

July 26, 2023

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

**Scrip Code: 500414**

Dear Sir,

**Sub: Notice of the 35<sup>th</sup> Annual General Meeting (AGM) and Annual Report for the financial year 2022-23 – Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is in furtherance to our letter dated July 21, 2023, wherein the Company had informed that the 35th Annual General Meeting of the Company is scheduled to be held on Wednesday, August 23, 2023 at 4.00 PM. (IST) 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 2022-23 along with the Notice convening the 35th AGM. The same is also being sent to all the Members of the Company whose email addresses are registered with the Company / Registrar and Share Transfer Agent/ 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 2022-23 along with Notice of 35th AGM is uploaded on the Company's website, [www.timexindia.com](http://www.timexindia.com).

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

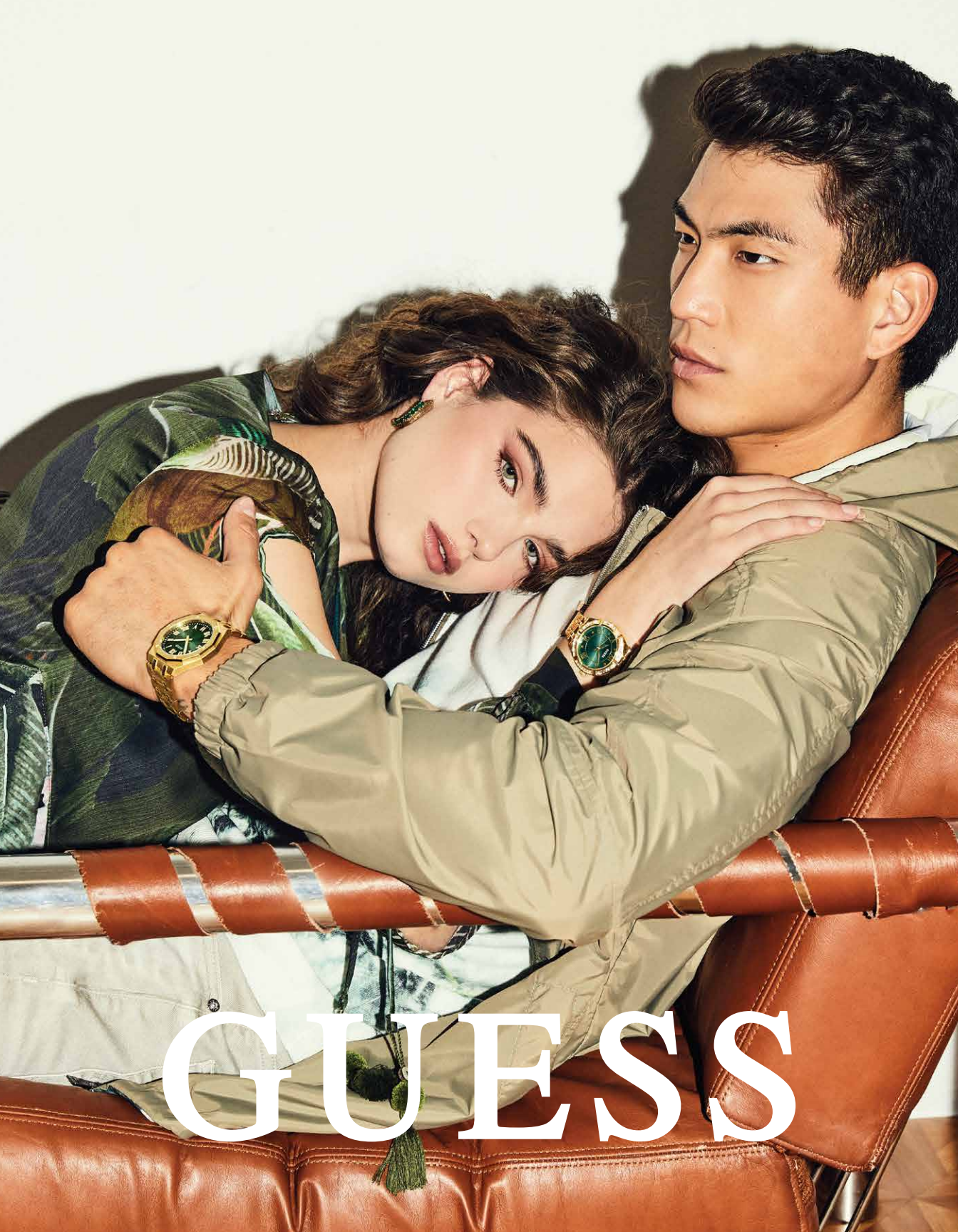
Thanking you,  
For Timex Group India Limited

