		
9.	Jyantilal Premji Shah						
	At the beginning of the year			150000	0.15		
	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)			150000	0.15		
10.	Veena K Jagwani						
	At the beginning of the year			136000	0.13		
	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)			136000	0.13		

TIMEX GROUP

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 st April 2019)		Increase/decrease in shareholding during the year specifying the reason for increase/decrease	Shareholding at the end of the year (31 st March 2020)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	Mr. David Thomas Payne	0	0	-	0	0
2.	Ms. Sharmila Sahai	0	0	-	0	0
3.	Mr. Anil Malhotra	0	0	-	0	0
4.	Ms. Gagan Singh	0	0	-	0	0
5.	Mr. Pradeep Mukerjee	0	0	-	0	0
6.	Mr. Bijou Kurien	3800	0.00	-	3800	0.00
7.	Mr. Amit Jain	0	0	-	0	0
8.	Mr. Dhiraj Kumar Maggo	1	0	-	1	0.00

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	-	26,86,88,233	-	26,86,88,233
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	26,86,88,233	-	26,86,88,233
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	6,44,63,740	-	6,44,63,740
Net Change	-	6,44,63,740	-	6,44,63,740
Indebtedness at the end of the financial year				
i) Principal Amount	-	20,42,24,493	-	20,42,24,493
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	20,42,24,493	-	20,42,24,493

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	1,22,38,536
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- As % of profit	-
	- Others, specify	-
5.	Others (Incentive, reimbursements & retivals)	24,61,001
	Total (A)	1,46,99,537
	Ceiling as per the Act	Remuneration paid is within the ceiling prescribed under the Companies Act, 2013.

B. Remuneration of other directors

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		Mr. Bijou Kurien	Ms. Gagan Singh	Mr. Pradeep Mukerjee	
1.	A. Independent Directors				
	• Fees for attending board/committee meetings	3,10,000	4,20,000	3,70,000	11,00,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
2.	Total(1)	3,10,000	4,20,000	3,70,000	11,00,000
3.	B. Other Non-Executive Directors				
	• Fees for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
4.	Total(2)	-	-	-	-
5.	Total(B)=(1+2)	3,10,000	4,20,000	3,70,000	11,00,000
	Total Managerial Remuneration (A+B)				1,57,99,537
	Overall Ceiling as per the Act	The sitting fees has been paid within the limits prescribed under the Companies Act, 2013			

Mr. David Thomas Payne and Mr. Anil Malhotra were not paid any sitting fee or other remuneration during the year 2019-20.

TIMEX GROUP

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

SI No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO/MD*	CFO-Amit Jain	GM - Legal, HR & CS - 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 of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act,1961		75,02,904	53,07,395	1,28,10,299
			32,400	32,400	64,800
			-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - As % of profit - Others, specify		- -	- -	- -
5.	Others (Retirals & Reimbursements)		23,46,140	20,26,967	43,73,107
	Total		98,81,444	73,66,762	1,72,48,206

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

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

Particulars	Measures
Conservation of energy	
<ul style="list-style-type: none"> (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. 	<p>The Company has taken the following steps towards energy conservation:</p> <ol style="list-style-type: none"> 1. CFL lights were replaced with LED lights. 2. Automatic control panels have been used in many machines to achieve accurate cutoff time at desired temperature. 3. Timers have been used to automatically switch on/off lights during break timings in production floor. 4. Star delta motors have been replaced with VFD motors to reduce in initial power surge in AHU motors. 5. Memory based micro controller have been installed with AC compressors to achieve a balance between maximum cooling efficiency, and minimal energy consumption
Technology Absorption	
<ul style="list-style-type: none"> (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)- <ul style="list-style-type: none"> (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. 	<p>NA</p>
Foreign exchange	
<p>The Company has earned INR 1,738 Lakhs in Foreign exchange and used INR 5,242 lakhs.</p>	

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Timex Group India Limited has developed its CSR Policy encompassing the Company's philosophy for being a responsible corporate citizen. The Policy aims at laying down the principles and mechanism for Company's initiatives for the benefit of the community at large. The Company believes that in order to succeed, an organisation must maintain highest standards of corporate behaviour towards all its stakeholders including employees, consumers and societies in which it operates. The Company is of the opinion that CSR underlines the objective of bringing about the difference and adding value in stakeholders lives.

The CSR Committee of the Company will decide, from time to time, the manner of undertaking the CSR activities and will consider the factors including the suggested activities in Schedule VII to the Companies Act, 2013, the amount to be spent on CSR activities etc.

The CSR Policy is available on the Company's website at www.timexindia.com

2. Composition of the CSR Committee (as on March 31, 2020)

Ms. Gagan Singh

Ms. Sharmila Sahai

Mr. David Thomas Payne

3. Average net profit of the Company for last three financial years: Average Loss of Rs. 77,80,00,016

4. Prescribed CSR expenditure (Two percent of the amount as in item 3 above): NIL

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year 2019-20: NIL

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	PM Relief Fund	Schedule VII (viii) PM Relief Fund	Contribution to PM Relief Fund	Rs.8,42,000	Rs. 8,42,000	Rs. 8,42,000	PM Relief Fund

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. NA

7. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
Ms. Sharmila Sahai
Managing Director
(DIN: 00893750)
Place: Noida
Date: 24 June, 2020

Sd/-
Ms. Gagan Singh
Chairperson, CSR Committee
(DIN: 01097014)
Place: Gurugram
Date: 24 June, 2020

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 6 Directors comprising 1 Executive Director, 3 Non-Executive and Independent Directors, and 2 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 director. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

TIMEX GROUP

The composition and category of Directors on Board of the Company as on June 24, 2020 are as follows:

Name of the directors/ DIN	Category	Number of shares held	No. of Directorship held in other Companies (1)	No. of Membership/ Chairmanship in other Board Committees (2)	Names of the Listed Companies where the person is a director along with category of directorship
Mr. David Thomas Payne (DIN: 07504820)	Chairman and Non-Executive Director	Nil	-	-	-
Ms. Sharmila Sahai (DIN: 00893750)	Managing Director	Nil	-	-	-
Mr. Anil Malhotra (DIN: 00713889)	Non-Executive Director	Nil	2	-	-
Ms. Gagan Singh (DIN: 01097014)	Non-Executive -Independent Director	Nil	1	2 (including 1 as chairperson)	Future Retail Limited – Independent Director
Mr. Pradeep Mukerjee (DIN: 02287773)	Non-Executive -Independent Director	Nil	-	-	-
Mr. Bijou Kurien (DIN: 01802995)	Non-Executive -Independent Director	3800	8	4 (including 2 as Chairperson)	Brigade Enterprises Limited – Independent Director Future Lifestyle fashion Limited – Independent Director Mindtree Limited – Independent Director

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)

Ms. Gagan Singh, Mr. Bijou Kurien and Mr. Pradeep Mukerjee, Independent Directors of the Company, completed their first term as Independent Directors on March 31, 2019. They were re-appointed as Independent Directors to hold office for the second term of five years each with effect from April 01, 2019.

Ms. Sharmila Sahai was also re-appointed as the Managing Director of the Company for a term of three years with effect from November 18, 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.

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 2019-20 on 9th May, 2019, 2nd August, 2019, 7th November, 2019 and 30th January, 2020 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 2019-20 are as under:

Names	No. of Board Meetings attended	Attendance at last AGM
Ms. Sharmila Sahai	4	Yes
Mr. Anil Malhotra	4	Yes
Mr. David Thomas Payne	4	No
Ms. Gagan Singh	4	Yes
Mr. Pradeep Mukerjee	4	Yes
Mr. Bijou Kurien	4	Yes

• Board Diversity

The Company recognises and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.

• 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 fulfil the conditions specified and are Independent of the management in terms of Section 149(6) of the Companies Act, 2013 and the rules made thereunder, and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

• Information provided to the Board

The Board has unrestricted access to all Company-related information including that of our employees. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. The Board was presented with the information broadly on all suggested matters in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

• Skills/ expertise/ competence requirements for Board of Directors

The Board of Directors has identified core skills/expertise/competencies to be available at all times with the Board for functioning effectively and those which are actually available. Such skills/expertise/competencies include a combination of educational qualifications in different functional areas, knowledge and work experience in the fields of manufacturing Industry, banking, finance, sales and marketing, human resource, regulatory, administration and legal etc. The Board is satisfied with the set of skills/expertise/competencies available with it presently.

Name of the director with relevant expertise is given below:-

S. No.	Skills/Expertise/ Competence identified by the Board of Directors	Actually available with the Board of Directors	Name of Director having such Skill/ Expertise/ Competency
1	Manufacturing/ Retail Industry expertise	Yes	Sharmila Sahai, Bijou Kurien, Gagan Singh, David Payne
2	Technical skills/ experience		
	Retail	Yes	Bijou Kurien, David Payne, Sharmila Sahai, Gagan Singh, Pradeep Mukerjee
	Accounting and Finance	Yes	Gagan Singh, Bijou Kurien, Sharmila Sahai, Pradeep Mukerjee, David Payne, Anil Malhotra
	Sales and Marketing	Yes	Bijou Kurien, Sharmila Sahai, Gagan Singh, Pradeep Mukerjee, David Payne, Anil Malhotra
	Human Resources	Yes	Pradeep Mukerjee, David Payne, Anil Malhotra, Sharmila Sahai, Gagan Singh, Bijou Kurien
	Governance and Risk Management	Yes	Gagan Singh, David Payne, Bijou Kurien, Sharmila Sahai, Anil Malhotra, Pradeep Mukerjee
3	Behavioural Competencies		
	Integrity and ethical standards	Yes	Pradeep Mukerjee, David Payne, Gagan Singh, Bijou Kurien, Anil Malhotra, Sharmila Sahai
	Mentoring abilities	Yes	Pradeep Mukerjee, David Payne, Gagan Singh, Bijou Kurien, Anil Malhotra, Sharmila Sahai
	Interpersonal relations	Yes	Pradeep Mukerjee, David Payne, Gagan Singh, Bijou Kurien, Anil Malhotra, Sharmila Sahai

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INDEPENDENT DIRECTORS MEETING

A meeting of Independent Directors of the Company was held on January 30, 2020 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 4 Directors: Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. Bijou Kurien and Mr. David Thomas Payne. Three of the four 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. 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 9th May, 2019, 2nd August, 2019, 7th November, 2019 and 30th January, 2020.

The details of member's attendance at the Audit Committee Meetings during the financial year 2019-20 are as under:

Names	No. of Meeting attended
Ms. Gagan Singh	4
Mr. Bijou Kurien	4
Mr. Pradeep Mukerjee	4
Mr. David Thomas Payne	3

The meetings of Audit Committee are also attended by the Managing Director and Chief Financial Officer as special invitees. Statutory Auditors and Internal Auditors also attend the meetings for specific items related to them and brief the Committee on their observations/findings. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board. All the recommendations of the Audit Committee have been accepted by the Board of Directors.

b) Nomination and Remuneration Committee

Currently, the Committee comprises of 3 Non-Executive Directors, namely, Ms. Gagan Singh, Mr. Pradeep Mukerjee and Mr. David Thomas Payne. Mr. Pradeep Mukerjee, 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.
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.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

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 7th November, 2019 and 30th January, 2020.

The details of member's attendance at the Nomination & Remuneration Committee Meetings during the financial year 2019-20 are as follows:

Names	No. of Meeting attended
Ms. Gagan Singh	2
Mr. Pradeep Mukerjee	2
Mr. David Thomas Payne	2

Performance evaluation criteria

The Nomination and Remuneration Committee have developed parameterized feedback forms for the performance evaluation of all directors of the Company. The performance of each director, Committee and the Board as a whole was evaluated by the Board of Directors on an annual basis.

c) Stakeholders Relationship Committee

Currently, the Committee comprises of 4 Non-Executive Directors namely Mr. Bijou Kurien, Ms. Gagan Singh, Mr. Pradeep Mukerjee and Mr. David Thomas Payne. Mr. Bijou Kurien, an Independent Director is the Chairman of the Committee. The Company Secretary is the Secretary of the Committee and attends its meetings.

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

- (1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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 9th May, 2019, 2nd August, 2019, 7th November, 2019 and 30th January, 2020.

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The details of member's attendance at the Stakeholders Relationship Committee Meetings during the financial year 2019-20 are as under:

Names	No. of Meeting attended
Ms. Gagan Singh	4
Mr. Pradeep Mukerjee	4
Mr. Bijou Kurien	4
Mr. David Thomas Payne	3

The details of complaints received and resolved during the Financial Year ended 31st March, 2020 are given in the table below:

Complaints outstanding as on April 1, 2019	0
Complaints received during the year ended March 31, 2020	3
Complaints resolved during the year ended March 31, 2020	3
Complaints pending as on March 31, 2020	0

Name and designation of compliance officer:

Mr. Dhiraj Kumar Maggo - GM Legal, HR & Company Secretary.

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

d) Corporate Social Responsibility Committee

The Committee comprise of Ms. Gagan Singh, Ms. Sharmila Sahai and Mr. David Thomas Payne. The Company Secretary is the Secretary of the Committee.

Terms of reference of the Committee includes the following:

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time.

The Corporate Social Responsibility Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013. During the year under review, the Committee met two times on 9th May, 2019 and 7th November, 2019.

The details of member's attendance at the Corporate Social Responsibility Committee Meetings during the financial year 2019-20 are as under:

Names	No. of Meeting attended
Ms. Gagan Singh	2
Ms. Sharmila Sahai	2
Mr. David Thomas Payne	2

e) Share Allotment and Transfer Committee

The Committee comprise of Ms. Sharmila Sahai and Mr. David Thomas Payne. The Share Allotment and Transfer Committee considers 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.

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, 2020, 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.

The shareholders of the Company had, vide their Ordinary Resolution passed through postal ballot on March 24, 2020, approved the related party transactions entered/ proposed to be entered into by the Company in accordance with Regulations 23 of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015.

Attention of members is drawn to the disclosure of transactions with related parties set out in Note no. 27 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 adopted the non-mandatory requirement relating to unmodified audit report, separate post of Chairman and Managing Director and reporting of Internal Auditors to the Audit Committee.

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, 2020 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.

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k) The Company has not raised any funds through preferential allotment or qualified institutions placement during the year nor has any unutilised funds from the previous years as specified under Regulation 32 (7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

l) Certificate for non-disqualification of Directors

Mr. Neelesh Kumar Jain, proprietor, M/s NKJ and Associates, Company Secretaries (Certificate of Practice No. 5233), has issued a certificate to the effect that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is attached to this Report.

m) Statutory Auditor fee

Total fees paid during the year to the Statutory Auditors for all the services rendered by them and their network firm/network entity of which the Statutory Auditors are a part, have been disclosed in Note no. 24 of Financial Statements, forming part of the Annual 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. 30,000/- 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, 2020 are as follows-

Sl. No.	Name	Sitting Fees	Salary and Benefits	Performance Bonus	Retirals	Total (in Rs.)
1.	Ms. Sharmila Sahai	Nil	1,27,00,259	14,67,918	5,31,360	1,46,99,537
2.	Ms. Gagan Singh	4,20,000	Nil	Nil	Nil	4,20,000
3.	Mr. Bijou Kurien	3,10,000	Nil	Nil	Nil	3,10,000
4.	Mr. Pradeep Mukerjee	3,70,000	Nil	Nil	Nil	3,70,000

Note: Mr. David Thomas Payne and Mr. Anil Malhotra were not paid any sitting fees or other remuneration during the year 2019-20.

Ms. Sharmila Sahai was re-appointed as Managing Director of the Company for a period of 3 years w.e.f November 18, 2018. 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, September 18, 2020 at 3.30 p.m. through Video Conferencing or any other audio visual means
Financial Year	:	April 1, 2019 to March 31, 2020
Tentative calendar of events for the financial year 2020-21 (April- March)	:	To review and approve unaudited Financial Results for the quarter First quarter - upto 14th August, 2020 Second quarter - upto 14th November, 2020 Third quarter - upto 14th February, 2021 Fourth quarter - upto 15th May, 2021 or alternatively upto 30th May, 2021 with Annual Results for the Year ending 31st March 2021
Book closure Date	:	September 16, 2020 to September 17, 2020 (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, 2021
Registrar & Share Transfer Agents of the Company for both physical and electronic mode of share transfers.	:	Alankit Assignment Limited 3E/7 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.

Effective from April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can re-lodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialisation of shares will continue to be accepted.

Venue and time of the Last Three Annual General Meetings

Date	Category	Venue	Time	No. of Special Resolution
27.07.2017	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	1
03.08.2018	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	-
02.08.2019	AGM	Air Force Auditorium, Subroto Park, New Delhi	10.00 AM	1

TIMEX GROUP

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.

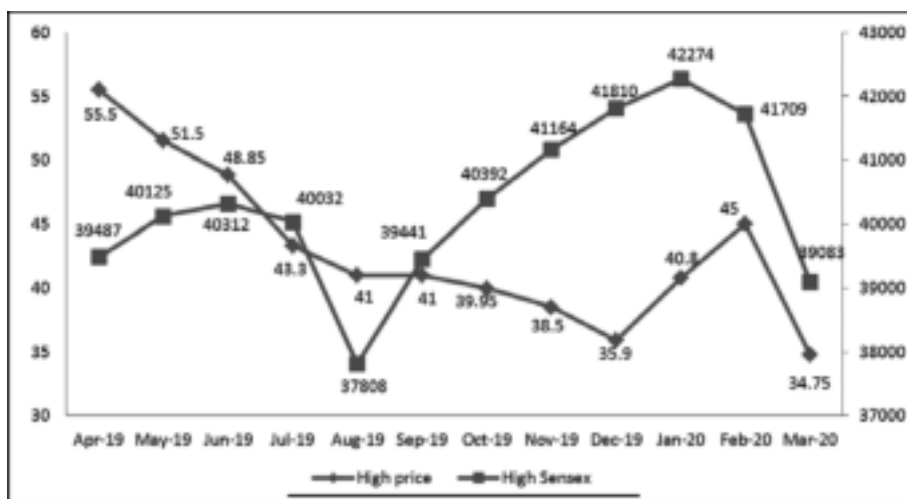
Pursuant to the requirements of Companies Act 2013, the Company had offered the facility of e-voting to the shareholders in addition to the existing system and for this purpose the Company entered into an agreement with NSDL. The Postal Ballot Notice along with the Postal Ballot form and a postage pre-paid 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 last date of the voting period is deemed to be the date of passing of the resolution.