Dhiraj Kumar Maggo  
Vice President – Legal, HR and Company Secretary

**TIMEX**  
watchmakers  
est. 1854



**ANNUAL REPORT 2023**  
**TIMEX GROUP INDIA LIMITED**



GUESS

<b>Board of Directors</b>	David Thomas Payne Deepak Chhabra Gagan Singh (Ms.) Pradeep Mukerjee Bijou Kurien Sylvain Ernest Louis Tatu	Non-Executive Director & Chairman Managing Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive Director
<b>CFO</b>	Amit Jain	
<b>VP-Legal, HR &amp; Company Secretary</b>	Dhiraj Kumar Maggo	
<b>Bankers</b>	J.P. Morgan Chase Bank NA HDFC Bank Limited	
<b>Auditors</b>	Deloitte Haskins and Sells LLP., Chartered Accountants	
<b>Registered Office</b>	E-10, Lower Ground Floor Lajpat Nagar-III New Delhi – 110024.	
<b>Works</b>	Plot No.10 Baddi Industrial Area Katha Bhatoli Baddi, Distt. Solan (H.P)	
<b>Share Registrar &amp; Transfer Agent</b>	Alankit Assignment Limited 4E/2, Alankit House Jhandewalan Extension New Delhi 110 055 Tel.: 011-42541234 Email: <a href="mailto:rta@alankit.com">rta@alankit.com</a> Website: <a href="http://www.alankit.com">www.alankit.com</a>	

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Fifth Annual General Meeting of the Members of TIMEX GROUP INDIA LIMITED will be held on Wednesday, 23rd August, 2023 at 4:00 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 31<sup>st</sup> March 2023, and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. David Thomas Payne (DIN: 07504820), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

“**RESOLVED THAT** in accordance with the provisions of Sections 4, 13, 61 and other applicable provisions of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2013 as may be amended, the approval of the members of the Company be and is hereby accorded to reclassify the Authorized Share Capital of Rs. 170,00,00,000 (Rupees One Hundred and Seventy Crores) presently divided into 90,00,00,000 (Ninety Crores) Equity Shares of Re. 1/- (Rupee One) each and 8,00,00,000 (Eight Crores) preference shares of Rs. 10/- (Rupees Ten) each into 40,00,00,000 (Forty Crores) Equity Shares of Re. 1/- (Rupee One) each and 13,00,00,000 (Thirteen Crores) Preference Shares of Rs. 10/- (Rupees ten) each.

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company be altered by substituting in its place and stead the following new Clause V:

- V. The Authorized Share Capital of the Company is Rs. 170,00,00,000/- (Rupees One Hundred and Seventy Cores) divided into 40,00,00,000 (Forty Crores) Equity Shares of Re. 1/- (Rupee One) each and 13,00,00,000 (Thirteen Crores) Preference Shares of Rs. 10/- (Rupees ten) each.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things and to delegate all or any of the powers conferred to it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate to give effect to above resolution.”

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 55(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder including any statutory modifications or re-enactments thereof for the time being in force, and the rules, regulations, guidelines, notifications, and circulars prescribed by the Government of India, also including all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India, the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, the Securities and Exchange Board of India, including, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 and the relevant regulations made thereunder including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and in accordance with the Memorandum and Articles of Association of the Company, and subject to such other approvals / sanctions/ consents/ permissions, as may be required from any appropriate statutory and regulatory authorities including approval of the National Company Law Tribunal, Delhi in terms of Section 55(3) and subject to such conditions and modifications as may be prescribed by the authorities while granting such approvals / sanctions/ consents/ permissions and agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall include a Committee of Directors exercising the powers conferred by the Board), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to a maximum of 2,73,15,264 Cumulative Redeemable Non-Convertible Preference Shares of Rs.10/- each for cash at par aggregating to Rs. 27,31,52,640 /- (“**New NCPS**”) on a private placement basis to M/s Timex Group Luxury Watches B.V., the holding company of the Company, for redeeming existing 1,57,00,000 13.88% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each of the Company and which amount is equivalent to the value of the redemption amount (being Rs.15,70,00,000/-) plus the unpaid cumulative dividend till the due date of redemption (being Rs.13,03,91,380/-) on the NCPS, less the tax to be deducted at source (being Rs.1,42,38,740/-) in accordance with applicable law, with such rights and privileges and on such terms and conditions as may be decided by the Board and subject to the following rights:

- a) The New NCPS shall carry a fixed preferential dividend at the rate of 10.75 %;
- b) The New NCPS shall be non-participating in

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

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

**Registered Office:  
E-10, Lower Ground Floor,**

**Dated: July 14, 2023 Lajpat Nagar-III, New Delhi-110024**

## NOTES

- surplus funds and in surplus assets and profits, on winding up which may remain after the entire capital has been repaid;
- c) The New NCPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to the payment of dividend and repayment in case of winding up or repayment of capital;
  - d) The New NCPS shall be -cumulative, non-participating and non-convertible;
  - e) No premium shall be paid on redemption of New NCPS;
  - f) New NCPS shareholder will have a right to vote only on resolutions placed before the shareholders which directly affect their rights attached to preference shares like winding up of the company or repayment of preference shares etc.;
  - g) The tenure of the said shares would be 20 years, with an option with either party for an early redemption anytime;
  - h) The Preference shares shall carry voting rights as per Section 47(2) of the Companies Act, 2013;
  - i) The Preference Shares shall be redeemed only out of the profits of the Company which would otherwise be available for dividends or out of proceeds of fresh issue of shares made for the purpose of redemption;
  - j) A Capital Redemption Reserve shall be created for the purpose of redemption as may be required under the statutory provisions; and
  - k) The Preference Shares shall not be listed on any Stock Exchange, since the issue is on Private Placement basis.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the members or otherwise to this effect and intent that the members shall be deemed to have given their approval thereto expressly by the authority to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate to give effect to above resolution.”

- 1. Pursuant to the General Circular numbers 10/2022, 2/2022, 21/2021, 19/2021, 02/2021, 20/2020, 17/2020, 14/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/PoD-2/P/CIR/2023/4, SEBI/HO/CFD/CMD2/CIR/P/2022/62 SEBI/HO/CFD/CMD2/CIR/P/2021/11 and 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 35th AGM will be E-10, Lower Ground Floor, Lajpat Nagar- III, New Delhi - 110024.
- 2. As per the provisions of clause 3.A.11 of the MCA General Circular No. 20/2020 dated 5th May, 2020, the matter of Special Business as appearing at item no. 3 and 4 of the accompanying Notice, are considered to be unavoidable by the Board and hence forming part of this Notice.
- 3. 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 the 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.
- 4. 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”).
- 5. 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 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.

6. 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from August 21, 2023 to August 22, 2023 (both days inclusive).
8. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 3 and 4 is annexed hereto. 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 is annexed to this Notice.
9. 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.
10. 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.
11. 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 during the AGM. All documents referred to in the Notice will

be available without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 23, 2023. Members seeking to inspect such documents can send an email to [investor.relations@timex.com](mailto:investor.relations@timex.com).

12. 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.
13. In compliance with the Circulars, the Annual Report 2023, the Notice of the 35th 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).
14. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2023 will also be available on the Company's website, [www.timexindia.com](http://www.timexindia.com), website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com> for their download.

The Shareholder of the Company may request physical copy of the Annual Report from the Company by sending a request at [investor.relations@timex.com](mailto:investor.relations@timex.com) in case they wish to obtain the same.

15. 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](mailto:rta@alankit.com) to receive copies of the Annual Report 2023 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](mailto: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](mailto:investor.relations@timex.com).