Detail of the voting pattern and special resolution 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
March 25, 2020	Mr. Neelesh Kumar Jain, Proprietor, M/s N.K.J & Associates, Company Secretaries	To approve related party transactions	99.997

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 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
High	55.5	51.5	48.85	43.3	41	41	39.95	38.5	35.9	40.8	45	34.75
Low	50.05	43	41.5	35	31	34.8	34.25	31	29.4	30.3	32.05	14.25

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.

As on 31 March 2020, the distribution of Company's shareholding was as follows: -

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Amount
UPTO - 2500	44153	98.1439	8239384	8.162
2501 - 5000	428	0.9514	1627018	1.612
5001 - 10000	217	0.4824	1616716	1.601
10001 - 20000	98	0.2178	1439716	1.426
20001 - 30000	29	0.0645	714414	0.708
30001 - 40000	16	0.0356	553303	0.548
40001 - 50000	9	0.0200	424648	0.421
50001 - 100000	17	0.0378	1262707	1.251
100001 AND ABOVE	21	0.0467	85072094	84.271
TOTAL	44988	100.000	100950000	100

DEMATERIALIZATION 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 23810 no. of shareholders holding their shares in dematerialized form, which represent 97.44% 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

TIMEX GROUP

CERTIFICATE UNDER PARA 10(1) OF PART C OF SCHEDULE V TO 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

We have reviewed the disclosures and declarations as received from the Directors of Timex Group India Limited ("the Company") including in Form MBP-1 and DIR-8 pursuant to Section 184(1) and Section 164(2) of the Companies Act, 2013 respectively and we hereby certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

**For N.K.J & ASSOCIATES
Company Secretaries**

**Sd/-
NEELESH KR. JAIN
Proprietor**

**Membership No. FCS 5593
Certificate of Practice No. 5233
UDIN : F005593B000374379**

**Date: 24 June, 2020
Place: New Delhi**

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, 2020 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, 2020 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, 2020;
 - ii. significant changes in accounting policies during the year ended 31st March, 2020 and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in Company's internal control system over financial reporting.

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

**Sd/-
Amit Jain
Chief Financial Officer**

Date: 24 June, 2020
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

AFFIRMATION OF COMPLIANCE OF CODE OF CONDUCT

On the basis of affirmations received from the Board Members and the Senior Management Personnel and to the best of my information, knowledge and belief, I, Sharmila Sahai, Managing Director of Timex Group India Limited ("the Company"), hereby affirm that, the Board Members and the Senior Management Personnel during the financial year 2019-20, have complied with the provisions of Code of Conduct for Directors and Senior Management of the Company as laid down by the Board of directors of Timex Group India Limited.

Date: 12 June, 2020
Place: Noida

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

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

To the Members,
Timex Group India Limited
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 2020, 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**

Date: 24 June, 2020
Place: New Delhi

Sd/-
NEELES K. JAIN
Proprietor
Membership No. FCS 5593
Certificate of Practice No. 5233
UDIN : F005593B000374401

TIMEX GROUP

INDEPENDENT AUDITOR'S REPORT

To The Members of TIMEX GROUP INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **TIMEX GROUP INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 1.B.3 to the financial statements, which indicate that COVID-19 global pandemic has adversely impacted the operations of the Company. Further, the Company has incurred a net loss of Rs. 180 lakhs during the year ended 31 March, 2020 and has accumulated losses of Rs. 6,903 Lakhs as at 31 March, 2020, which have resulted in erosion of the equity of the Company. These events or conditions, along with other matters as set forth in Note 1.B.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue

as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the 'Material Uncertainty Related to Going Concern' section of our report above, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Due to COVID-19 related lockdown, we were not able to attend the physical verification of inventory carried out by the Management subsequent to the year end. Consequently, we have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Special Consideration for Selected

Items" and have obtained sufficient appropriate audit evidence to issue our opinion on these financial results.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below 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 the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- j) 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 financial statements - Refer Note 26(a) of 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 26(e) of the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer note 26(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)

Sd/-
Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
(UDIN: 20105546AAAABT2627)

Place: New Delhi

Date: June 24, 2020

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, 2020 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 in terms of their reports referred to in the Other Matters paragraph below, 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

TIMEX GROUP

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, 2020, 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)

Sd/-

Rajesh Kumar Agarwal
Partner

Place: New Delhi (Membership No. 105546)
Date: June 24, 2020 (UDIN: 20105546AAAABT2627)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF TIMEX GROUP INDIA LIMITED

(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 fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation 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. 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, Customs Duty, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. Also refer to the note 26 (g) in the financial statement regarding management assessment on certain matters relating to the provident fund.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2020 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, Customs Duty and Goods and Services Tax which have not been deposited by the Company with the appropriate authorities on account of any dispute.

(Rs. Lakhs)

Nature of Statute	Nature of dues	Forum where dispute	Period	Amount*
Sales Tax Laws	State Sales Tax	Upto Commissioner (Appeals)	2008-2014	23
	Central Sales Tax	Upto Commissioner (Appeals)	2008-2017	156

*amount as per demand orders including interest and penalty wherever quantified in the Order net of amount deposited as per the records of the Company against States Sales and Central sales Tax which is Rs. 1 Lakh and Rs 15 lakhs respectively.

- 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)

Sd/-
Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
(UDIN: 20105546AAAABT2627)

Place: New Delhi
Date: June 24, 2020

TIMEX GROUP

BALANCE SHEET

As at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	730	736
(b) Right of Use Assets	33	1,405	-
(c) Intangible assets	3	122	101
(d) Financial assets			
- Other financial assets	4	91	128
(e) Tax assets (net)	5	42	123
(f) Other non-current assets	6	21	179
Total non-current assets		2,411	1,267
(2) Current assets			
(a) Inventories	7	4,256	4,548
(b) Financial assets			
(i) Trade receivables	8	6,270	5,350
(ii) Cash and cash equivalents	9	17	216
(iii) Bank balances other than (ii) above	10	2	2
(iv) Other financial assets	4	32	10
(c) Other current assets	6	1,287	793
Total current assets		11,864	10,919
TOTAL ASSETS		14,275	12,186
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,010	1,010
(b) Other equity	12	1,058	1,238
Total equity		2,068	2,248
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	33	1,191	-
(b) Provisions	13	718	641
(c) Other non-current liabilities	14	6	12
Total non-current liabilities		1,915	653
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,042	2,687
(ii) Lease liabilities	33	93	-
(iii) Trade payables	16		
- total outstanding dues of micro enterprises and small enterprises		240	176
- total outstanding dues of creditors other than micro enterprises and small enterprises		6,343	5,137
(iv) Other financial liabilities	17	838	763
(b) Provisions	13	253	188
(c) Tax liability (net)	5	-	89
(d) Other current liabilities	14	483	245
Total current liabilities		10,292	9,285
Total liabilities		12,207	9,938
TOTAL EQUITY AND LIABILITIES		14,275	12,186

Accompanying notes forming part of the financial statements

1 to 35

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

For and on behalf of the Board of Directors

David Thomas Payne
Chairman
(DIN - 07504820)
Place : Connecticut, USA
Date : June 24, 2020

Sharmila Sahai
Managing Director
(DIN - 00893750)
Place : Noida
Date : June 24, 2020

Rajesh Kumar Agarwal
Partner

Dhiraj Kumar Maggo
GM - Legal, HR & Company Secretary
(Membership No.:F7609)
Place : Noida
Date : June 24, 2020

Amit Jain
Chief Financial Officer
Place : Noida
Date : June 24, 2020

Place : New Delhi
Date : June 24, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

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

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	18	25,190	24,163
II Other income	19	39	27
III Total Income (I + II)		25,229	24,190
IV Expenses			
Cost of materials consumed	20	10,688	10,468
Purchases of stock-in-trade	20.1	3,387	1,391
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.2	(79)	715
Employee benefits expense	21	3,148	2,919
Finance costs	22	280	158
Depreciation and amortisation expense	23	297	160
Other expenses	24	7,688	7,544
Total Expenses (IV)		25,409	23,355
V Profit/(loss) before tax (III - IV)		(180)	835
VI Tax Expense	25		
Current tax		-	89
Deferred tax		-	-
Total tax expense		-	89
VII Profit/(loss) after tax (V - VI)		(180)	746
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Gain / (loss) on defined benefit obligations	28.2	0 #	(26)
Total other comprehensive income		0	(26)
IX Total comprehensive income (VII + VIII)		(180)	720
Earning per equity share (Face value of share - Re. 1 (absolute amount) each)			
Basic (in Rs.)	30	(1.03)	(0.11)
Diluted (in Rs.)	30	(1.03)	(0.11)
Accompanying notes forming part of the financial statements	1 to 35		
# Amount is below rounding off threshold adopted by the Company			

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

Rajesh Kumar Agarwal
Partner

Place : New Delhi
Date : June 24, 2020

For and on behalf of the Board of Directors

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(DIN - 07504820)
Place : Connecticut, USA
Date : June 24, 2020

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(Membership No.:F7609)
Place : Noida
Date : June 24, 2020