16. Securities and Exchange Board of India (SEBI) has, vide its Circulars dated November 3, 2021, December 14, 2021 and March 16, 2023, mandated that all the holders of physical securities shall furnish their PAN as well as KYC to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios and the Folios wherein even any one of the PAN, Address with PIN Code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities are not available on or after October 01, 2023, shall be frozen by the RTA. SEBI has introduced Form ISR - I alongwith other relevant forms to lodge any request for registering PAN, KYC details or any change/ updation thereof. In terms of the aforesaid SEBI Circulars, any service requests or complaints received from the member, are not processed by RTA till the aforesaid details/ documents are provided to RTA.

Members may also note that SEBI vide its Circular dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4.

Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at [www.timexindia.com](http://www.timexindia.com), for information and use by the Shareholders. You are requested to kindly take note of the same and update your particulars timely.

Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.

18. The Voting period begins on 19th August, 2023 at 9.00 AM and ends on 22nd August, 2023 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. August 17, 2023, 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 proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of August 17, 2023.
19. 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.

20. 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. August 17, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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.
21. 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, unblock the votes cast through Remote e-voting and e-voting on the date of the AGM and 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 two working days from 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](http://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.

22. 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](mailto: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](mailto: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.



## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### **A) Login method for e-Voting and Joining Virtual Meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Company(ies), Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDEAS</b>” section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at.: 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.: 1800225533

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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’/ Members section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than individual shareholders 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 ids 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](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
  3. Now you are ready for e-Voting as the Voting page opens.
  4. 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.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General guidelines for shareholders**
- i. 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](mailto:nkj@nkj.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/

Power of attorney/Authority Letter/ etc. by clicking on “Upload Board resolution/Authority Letter” displayed under “e-voting” tab in their login.

- ii. 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 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](http://www.evoting.nsdl.com) to reset the password.
- iii. 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](http://www.evoting.nsdl.com) or call at.: 022-48867000 and 022-24997000 or send a request to Pallavi Mhatre, Sr. Manager-NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. 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](mailto:investor.relations@timex.com).
2. In case shares are held in demat mode, please provide DPIDCLID (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](mailto:investor.relations@timex.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on eVoting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID

correctly in their demat account in order to access e-Voting facility.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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.

**Statement under section 102 of the Companies Act, 2013**

**Item 3 and 4:**

The Company had issued 1,57,00,000 13.88% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each (“NCPS”) to M/s Timex Group Luxury Watches B.V., the holding company of the Company (“TGLW”), a related party, on March 27, 2004 and the redemption period in respect of which was revised after seeking relevant approvals and which are now falling due for redemption on March 26, 2024.

Due to insufficiency of profits in the previous years, the Company earlier could not declare or pay the dividend on the NCPS and based on the projected workings it is felt that even now the Company will not be in a position to redeem the aforesaid NCPS out of profits of the Company or declare/ pay any dividend. Moreover, there are no plans to issue fresh shares for the purpose of redemption of the NCPS.

As per Section 55(2) of the Companies Act, 2013 (“**Companies Act**”), the preference shares can be redeemed either out of profits of the company which would otherwise be available for dividend or out of proceeds of fresh issue of shares made for the purpose of redemption.

Further, in terms of Section 55(3) of the Companies Act, where a company is not in a position to redeem any preference shares or to pay dividend, if any, on such shares in accordance with the terms of issue, it may:

- with the consent of the holders of three-fourths in value of such preference shares; and
- with the approval of the jurisdictional National Company Law Tribunal (“NCLT”) on a petition made by it in this behalf,

issue further redeemable preference shares equal to the amount due, including the dividend thereon, in respect of the unredeemed preference shares, and on the issue of such further redeemable preference shares, the unredeemed preference shares shall be deemed to have been redeemed.

As stated above, as the NCPS will fall due for redemption at the end of the current financial year and considering that no more extension of the term of the NCPS is now feasible, it is proposed to issue fresh -Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each to TGLW in terms of Section 55(3) of the Companies Act with the consent of holders of NCPS and after seeking the approval of the NCLT, Delhi to meet the obligation of the Company towards the holders of the NCPS.

It may be noted that cumulated dividend which has remained undeclared/ unpaid for 5 (five) years from FY 2018-19 to FY 2022-23 amounts to Rs. 10,89,58,000 and for 2023-24 for 359 days amounts to Rs. 2,14,33,380. Thus, the total cumulative dividend obligation of the Company on NCPS to the NCPS holders, until March 26, 2024 amounts to Rs. 13,03,91,380.

The redemption amount of the NCPS considering above accumulated undeclared/ unpaid dividend amounts to Rs. 28,73,91,380, being Rs. 15,70,00,000 the amount representing the face value of the NCPS and Rs. 13,03,91,380 being the accumulated undeclared/ unpaid dividend.

Since redemption amount contemplates income/ capital gain to TGLW, necessary withholding tax would need to be deducted by the Company on the gain/ income element on redemption of NCPS as follows:

Redemption Amount	Rs. 28,73,91,380
Gain on Redemption	Rs. 13,03,91,380
Total tax (cess & surcharge)	

to be deducted (rounded off)	Rs. 1,42,38,740
Net amount on redemption	Rs. 27,31,52,640

After evaluating and considering various factors, the Board of Directors of the Company has, based on the approval of the Audit Committee for this related party transaction in terms of SEBI LODR Regulation 2015, at its meeting held on July 14, 2023 and considering the approval of the NCPS holder and subject to the approval of equity shareholders and other authorities including NCLT, Delhi and the Reserve Bank of India and subject to such other consents/ sanctions/permissions, as may be required, accorded approval for the issuance of new unlisted 2,73,15,264 Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each at par on a private placement basis to TGLW aggregating to Rs. 27,31,52,640 (“**New NCPS**”) under Section 55(3) and other applicable provisions of the Companies Act (“**Proposed Transaction**”) on the following terms and conditions:

- i. The tenure of New NCPS would be 20 years, with an option with either party for an early redemption anytime.
- ii. The New NCPS shall carry dividend at the rate of 10.75%.
- iii. New NCPS shareholder has a right to vote only on resolutions placed before the shareholders which directly affect their rights attached to preference shares like winding up of the company or repayment of preference shares etc.
- iv. The New NCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.
- v. The New NCPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to the payment of dividend and repayment in case of winding up or repayment of capital.
- vi. The New NCPS shall be non-participating and non-convertible.
- vii. No premium shall be paid on redemption of New NCPS.
- viii. The Preference shares shall carry voting rights as per Section 47(2) of the Companies Act, 2013
- ix. The New NCPS shall be redeemed only out of the profits of the Company which would otherwise be available for dividends or out of proceeds of fresh issue of preference shares made for the purpose of redemption.
- x. A Capital Redemption Reserve shall be created for the purpose of redemption.
- xi. The New NCPS will not be listed in any of the Stock Exchanges, since the same is on private placement basis.

A statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 is as under:

1	The size of the issue and number of preference shares to be issued and nominal value of each share	2,73,15,264 Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 27,31,52,640.
2	The nature of such shares i.e. cumulative or noncumulative, participating or non-participating, convertible or non-convertible	The nature of New NCPS would be redeemable, -cumulative, non-participating and non-convertible.
3	The objectives of the issue	The issue will be made to accommodate redemption of existing 1,57,00,000 13.88% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each of the Company.
4	The manner of issue of shares	The New NCPS are proposed to be issued on a private placement basis to M/s Timex Group Luxury Watches B.V., the holding company of the Company.
5	The price at which such shares are proposed to be issued	The New NCPS are proposed to be issued at face value of Rs. 10/- each.
6	The basis on which the price has been arrived at	Valuation of proposed issuance of redeemable preference shares has been done by Mr. Harpreet Singh, Registered Valuer and he has arrived at a valuation at Rs. 10 per share being in the nature of debt.
7	The terms of issue, including terms and rate of dividend on each share, etc.	The New NCPS shall be issued on a private placement basis and these shall carry dividend at the rate of 10.75%.  New NCPS shareholder will have a right to vote only on resolutions placed before the shareholders which directly affect their rights attached to preference shares like winding up of the Company or repayment of preference shares etc.  The New NCPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to the payment of dividend and repayment in case of winding up or repayment of capital.
8	The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	The tenure of the New NCPS would be 20 years, with an option with either party for an early redemption anytime. The New NCPS are non-convertible and will be redeemed at par value.
9	The manner and modes of redemption	The New NCPS shall be redeemed in accordance with the provisions of the Companies Act, 2013 read with the relevant rules as amended from time to time.
10	The Current Shareholding Pattern of the Company	The shareholding pattern of the Company as on June 30, 2023 is annexed to this Notice.
11	The expected dilution in equity share capital upon conversion of preference shares	Not applicable since the New NCPS to be issued are non-convertible.