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Managing Director
(DIN - 00893750)
Place : Noida
Date : June 24, 2020

Amit Jain
Chief Financial Officer
Place : Noida
Date : June 24, 2020

TIMEX GROUP

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

(a) Equity share capital

	<u>Amount</u>
Balance as at March 31, 2018	1,010
Changes in equity share capital during the year	-
Balance as at March 31, 2019	1,010
Changes in equity share capital during the year	-
Balance as at March 31, 2020	<u><u>1,010</u></u>

(b) Other Equity

	<u>Securities Premium</u>	<u>Equity component of compound financial instrument - Preference share</u>	<u>Retained earnings</u>	<u>TOTAL</u>
Balance as at March 31, 2018	351	7,610	(7,443)	518
Profit/(loss) for the year	-	-	746	746
Other comprehensive income for the year, net of income tax	-	-	(26)	(26)
Total comprehensive income for the year	-	-	720	720
Balance as at March 31, 2019	351	7,610	(6,723)	1,238
Profit/(loss) for the year	-	-	(180)	(180)
Other comprehensive income for the year, net of income tax	-	-	0#	0#
Total comprehensive income for the year	-	-	(180)	(180)
Balance as at March 31, 2020	<u><u>351</u></u>	<u><u>7,610</u></u>	<u><u>(6,903)</u></u>	<u><u>1,058</u></u>

Amount is below rounding off threshold adopted by the Company
Accompanying notes forming part of the financial statements

1 to 35

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

Rajesh Kumar Agarwal
Partner

Place : New Delhi
Date : June 24, 2020

For and on behalf of the Board of Directors

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Date : June 24, 2020

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(DIN - 00893750)
Place : Noida
Date : June 24, 2020

Amit Jain
Chief Financial Officer
Place : Noida
Date : June 24, 2020

CASH FLOW STATEMENT

for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(180)	835
Adjustments for:		
Interest income	(30)	(4)
Liabilities/provisions no longer required written back	(4)	(25)
Grant income	(6)	(6)
Finance costs	280	158
Depreciation and amortisation expenses	297	160
Net loss on sale / discarding of property, plant and equipment	0 #	6
Assets written off	1	12
Bad debts written off	-	48
Provision for doubtful debts	187	7
Net unrealised currency exchange fluctuation loss	150	91
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets		
Inventories	292	(490)
Trade receivables	(992)	1,267
Other financial assets (Current)	(22)	(10)
Other financial assets (Non-current)	1	(33)
Other assets (Current)	(496)	(74)
Other assets (Non-current)	16	(17)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	1,009	(1,407)
Other financial liabilities (Current)	75	(17)
Provisions (Current)	65	(7)
Provisions (Non-current)	77	97
Other liabilities (Current)	238	50
Cash generated / (outflow) from operations	958	641
Income taxes paid (net of refunds)	(8)	-
Net cash generated / (used) in operating activities	950	641
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	28	4
Bank balances not considered as cash and cash equivalents	(0)#	-
Payment for purchase of property, plant and equipment and other intangible assets	(176)	(453)
Proceeds from disposal of property, plant and equipment	(0)#	4
Net cash generated / (used) in investing activities	(148)	(445)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds / (repayment) from borrowings (Current)	(645)	(142)
Repayment of lease liability and Interest	(153)	-
Finance costs paid	(203)	(160)
Net cash generated / (used) in financing activities	(1,001)	(302)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(199)	(106)
Cash and cash equivalents at the beginning of the year	216	322
Cash and cash equivalents at the end of the year	17	216

TIMEX GROUP

CASH FLOW STATEMENT

for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Note:		
Component of cash and cash equivalents :		
Balances with Banks		
-In current accounts	3	1
Cheques, drafts on hand	13	215
Cash on hand	1	-
	17	216

Reconciliation of liabilities arising from financing activities

Particulars	March 31, 2019	Addition	Interest on lease liability	Repayment	March 31, 2020
Short term borrowings	2,687	-	-	(645)	2,042
Interest accrued	-	203	-	(203)	-
Lease liabilities	-	1,360	77	(153)	1,284
Total	2,687	1,563	77	(1,001)	3,326

Amount is below rounding off threshold adopted by the Company
Accompanying notes forming part of the financial statements

1 to 35

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

Rajesh Kumar Agarwal
Partner

Place : New Delhi
Date : June 24, 2020

For and on behalf of the Board of Directors

David Thomas Payne
Chairman
(DIN - 07504820)
Place : Connecticut, USA
Date : June 24, 2020

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(Membership No.:F7609)
Place : Noida
Date : June 24, 2020

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Managing Director
(DIN - 00893750)
Place : Noida
Date : June 24, 2020

Amit Jain
Chief Financial Officer
Place : Noida
Date : June 24, 2020

Notes to the financial statements for the year ended March 31, 2020

(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 June 24, 2020.

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.

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

On account of nationwide lockdown imposed by the Government to contain COVID-19 Global health pandemic in March, 2020 and in compliance with the directives/orders issued by the relevant authorities, the operations of the Company have been adversely impacted. The Company has estimated and recognised an additional credit allowance of Rs. 164 lakhs on certain current assets, on account of the anticipated effect of the COVID-19 global health pandemic. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 Global health pandemic till date of approval of these financial statements. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic condition and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic condition arise. The Company has reported a loss before tax of Rs. 180 lakhs during the year ended March 31, 2020 (Previous year profit before tax of Rs. 835 lakhs) and this has further eroded equity of the company. Accumulated losses as at March 31, 2020 are at Rs. 6,903 lakhs (As at March 31, 2019 was at Rs.6,723 lakhs) and this has resulted in erosion of the equity of the Company.

The above conditions indicate existence of material uncertainty that may raise significant doubt about the ability of the Company to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. As per current business plan approved by the Board of Directors, taking into considerations the current economic condition, the management believes that the funding requirements of the Company will be met through funds from operations and bank borrowings upto Rs. 3,559 lakhs, which have been guaranteed by Tanager Group B.V. (formerly known as Timex Group B.V.), the Intermediate Holding Company. The Company has been delivering growth in revenue with improved operational efficiency in past and expects growth in its operations in future post COVID-19 situations with continuous improvement in the operational efficiency. In view of the above, the use of going concern assumption has been considered appropriate by the Board of Directors 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:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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. Amount disclosed as revenue are net of returns, sales incentive, goods & services tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue recognised from major business activities:

a) Sale of goods

Revenue from sale of goods is recognised as and when the Company satisfied performance obligations by transferring control of the promised goods to its customers which in case of domestic sales of goods takes place on delivery of goods to customer, and in case of export sales of goods, it takes place on dispatch of goods from the customs port.

b) Rendering of services

Revenue from a contract to provide services is recognised over the period of 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) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in a year, in accordance with the tax laws, is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

d) 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.

(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.

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 ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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 preference 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 28.

(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.

Minimum Alternate Tax (MAT) paid in a year, in accordance with the tax laws, is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the “MAT Credit Entitlement” asset

at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(c) Leases

Effective April 01, 2019, the Company adopted the new lease standard (Ind AS 116) using the modified retrospective method applied to lease arrangements that were in place on the transition date. Ind AS 116 requires the Company to recognize a right-of-use lease asset and lease liability for operating and finance leases. The right-of-use asset is measured as the sum of the lease liability, prepaid or accrued lease payments, any initial direct costs incurred and any other applicable amounts.

The calculation of the lease liability requires the Company to make certain assumptions for each lease, including lease term and discount rate implicit in each lease, which could significantly impact the gross lease liability, the duration and the present value of the lease liability. When calculating the lease term, the Company considers the renewal, cancellation and termination rights available to the Company and the lessor. The Company determines the discount rate by calculating the incremental borrowing rate.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-assets and align with the Company’s business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised and accordingly records the right of use assets and lease liability for those assets.

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	As at March 31, 2020	As at March 31, 2019
Buildings	191	202
Leasehold improvements	94	106
Plant and Machinery	200	218
Furniture and Fixtures	79	55
Computers Equipment	131	133
Office Equipment	35	22
	<u>730</u>	<u>736</u>

CAPITAL WORK-IN-PROGRESS

	Buildings*	Leasehold improvements	Plant and machinery	Furniture and fixtures	Computer equipments	Office equipments	Total
Cost or Deemed Cost							
Balance at March 31, 2018	235	35	259	53	211	40	833
Additions	-	109	52	50	69	9	289
Disposals	-	(34)	(13)	(23)	(31)	(6)	(107)
Balance at March 31, 2019	<u>235</u>	<u>110</u>	<u>298</u>	<u>80</u>	<u>249</u>	<u>43</u>	<u>1,015</u>
Additions	-	-	11	44	48	23	126
Disposals	-	-	0#	(6)	(4)	(1)	(11)
Balance at March 31, 2020	<u>235</u>	<u>110</u>	<u>309</u>	<u>118</u>	<u>293</u>	<u>65</u>	<u>1,130</u>
Accumulated depreciation							
Balance at March 31, 2018	22	30	55	30	94	16	247
Depreciation expense	11	6	29	13	49	9	117
Disposals / adjustments	-	(32)	(4)	(18)	(27)	(4)	(85)
Balance at March 31, 2019	<u>33</u>	<u>4</u>	<u>80</u>	<u>25</u>	<u>116</u>	<u>21</u>	<u>279</u>
Depreciation expense	11	12	29	20	49	10	131
Disposals / adjustments	-	-	0#	(6)	(3)	(1)	(10)
Balance at March 31, 2020	<u>44</u>	<u>16</u>	<u>109</u>	<u>39</u>	<u>162</u>	<u>30</u>	<u>400</u>

Amount is below rounding off threshold adopted by the Company

* Buildings are constructed on leasehold land

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

	<u>Buildings*</u>	<u>Leasehold improvements</u>	<u>Plant and machinery</u>	<u>Furniture and fixtures</u>	<u>Computer equipments</u>	<u>Office equipments</u>	<u>Total</u>
Carrying Amount							
Balance at March 31, 2018	213	5	204	23	117	24	586
Additions	-	109	52	50	69	9	289
Disposals	-	(2)	(9)	(5)	(4)	(2)	(22)
Depreciation expenses	(11)	(6)	(29)	(13)	(49)	(9)	(117)
Balance at March 31, 2019	202	106	218	55	133	22	736
Additions	-	-	11	44	48	23	126
Disposals	-	-	-	-	(1)	-	(1)
Depreciation expenses	(11)	(12)	(29)	(20)	(49)	(10)	(131)
Balance at March 31, 2020	191	94	200	79	131	35	730

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. Refer Note 1.B.4 for accounting policy.

CAPITAL WORK-IN-PROGRESS

Particulars	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
Balance at the beginning of the year	-	5
Additions	-	-
Transfer to property, plant and equipment	-	(5)
Balance at the end of the year	-	-

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

3 INTANGIBLE ASSETS

	As at March 31, 2020	As at March 31, 2019
Computer software	122	101
	<u>122</u>	<u>101</u>

PARTICULARS

Cost or Deemed Cost

	Computer Software
Balance at March 31, 2018	<u>229</u>
Additions / Adjustments	-
Disposals	-
Balance at March 31, 2019	<u>229</u>
Additions / Adjustments	60
Disposals	(51)
Balance at March 31, 2020	<u>238</u>
Accumulated amortisation and impairment	
Balance at March 31, 2018	<u>85</u>
Amortisation expenses	43
Disposals	-
Balance at March 31, 2019	<u>128</u>
Amortisation expenses	39
Disposals	(51)
Balance at March 31, 2020	<u>116</u>
Carrying Amount	
Balance at March 31, 2018	<u>144</u>
Additions	-
Disposals	-
Amortisation expenses	43
Balance at March 31, 2019	<u>101</u>
Additions	60
Disposals	-
Amortisation expenses	39
Balance at March 31, 2020	<u>122</u>

Note: The Company has opted to use the carrying value under previous GAAP as deemed cost for its intangible assets. Refer Note 1.B.5 for accounting policy.

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

4 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Non-current		
Security deposits	91	128
	<u>91</u>	<u>128</u>
Current		
Security deposits	32	10
Interest accrued on fixed deposits with banks	0 #	0 #
	<u>32</u>	<u>10</u>

Amount is below rounding off threshold adopted by the Company

5 TAX ASSETS AND LIABILITIES

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Tax assets		
Taxes paid (net)	42	123
	<u>42</u>	<u>123</u>
Tax liabilities		
Income tax payable (net)	-	89
	<u>-</u>	<u>89</u>

6 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Non-Current		
Sales tax receivable	21	21
Prepaid lease	-	132
Prepaid expenses	-	16
Capital Advances	-	10
	<u>21</u>	<u>179</u>
Current		
Prepaid expenses	48	33
Prepaid lease	-	2
Goods and service tax receivable	585	106
Advance to suppliers	112	30
Advances to employees	23	23
Right to return goods asset*	496	448
Others**	23	151
	<u>1,287</u>	<u>793</u>

* The right to return goods asset represents the Company's right to recover products from customers where customers exercise their right of return. The Company uses its accumulated historical experience to estimate the amount of returns using the expected value method.

** Includes 2,277 numbers of silver coins and 3,574 numbers of gold coins worth of Rs. 23 lakhs (2019: Includes 26,147 numbers of silver coins and 2,081 numbers of gold coins worth of Rs. 147 lakhs) which are procured for sales promotion activity.

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

7 INVENTORIES

(Lower of cost and net realisable value)

	As at March 31, 2020	As at March 31, 2019
Raw material	1,865	2,236
Work-in-progress	198	-
Finished goods	1,421	1,827
Stock-in-trade	772	485
	<u>4,256</u>	<u>4,548</u>
Included in above, goods-in-transit:		
Raw material	31	24
Finished goods	117	10
	<u>148</u>	<u>34</u>

Notes

- (i) The cost of inventories recognised as an expense during the year is Rs.15,282 lakhs (2019: Rs. 13,890 lakhs)
- (ii) The cost of inventories recognised as an expense includes Rs. 245 lakhs (2019: Rs. 66 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, 2020	As at March 31, 2019
Unsecured, considered good	6,360	5,286
Unsecured, significant increase in credit risk	124	127
Unsecured, credit impaired	388	352
Less: Allowance for doubtful debts	(602)	(415)
	<u>6,270</u>	<u>5,350</u>

The Company uses expected credit loss model to assess the impairment 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.

(ii) Age of receivables:	As at March 31, 2020	As at March 31, 2019
Within credit period	3,109	4,190
Past due 180 days	2,742	897
Past due 181 to 365 days	639	297
Past due more than 365 days	382	381
	<u>6,872</u>	<u>5,765</u>

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

(iii) There are two customers as at March 31, 2020 with balance of Rs. 1,609 lakhs representing more than 10% of the total balance of trade receivables. In previous year, there were two customers as at March 31, 2019 with balance of Rs. 1,634 lakhs representing more than 10% of the total balance of trade receivables.

(iv) Movement in expected credit loss allowance:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	415	407
Movement in the expected credit loss allowance on trade receivables calculated at the lifetime expected credit loss	187	8
Balance at the end of the year	602	415

(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, 2020	As at March 31, 2019
Balances with Banks		
-In current accounts	3	1
Cheques, drafts on hand	13	215
Cash on hand	1	-
	17	216

10 OTHER BANK BALANCES

	As at March 31, 2020	As at March 31, 2019
Deposit accounts with maturity beyond three months upto twelve months*	2	2
	2	2

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

11 SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019
A. Equity Share Capital		
Authorised equity share capital:		
90,00,00,000 equity shares of Re. 1 (absolute amount) each	9,000	9,000
	9,000	9,000
Issued, subscribed and fully paid up equity share capital		
10,09,50,000 equity shares of Re. 1 (absolute amount) each	1,010	1,010
	1,010	1,010

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

(i) Reconciliation of authorised equity share capital

	Number of shares	Amount
Balance at March 31, 2018	90,00,00,000	9,000
Add / Less: Movement during the year	-	-
Balance at March 31, 2019	90,00,00,000	9,000
Add / Less: Movement during the year	-	-
Balance at March 31, 2020	90,00,00,000	9,000

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

	Number of shares	Amount
Balance at March 31, 2018	10,09,50,000	1,010
Add / Less: Movement during the year	-	-
Balance at March 31, 2019	10,09,50,000	1,010
Add / Less: Movement during the year	-	-
Balance at March 31, 2020	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 (absolute amount) 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, 2020		
Timex Group Luxury Watches B.V., the Holding Company	7,56,45,100	74.93%
As at March 31, 2019		
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:

Class of shares /Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	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%

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
B. Non-convertible preference share capital		
Authorised preference share capital		
8,00,00,000 preference shares of Rs. 10 (absolute amount) each	8,000	8,000
	8,000	8,000
Issued, subscribed and fully paid up preference share capital		
7,61,00,000 preference shares of Rs. 10 (absolute amount) each	7,610	7,610
	7,610	7,610
(i) Equity component of redeemable preference share capital		
	Number of shares	Amount
Balance at March 31, 2018	7,61,00,000	7,610
Add / Less: Movement during the year	-	-
Balance at March 31, 2019	7,61,00,000	7,610
Add / Less: Movement during the year	-	-
Balance at March 31, 2020	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, 2020		
Timex Group Luxury Watches B.V., the Holding Company		
0.1% (2019: 0.1%) non cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	25,00,000	100%
13.88%(2019:13.88%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	1,57,00,000	100%
13.88%(2019:13.88%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	2,29,00,000	100%
5%(2019:5%) cumulative redeemable non convertible preference shares of Rs. 10 each (absolute amount) fully paid up	3,50,00,000	100%
	7,61,00,000	100%
As at March 31, 2019		
Timex Group Luxury Watches B.V., the Holding Company		
0.1% (2018: 0.1%) non cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	25,00,000	100%
13.88%(2018:13.88%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	1,57,00,000	100%
13.88%(2018:13.88%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	2,29,00,000	100%
5%(2018:5%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	3,50,00,000	100%
	7,61,00,000	100%

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

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

Class of shares /Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	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 B.V.				
0.1% (2019:0.1%) non cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	25,00,000	100%	25,00,000	100%
13.88%(2019:13.88%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	1,57,00,000	100%	1,57,00,000	100%
13.88%(2019:13.88%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	2,29,00,000	100%	2,29,00,000	100%
5%(2019:5%) cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	3,50,00,000	100%	3,50,00,000	100%

Terms/ rights attached to issued preference shares:

25,00,000 (2019:25,00,000) 0.10%(2019:0.10%) 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.