Further, as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, additional disclosure for issuance of preference shares on private placement basis are as follows:

1	Particulars of the offer including date of passing of Board resolution	The Board of Directors of the Company, at its meeting held on July 14, 2023, approved the issuance of 2,73,15,264 -Cumulative Redeemable Non-Convertible Preference shares of Rs.10/- aggregating up to Rs. 27,31,52,640/- on private placement basis to M/s Timex Group Luxury Watches B.V., the holding company of the Company.
2	Kinds of securities offered and the price at which security is being offered	The Company proposes to issue cumulative, non-convertible, non-participating redeemable preference shares of the face value of Rs. 10 at par.
3	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Valuation of proposed issuance of redeemable preference shares has been done by Mr. Harpreet Singh, Registered Valuer and he has arrived at a valuation at Rs. 10 per share being in the nature of debt.
4	Name and address of valuer who performed valuation	Mr. Harpreet Singh, Registered Valuer, Securities or Financial Assets, Registration No. : IBBI/RV/06/2019/12112 Add: WZ24/1-B, F/F, Mukharjee Park, Tilak nagar, New Delhi-110018
5	Amount which the Company intends to raise by way of such securities	The Company intends to issue New NCPS amounting to Rs. 28,73,91,380 in terms Section 55(3) of the Companies Act for redeeming the NCPS alongwith accumulated dividend subject to deduction of withholding tax.

6	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	<p>The Company proposes to issue cumulative, non-convertible, non-participating and redeemable preference shares at a nominal value of Rs. 10/- per share to M/s Timex Group Luxury Watches B.V., the holding company of the Company, on a private placement basis.</p> <p>The tenure of New NCPS would be 20 years, with an option with either party for an early redemption anytime.</p> <p>The New NCPS shall be redeemed only out of the profits of the Company which would otherwise be available for dividends or out of proceeds of fresh issue of preference shares made for the purpose of redemption.</p> <p>A Capital Redemption Reserve shall be created for the purpose of redemption.</p> <p>The New NCPS proposed to be issued are unsecured and do not carry any charge on the assets of the Company.</p>
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There is no subsisting default in the redemption of preference shares issued from time to time by the Company, nor in payment of dividend due on any preference shares.

Issuance of New NCPS does not qualify as a material related party transaction as the issue size is not more than Rs. 1,000 crore and is less 10% of the annual turnover of the Company as per the last audited financial statements of the Company.

The proposal to issue of such Preference Shares to TGLW on a private placement basis requires the approval of the shareholders by way of a Special Resolution.

Further, the current Authorised Share Capital of the Company is Rs. 170 Crores comprising of Equity Share capital of Rs. 90 Crore and Preference Share capital of Rs. 80 Crore. The paid up Equity Share capital of the Company is Rs. 10.10 Crore and paid up Preference Share capital is Rs. 76.10 Crore. The Company is a subsidiary of TGLW by virtue of 74.93% of paid up equity share capital being held by TGLW. Rest of the Capital is held by public shareholders.

Since the proposed issue of Preference Shares exceeds the unissued part of Preference Shares lying in the Authorised Share Capital, it is therefore proposed to amend the Capital clause of the Memorandum of Association of the Company by reclassifying 50 Crore equity shares of Rupee 1 each into 5 Crore preference shares of Rs. 10 each. This requires the approval of the shareholders by a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolutions set out at Item No. 3 and 4 of the Notice, except to the extent of their shareholding in the Company.

The Board of Directors recommends the resolutions set forth in Item No. 3 and 4 for the approval of the members by way of a special resolution.