1,57,00,000 (2019:1,57,00,000) 13.88% (2019:13.88%) 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.

2,29,00,000 (2019:2,29,00,000) 13.88% (2019:13.88%) 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 (2019: 3,50,00,000) 5% (2019: 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.

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

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% (2019:13.88%) 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 five years i.e. till March 26, 2019 and were further extended by another five years, i.e till March 26, 2024.

Maturity period for redemption of 13.88% (2019:13.88%) 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 20, 2026.

Maturity period for redemption of 5% (2019: 5%) preference shares amounting to 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 previous year 2017-2018, the holders of preference share capital had waived off the dividend for the financial years 2016-17 and 2017-2018. The Company had 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 26(b)

12 OTHER EQUITY

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Retained earnings	(6,903)	(6,723)
Securities premium	351	351
Equity component of compound financial instrument		
-Preference share capital (refer note 1.C.(i).(b) and 11.B)	7,610	7,610
	<u>1,058</u>	<u>1,238</u>

12.1 Retained earnings

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Balance at beginning of the year	(6,723)	(7,443)
Profit /(loss) for the year	(180)	746
Other comprehensive income arising from remeasurement of defined benefit obligation	0#	(26)
Balance at end of the year	<u>(6,903)</u>	<u>(6,723)</u>

Amount is below rounding off threshold adopted by the Company

12.2 Securities premium

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Balance at beginning of the year	351	351
Movement during the year	-	-
Balance at end of the year	<u>351</u>	<u>351</u>

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

12.3 Equity component of compound financial instrument- Preference share

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	7,610	7,610
Movement during the year	-	-
Balance at end of the year	7,610	7,610

13 PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 28.2)	485	427
Provision for compensated absences (refer note 28.3)	233	214
	718	641
Current		
Provision for employee benefits		
Provision for gratuity (refer note 28.2)	65	55
Provision for compensated absences (refer note 28.3)	38	35
Others		
Provision for warranties (refer note 1.B.12)	150	98
	253	188

Movement in other provisions are as follows:

	Provision for warranties
As at March 31, 2019	98
Provision created/(reversed) during the year	306
Provision utilised during the year	(254)
As at March 31, 2020	150

14. OTHER LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Deferred government grant*	6	12
	6	12
Current		
Advances received from customers (contract liability)^	57	46
Deferred government grant*	6	6
Statutory dues payable	405	178
Others	15	15
	483	245

* 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 manufacturing facility located at Baddi, Himachal Pradesh. There is no unfulfilled conditions or contingencies attached to this grant.

^ Advance from customers is recognised when payment is received before the related performance obligation is satisfied.

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
As at the beginning of the year	46	56
Advances received / (Revenue recognised) (net)	11	(10)
As at the end of the year	57	46

15 BORROWINGS

Current	As at March 31, 2020	As at March 31, 2019
Unsecured - at amortised cost		
Loan repayable on demand from banks*		
-Cash credit from banks	2,042	2,687
	2,042	2,687

Amount undrawn from cash credit as on the balance sheet date 1,517 872

*Cash credit facilities from banks carry interest ranging between 7.60% 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 Tanager Group B.V. (formerly known as Timex Group B.V.), an intermediate holding company.

16. TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	240	176
Others	6,343	5,137
	6,583	5,313

Dues To micro enterprises and small enterprises

Trade payables include the following dues to micro and small enterprises covered under “The Micro, Small and Medium Enterprises Development Act, 2006” (MSMED) to the extent such parties have been identified on the basis of intimation received from the “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

	As at March 31, 2020	As at March 31, 2019
Amounts due to micro and small enterprises under MSMED based on the information available with the Company and the confirmation received from the creditors till the year end.		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount	240	176
- Interest due thereon	-	-

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020 (All amounts in Rs. Lakhs, unless otherwise stated)

b) The amount of interest paid by the buyer under the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year :		
- Principal amount adjusted during the year	-	-
c) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act,2006 not paid).	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

17 OTHER FINANCIAL LIABILITIES

	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
Current		
Refund liability*	838	763
	<u>838</u>	<u>763</u>

*The refund liability relates to customers' right to return products upon exercising their right of return. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Company uses its accumulated historical experience to estimate the amount of returns using the expected value method.

18 REVENUE FROM OPERATIONS

	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
Sale of products		
Manufactured goods		
Watches	20,672	21,406
Components and others	603	530
Traded goods		
Watches	3,589	1,923
	<u>24,864</u>	<u>23,859</u>
Income from services provided		
Support services	288	249
Customer Services	34	30
	<u>322</u>	<u>279</u>
Other operating revenues		
Liabilities /provisions no longer required written back	4	25
	<u>4</u>	<u>25</u>
	<u>25,190</u>	<u>24,163</u>

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020 (All amounts in Rs. Lakhs, unless otherwise stated)

	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
Reconciliation of revenue recognised with contract price:		
A. Contract price	28,527	26,919
B. Adjustments for:		
Discount & Incentives as per contract/schemes	3,588	2,953
Right to Return with customers	75	107
C. Revenue From Operations	<u>24,864</u>	<u>23,859</u>

19. OTHER INCOME

	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
Interest income on financial assets carried at amortized cost		
- on bank deposits	0#	0#
- on income tax refund	24	-
- on others	6	4
Grant Income	6	6
Miscellaneous income	3	17
	<u>39</u>	<u>27</u>

Amount is below rounding off threshold adopted by the Company

20. COST OF MATERIALS CONSUMED

	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
Opening stock of raw materials	2,236	1,479
Add: Purchases of raw materials	10,317	11,225
	<u>12,553</u>	<u>12,704</u>
Less: Closing stock of raw materials	1,865	2,236
Cost of materials consumed	<u>10,688</u>	<u>10,468</u>

20.1 PURCHASES OF STOCK IN TRADE

	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
Watches	3,387	1,391
	<u>3,387</u>	<u>1,391</u>

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

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

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year:		
Work-in-progress	198	-
Finished goods	1,421	1,827
Stock-in-trade	772	485
	2,391	2,312
Inventories at the beginning of the year:		
Work-in-progress	-	-
Finished goods	1,827	2,573
Stock-in-trade	485	454
	2,312	3,027
(Increase)/decrease in inventories :		
Work-in-progress	(198)	-
Finished goods	406	746
Stock-in-trade	(287)	(31)
Net (Increase)/decrease in inventories	(79)	715
21. EMPLOYEE BENEFITS EXPENSE		
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages, including bonus and gratuity	2,789	2,531
Contribution to provident and other funds (refer note 28)	162	131
Compensated absences (refer note 28)	55	60
Workmen and staff welfare expenses	142	197
	3,148	2,919
22. FINANCE COSTS		
	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on borrowings	201	153
Interest expense on others	2	5
Interest on lease liability (refer note 33)	77	-
	280	158
23 DEPRECIATION AND AMORTISATION EXPENSE		
	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 2)	131	117
Amortisation of intangible assets (refer note 3)	39	43
Depreciation on ROU assets (refer note 33)	127	-
	297	160

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

24. OTHER EXPENSES

	<u>Year ended</u> <u>March 31, 2020</u>	<u>Year ended</u> <u>March 31, 2019</u>
Stores and spares consumed	93	45
Power and fuel	67	63
Selling and distribution expenses	496	596
Rent	223	303
Repairs and maintenance:		
- Buildings	83	98
- Plant and machinery	26	27
- Others	10	14
Insurance	88	55
Rates and taxes	20	21
Advertising	972	1,178
Sales promotion	2,027	1,884
Minimum guarantee expenses	87	188
Professional and legal charges	244	192
Travel	590	648
Directors' sitting fees	11	12
Provision for doubtful debts	187	7
Bad debts written off	-	48
Loss on sale of property, plant and equipment (net)	0 #	6
Property, plant and equipment written off	1	12
Bank charges	5	5
Communication expenses	114	64
Warranty	306	160
Meeting and conference	94	152
Purchased services	1,308	1,122
Auditor remuneration:		
- Audit fees	19	19
- For limited review of unaudited financial results	9	9
- For tax audit	2	2
- For other services/certificates	-	9
- Reimbursement of out of pocket expenses	2	1
Exchange currency fluctuation (net)	58	82
Miscellaneous expenses*	546	522
	<u>7,688</u>	<u>7,544</u>

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

Amount is below rounding off threshold adopted by the Company

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

25 INCOME TAXES

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

	<u>Year ended</u> <u>March 31, 2020</u>	<u>Year ended</u> <u>March 31, 2019</u>
Profit / (loss) before tax including comprehensive income	(180)	809
Income-tax expense / (credit) @ 25.168% (2019: 27.82%)	(45)	225
Tax charged as per provisions of Minimum Alternate Tax	-	89
Effect of unused tax offsets and losses not recognised as deferred tax assets	(116)	175
Effect of adjustments related to assessment	(229)	(422)
Effect of changes in tax rates	390	22
Income tax expenses recognised in profit and loss	-	89

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (2019: 27.82%) payable by corporate entities in India on taxable profits under the Indian tax law.