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

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

**Registered Office:**  
E-10, Lower Ground Floor,  
Lajpat Nagar-III, New Delhi-110024

**Dated: July 14, 2023**

## ANNEXURE TO ITEM NO. 2 OF THE NOTICE

### Details of Director seeking appointment at the 35th 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)

<b>Name</b>	<b>Mr. David Thomas Payne</b>
<b>DIN</b>	07504820
<b>Date of birth/ age</b>	26 July 1971/51 years
<b>Nationality</b>	United State of America
<b>Qualifications</b>	Bachelor of Science degree in Computer Science from the University of Alabama, and a Juris Doctor degree from Washington & Lee University School of Law.
<b>Experience (including nature of expertise in specific functional areas)/ Brief Resume</b>	<p>Mr. David Thomas Payne is Senior Vice President, General Counsel, HR and Corporate Secretary for Timex Group, specializing in licensing, employment law, employee benefits, corporate finance, international distribution, advertising and trademark law. Since joining Timex Group in 2001, Mr. Payne has advised the company in significant transactions including the negotiation of license agreements with major fashion and luxury brands, mergers and acquisitions and bank financing agreements, as well as representing the company in litigation and environmental matters.</p> <p>Prior to joining Timex, Mr. Payne represented employers in commercial and employment litigation, and secured creditors in bankruptcy proceedings.</p>
<b>Terms and conditions of re-appointment</b>	Proposed to be re-appointed as Non-Executive Non-Independent Director, liable to retire by rotation
<b>Remuneration last drawn (including sitting fee, if any)</b>	Nil
<b>Remuneration last drawn (including sitting fee, if any)</b>	Nil
<b>Remuneration sought to be paid</b>	Nil
<b>Date of first appointment on the Board</b>	April 20, 2018
<b>Date of last re-appointment</b>	Not Applicable
<b>Shareholding (including beneficial ownership) in Timex Group India Limited as on March 31, 2023</b>	Nil
<b>Relationship with other directors, key managerial personnel of the Company</b>	Nil
<b>Number of Board Meetings attended for the FY 2022-23</b>	4 out of 4 Board meetings
<b>Name of Companies in which he/she holds directorship</b>	<ul style="list-style-type: none"> <li>• Time Master Watches and Accessories Private Limited</li> <li>• BTX, Inc.</li> <li>• Indiglo Corporation</li> <li>• Ingersoll Watch Company</li> <li>• Sequel eCommerce, Inc.</li> <li>• Sequel International, Inc.</li> <li>• Tiempo S.A. de C.V.</li> <li>• Time Factory, Inc.</li> <li>• Timex (Shanghai) Trading Co. Ltd.</li> <li>• Timex Espana S.A.</li> <li>• Timex Group Canada, Inc.</li> <li>• Timex Group Customer Service Europe GmbH</li> <li>• Timex Creative Lab S.r.l. f/k/a Timex Group Italia S.r.l.</li> <li>• Timex Group Luxury Watches B.V.</li> <li>• Timex Group USA, Inc.</li> </ul>



	<ul style="list-style-type: none"> <li>• Timex Licensing Corporation</li> <li>• Timex Limited</li> <li>• Timex Nederland B.V.</li> <li>• Timex Pension Trustee Company Limited</li> <li>• Timex Resources Limited</li> <li>• Timex Trustee Corporation</li> <li>• Timex.com, Inc.</li> <li>• Timexpo Corporation</li> <li>• TMX Limited N.V.</li> <li>• TMX Manufacturers B.V.</li> <li>• TMX Philippines, Inc.</li> <li>• TX Group Europe Limited</li> <li>• TX Watch Company, Inc</li> <li>• U.K. Time Manufacturing, Ltd.</li> <li>• Vertime B.V.</li> </ul>
<b>Name of Committees of other Indian Companies in which he/ she holds Membership</b>	None
<b>Name of Companies in which he/ she has resigned in the past three years</b>	• Giorgio Galli Design Lab S.r.l.