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

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Deferred tax liabilities	-	-
Deferred tax assets		
Provision for gratuity	138	140
Provision for compensated absences	68	72
Provision for doubtful debts and advances	152	121
Deferred government grant	3	5
Property, plant and equipment and intangible assets	41	52
Business Loss carry forward	801	1,046
Unabsorbed depreciation	1,084	871
Minimum Alternative Tax Credit	-	89
Others	95	102
	2,382	2,498
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 upto financial year March 31, 2017 would expire upto financial year ending March 31, 2025. The unrecognised tax credits pertaining to MAT Credit as at March 31, 2019 has expired as the company has opted for New Tax Regime effective from April 1, 2019.

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

On 20th September 2019 the government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay income tax at reduced rate effective April 1, 2019, subject to certain conditions. The expenses for the year ended March 31, 2020 have been provided for at reduced tax rate.

On 29th November 2019 the Company has signed Unilateral Advance Pricing Agreement (APA) with the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India wherein the Company has agreed on the methodology to be followed for determining the Arm's Length Price of the transactions covered by the agreement. The Company has complied with the details mentioned in the agreement and has filed compliance report with the authorities on 26th February 2020. The effect of APA has not been considered in the calculations above as the compliance report filed by the Company are yet to be audited / verified by the authorities.

26 CONTINGENT LIABILITIES AND COMMITMENTS

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
a. Claims against the Company not acknowledged as debts:		
Sales tax	195	195
Others	177	160
b. Dividend on cumulative preference shares*		
2012-13 to 2017-18	-	-
2018-19	711	711
2019-20	711	-
Corporate dividend tax on cumulative preference shares*		
2012-13 to 2017-18	-	-
2018-19	146	146
2019-20	146	-

*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 financial year 2016-17, 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 these preference shares have waived the dividend for the financial years 2016-17 and 2017-18. The dividend liability on 35,000,000 5% cumulative redeemable non-convertible preference shares of Rs. 10 each payable until 31 March 2018, was waived off as per the consent of the holders of these preference shares vide their letter dated 22 February 2018. Thus there is no outstanding dividend on cumulative preference shares as at March 31, 2018. Also refer Note 11.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.

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Notes to the financial statements for the year ended March 31, 2020 (All amounts in Rs. Lakhs, unless otherwise stated)

- d. The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (2019: Rs. 38 Lakh)
- 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
- g. The Hon'ble Supreme Court has passed a judgement on the definition and scope of "Basic Wages" under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. As a matter of caution, the Company has made a provision on prospective basis from the date of such ruling, i.e. March 1, 2019. The Company will update its provision on receiving further clarity on this matter.

27 RELATED PARTY TRANSACTIONS

27.1 Description of related parties

A Ultimate Holding Company	Eagleville Group B.V.*
Intermediate Holding Companies	Tanager Group B.V. (formerly known as Timex Group B.V.)* Timex Nederland B.V.
Holding Company	Timex Group Luxury Watches B.V.*
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 Canada, Inc. Tiempo, S.A. de C.V. Timex (Shanghai) Trading CO.LTD. Vertime B.V. Fralsen Horlogerie SA
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
D Post Employment Benefits Plan	Timex Watches Provident Fund Trust Timex Watches Superannuation Fund

* No transactions during the current year and previous year

[^] From January 31, 2018 and upto March 31, 2019

^{^^} From April 20, 2018

^{^^^} Upto April 16, 2018

^{^^^^} Upto March 31, 2019

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

27.2 Disclosure of transactions between the Company and related parties

Nature of transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
Sale of goods	Timex Group USA, Inc.	1	3
	TMX Limited N.V.	478	1,124
	Timex Nederland B.V.	740	-
	Tiempo, S.A. de C.V.	126	4
	Timex Group Canada, Inc.	2	3
	Timex (Shanghai) Trading CO.LTD.	3	4
		1,350	1,138
IT support expenses*	Timex Group USA, Inc.	72	36
	TMX Limited N.V.	18	35
	Timex Nederland B.V.	7	-
		97	71
Reimbursement of expenses (received)	Timex Group USA, Inc.	32	-
	Vertime B.V.@	90	95
	TMX Limited N.V.	-	3
		122	98
Reimbursement of expenses (paid)	Timex Group USA, Inc.	5	-
	Fralsen Horlogerie SA	0 #	-
		5	-
Purchase of goods	TMX Limited N.V.	884	1,111
	Vertime B.V.	694	617
	Timex Nederland B.V.	271	-
	Timex Group USA, Inc.	6	-
		1,855	1,728
Purchase of Capital goods	Timex Group USA, Inc.	40	-
		40	-
Service income	Timex Group USA, Inc.	82	52
	TMX Limited N.V.	166	197
	Timex Nederland B.V.	39	-
		287	249
Service charges paid @	Timex Group USA, Inc.	485	439
	Timex Nederland B.V.	68	88
		553	527

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Notes to the financial statements for the year ended March 31, 2020 (All amounts in Rs. Lakhs, unless otherwise stated)

Nature of transaction	Related Party	Year ended	Year ended
		March 31, 2020	March 31, 2019
Advances given	Mr. Amit Jain	5	-
		<u>5</u>	<u>-</u>
Advances repaid	Mr. Amit Jain	5	-
		<u>5</u>	<u>-</u>
Key management	Short-term benefits [includes sitting fees]	322	332
personnel compensation	Post-employment benefits	6	6
	Other long-term benefits	3	5
		<u>331</u>	<u>343</u>
	Ms. Sharmila Sahai	147	158
	Mr. Daya Dhaon	-	3
	Ms. Gagan Singh	4	3
	Mr. Pradeep Mukerjee	4	3
	Mr. Bijou Kurien	3	3
	Mr. Amit Jain	99	101
	Mr. Dhiraj Maggo	74	72
		<u>331</u>	<u>343</u>
Employee Benefits Expense	Timex Watches Provident Fund Trust	86	68
	Timex Watches Superannuation Fund	4	7
		<u>90</u>	<u>75</u>

* Included in miscellaneous expenses

@ Included in sales promotion expense

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

Outstanding balances	Related Party	As at	As at
		March 31, 2020	March 31, 2019
Receivable	Timex Group USA, Inc.	114	18
	TMX Limited N.V.	427	845
	Timex Nederland B.V.	839	-
	Tiempo, S.A. de C.V.	-	3
	Timex Group Canada, Inc.	1	1
	Timex (Shanghai) Trading CO.LTD.	-	4
		<u>1,381</u>	<u>871</u>

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

Outstanding balances	Related Party	As at	As at
		March 31, 2020	March 31, 2019
Payable	Timex Group USA, Inc.	1,399	1,277
	TMX Limited N.V.	376	330
	Timex Nederland B.V.	1,072	725
	Vertime B.V.	205	41
	Fralsen Horlogerie SA	-	0 #
		3,052	2,373

Amount is below rounding off threshold adopted by the Company

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. Tanager Group B.V. (formerly known as Timex Group B.V.), an intermediate holding company, has provided bank guarantee amounting to Rs. 3,580 lakhs (2019: Rs. 3,880 lakhs) (including unfunded limit) to the bankers of the Company for use of cash credit and overdraft facilities (including working capital loans).

28 EMPLOYEE BENEFITS

28.1 Defined contribution plans:

	Year ended	Year ended
	March 31, 2020	March 31, 2019
Superannuation fund (Refer to note (i) below)	4	7
Provident fund (Refer to note (ii) below)	150	114
Employees' State Insurance Corporation (Refer to note (iii) below)	8	10
	162	131

The expenses incurred on account of the above defined contribution plans have been included in Note 21 "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 administration 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.

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Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

28.2 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:**

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Discount rate (p.a)	6.30%	7.20%
Salary increase rate (p.a)	10.00%	10.00%
Retirement age (years)	58	58
Mortality rates	IALM (2012-14)	IALM (2006-08)
Withdrawal rate		
Up to 30 years	25.00%	25.00%
31 to 44 years	10.00%	10.00%
Above 44 years	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.

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

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

	Year ended March 31, 2020	Year ended March 31, 2019
Current Service cost	56	51
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	35	31
	91	82

These amounts for the year are included in Note 21 "Employee Benefits Expenses".

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (gain)/losses arising from change in demographic assumptions	0 #	-
Actuarial (gain)/losses arising from changes in financial assumptions	31	9
Actuarial (gain)/losses arising from changes in experience adjustments	(32)	17
	0 #	26

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, 2020	As at March 31, 2019
Present value of defined benefit obligation	550	482
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	(550)	(482)
Effect of asset ceiling, if any	-	-
Net assets / (liability)	(550)	(482)

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

	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation	482	404
Current Service Cost	56	51
Interest Cost	35	31
Actuarial (gain)/losses arising from change in demographic assumptions	0 #	-
Actuarial (gain)/losses arising from changes in financial assumptions	31	9
Actuarial (gain)/losses arising from changes in experience adjustments	(32)	17
Benefits paid	(22)	(30)
Closing defined benefit obligation	550	482

Amount is below rounding off threshold adopted by the Company

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Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

(vii) Classification into non-current and current:

	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
Gratuity		
Non-current	485	427
Current	65	55
	<u>550</u>	<u>482</u>

(viii) The average duration of the defined benefit obligation is 7 years. The expected cash out flow during the next financial year is Rs. 65 Lakhs.

(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.

	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Defined benefit obligation on plus 100 basis points	515	587	452	514
Defined benefit obligation on minus 100 basis points	589	516	515	452

28.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 21 " Employee Benefits expense"

	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
Compensated absences expenses	55	60
	<u>55</u>	<u>60</u>

The defined benefit obligation which are provided for but not funded are as under:

	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
Compensated absences liability:		
Non-Current	233	214
Current	38	35
	<u>271</u>	<u>249</u>

Notes to the financial statements for the year ended March 31, 2020
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29 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	Year ended	Year ended
Revenue from operations	March 31, 2020	March 31, 2019
- Domestic	23,444	22,655
- Overseas	1,746	1,508
	25,190	24,163
Non current segment assets	As at	As at
	March 31, 2020	March 31, 2019
-Within India	2,278	1,016
-Outside India	-	-
	2,278	1,016

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, right of use assets, 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 2019-20 and 2018-19.

30 EARNINGS PER SHARE

	Year ended	Year ended
	March 31, 2020	March 31, 2019
Profit / (Loss) after tax	(180)	746
Less: Preference share dividend and tax thereon (refer note 11.B.(iii))	(857)	(857)
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	(1,037)	(111)
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.)	(1.03)	(0.11)
Diluted Earnings per share (Rs.)	(1.03)	(0.11)

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Notes to the financial statements for the year ended March 31, 2020 (All amounts in Rs. Lakhs, unless otherwise stated)

31 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, 2020*	As at March 31, 2019
Non-cancellable operating lease commitments		
-Within one year	-	151
-Later than one year & not later than five years	-	233
-More than five years	-	-
	<u>-</u>	<u>384</u>

	Year ended March 31, 2020*	Year ended March 31, 2019
Lease Rent Recognised in the Statement of profit and loss as per Note 24	-	303

* Refer note 33

32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

32.1 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.(refer note 1.B.3)

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

	As at March 31, 2020	As at March 31, 2019
Debt	2,042	2,687
Cash & cash equivalents	17	216
Net Debt	<u>2,025</u>	<u>2,471</u>
Total Equity	2,068	2,248
Net debt to equity ratio	0.98	1.10

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

32.2 Financial instruments by category

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Financial Assets		
Measured at amortised cost [^]		
(a) Trade Receivables	6,270	5,350
(b) Cash and cash equivalents	17	216
(c) Bank balances other than above	2	2
(d) Other financial assets	123	138
	<u>6,412</u>	<u>5,706</u>
	<u>6,412</u>	<u>5,706</u>
	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
Financial Liabilities		
Measured at amortised cost [^]		
(a) Borrowings	2,042	2,687
(b) Lease liabilities	93	-
(c) Trade Payables	6,583	5,313
(d) Other financial liabilities	838	763
	<u>9,556</u>	<u>8,763</u>
	<u>9,556</u>	<u>8,763</u>

[^] Carrying value of the financial assets and liabilities designated at amortised cost approximates its fair value.

32.3 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.

32.3.1 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.

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Notes to the financial statements for the year ended March 31, 2020 (All amounts in Rs. Lakhs, unless otherwise stated)

Foreign currency risk exposure

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, 2020		As at March 31, 2019	
		(Original currency in lakhs)	(Rs. in lakhs)	(Original currency in lakhs)	(Rs. in lakhs)
Trade receivables	USD	19	1,394	13	891
Trade payables	USD	42	3,140	37	2,589
	EURO	0 #	20	0 #	19
	HKD	8	73	-	-
	CHF	3	205	1	41
	JPY	55	39	30	19

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, 2020		Year ended March 31, 2019	
	Rs. strengthens by 1%	Rs. weakens by 1%	Rs. strengthens by 1%	Rs. weakens by 1%
Impact on profit /(loss) for the year				
USD	17	(17)	17	(17)

32.3.2 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.

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

Financial assets for which loss allowance is measured:

	Note No	As at March 31, 2020	As at March 31, 2019
Trade receivables	8	602	415
		602	415
Balance at the beginning		415	407
Provided during the year		187	34
Utilised during the year		-	-
Reversed during the year		-	(26)
Balance at the end		602	415

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.

32.3.3 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 and realisation of financial assets with the 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:

As at March 31, 2020	<1 year	1 to 5 years	>5 years	Total	Carrying Value
Borrowings	2,042	-	-	2,042	2,042
Lease liabilities	208	1,094	573	1,875	93
Trade payables	6,583	-	-	6,583	6,583
Other financial liabilities	838	-	-	838	838
	9,671	1,094	573	11,338	9,556
As at March 31, 2019	<1 year	1 to 5 years	>5 years	Total	Carrying Value
Borrowings	2,687	-	-	2,687	2,687
Lease liabilities	-	-	-	-	-
Trade payables	5,313	-	-	5,313	5,313
Other financial liabilities	763	-	-	763	763
	8,763	-	-	8,763	8,763

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Notes to the financial statements for the year ended March 31, 2020 (All amounts in Rs. Lakhs, unless otherwise stated)

33 Leases

Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. This has resulted in recognising a "Right of use asset" of Rs. 766 lakhs and a corresponding "Lease liability" of Rs. 766 lakhs as at April 1, 2019. Further, in respect of leases that were classified as operating leases, applying Ind AS 17, Rs. 133 lakhs has been reclassified from "Other assets" to "Right of use asset". As on April 1, 2019 the Company had reclassified Other financial assets of Rs. 27 Lakhs to Right of use assets

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from "Rent" / "Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent" / "Other expenses", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of profit and loss for the quarter and year ended March 31, 2020 are as under:

Adjustments to increase / (decrease) in net profit	Year ended March 31, 2020 (comparable basis)	Changes due to Ind AS 116 increase/(decrease)	Year ended March 31, 2020 (as reported)
Other Expenses	7,841	(153)	7,688
Depreciation & Amortisation expense	170	127	297
Finance cost	203	77	280
Profit before tax	(129)	(51)	(180)

Disclosures as required under Ind AS 116:

The Company has entered into various lease agreements for acquiring space to do its day to day operations. Such lease contracts include monthly fixed payments for rentals. The lease contracts are generally cancellable at the option of lessee during the lease tenure. The Company also have a renewal option after the expiry of contract terms. There are no significant restrictions imposed under the lease contracts.

The Company has entered into a lease agreement of 95 years for its factory land located in Baddi which is operational. The lease contract amount is fully paid and there are no significant restrictions imposed under the lease contracts. Earlier these contracts were recorded as operating lease and now these have been accounted as Right of Use assets under Ind AS 116.

Right of use assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Movement in right-of-use assets:

(Rs. in lakhs)

Particulars	Lease of Office / Warehouse Space	Lease of Land	Total
Balance as of April 1, 2019 (on account of adoption of Ind AS 116)	793	133	926
Additions	606	-	606
Deletions	-	-	-
Depreciation	125	2	127
Balance as of March 31, 2020	1,274	131	1,405

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

The following is the movement in lease liabilities during the year ended March 31, 2020:

(Rs. in lakhs)

Lease Liability	Total
As at April 1, 2019	766
Additions made during the year	594
Finance cost accrued during the year	77
Payment of lease liabilities	(153)
Balance as of March 31, 2020	1,284

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

(Rs. in lakhs)

Lease Liability	Total
Non - current	1,191
Current	93
As at March 31, 2020	1,284

Following amount has been recognised in statement of profit and loss account

Particulars	Lease of Office / Warehouse Space	Lease of Land	Total
Depreciation on right to use asset	125	2	127
Finance cost	77		77
Total amount recognised in statement of profit and loss account			204

Lease commitments

Where the Company is a lessee/licensee

The Company has entered into various lease/license agreements for leased/licensed premises, which expire at various dates over the next nine years. There are no contingent lease/license fees payments. The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows :

Particulars	March 31, 2020
(i) not later than one year	208
(ii) later than one year and not later than five years	1,094
(iii) later than five years	573
	1,875

Expense relating to short term leases with lease term of more than one month during the financial year is Rs. NIL.

Expense relating to low value assets with long term lease period during the financial year is Rs. NIL.

There are no sale and lease back transactions. There are no sub leases of right of use assets

TIMEX GROUP

Notes to the financial statements for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

34 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.

- 35** Other expenses for the year ended March 31, 2020 includes Rs. 8.42 lacs (Rs. Nil for the year ended March 31, 2019) spent by Timex Group India Limited towards Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction / acquisition of an asset of the Company. The prescribed CSR expenditure required to be spent in the year 2019-20 as per the Companies Act, 2013 is Rs. Nil, in view of average net profits of the Company being Rs. Nil (under section 198 of the Act) for last three financial years.

For and on behalf of the Board of Directors

David Thomas Payne
Chairman
(DIN - 07504820)

Place : Connecticut, USA
Date : June 24, 2020

Dhiraj Kumar Maggo
GM - Legal, HR & Company Secretary
(Membership No.:F7609)

Place : Noida
Date : June 24, 2020

Sharmila Sahai
Managing Director
(DIN - 00893750)

Place : Noida
Date : June 24, 2020

Amit Jain
Chief Financial Officer

Place : Noida
Date : June 24, 2020



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