**ANNEXURE TO ITEM NO. 4 OF THE NOTICE  
SHAREHOLDING PATTERN OF TIMEX GROUP INDIA LIMITED  
AS ON JUNE 30, 2023**

Category of Shareholders		Equity Share Capital		Preference Share Capital	
		Number of shares	% of shareholding	Number of shares	% of shareholding
<b>A.</b>	<b>Promoter</b>				
<b>(1)</b>	<b>Indian</b>				
a)	Individual/HUF	0	0	0	0
b)	Central Government/ State Govt(s)	0	0	0	0
c)	Banks/FI	0	0	0	0
d)	Any other	0	0	0	0
<b>Sub-Total(A)(1):-</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Foreign</b>				
a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0
b)	Other-Individuals	0	0	0	0
c)	Foreign Portfolio Investor	75645500	74.933	76100000	100
d)	Any Other (specify) - Bodies Corporate	0	0	0	0
<b>Sub-total (A)(2):-</b>		<b>75645500</b>	<b>74.933</b>	<b>76100000</b>	<b>100</b>
<b>Total share-holding of Promoter(A) =(A)(1)+(A)(2)</b>		<b>75645500</b>	<b>74.933</b>	<b>76100000</b>	<b>100</b>
<b>B.</b>	<b>Institutions (Domestic)</b>				
<b>1.</b>	<b>Institutions</b>				
a)	Mutual Funds	6400	0.01	0	0
b)	Venture Capital Funds	0	0	0	0
c)	Alternate Investment Funds	0	0	0	0
d)	Banks	2725	0.00	0	0
e)	Insurance Companies	0	0	0	0
f)	Provident / Pension Funds	0	0	0	0

g)	Asset Reconstruction Companies	0	0	0	0
h)	Sovereign Wealth Funds	0	0	0	0
i)	NBFCs registered with RBI	1500	0.00	0	0
j)	Other Financial Institutions	0	0	0	0
k)	Others(specify)	0	0	0	0
<b>Sub-total(B)(1):-</b>		<b>10625</b>	<b>0.01</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Institutions (Foreign)</b>				
a)	Foreign Direct Investment	0	0	0	0
b)	Foreign Venture Capital Investors	0	0	0	0
c)	Sovereign Wealth Funds	0	0	0	0
d)	Foreign Portfolio Investors Category I	354423	0.35	0	0
e)	Foreign Portfolio Investors Category II	15600	0.02	0	0
f)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0
g)	Any Other (specify)	0	0	0	0
<b>Sub- Total (B) (2)</b>		<b>370023</b>	<b>0.37</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Central Government/State Government</b>				
a)	Central Government/ President of India	0	0	0	0
b)	State Government / Governor	0	0	0	0
c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0
<b>Sub-Total (B) (3)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4.</b>	<b>Non-Institution</b>				
a)	Associate companies / Subsidiaries	0	0	0	0
b)	Directors and their relatives (excluding independent directors and nominee directors)	0	0	0	0
c)	Key Managerial Personnel	1	0.00	0	0
d)	Relatives of promoters (other than immediate relatives of promoters disclosed under Promoter & PGC)	0	0	0	0
e)	Trusts where any person belonging to Promoter & PGC is trustee, beneficiary or author of the trust	0	0	0	0
f)	Investor Education and Protection Fund (IEPF)	0	0	0	0
g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	15926753	15.78	0	0
h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	4257318	4.22	0	0
i)	Non Resident Indians (NRIs)	807374	0.8	0	0
j)	Foreign Nationals	500	0.00	0	0
k)	Foreign Companies	1	0.00	0	0
l)	Bodies Corporate	2909658	2.88	0	0
m)	Any Other (specify)				
	i) Clearing Member	1125	0.00	0	0
	ii) Overseas corporate bodies	100	0.00	0	0
	iii) Trust	100	0.00	0	0
	iv) Resident HUF	1017122	1.01	0	0
	v) Director or Director's relative	3800	0.00	0	0
<b>Sub-Total (B) (4)</b>		<b>24923852</b>	<b>24.69</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding(B) = (B)(1)+(B)(2) +(B)(3)+(B)(4)</b>		<b>25304500</b>	<b>25.07</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B)</b>		<b>100950000</b>	<b>100</b>	<b>76100000</b>	<b>100</b>

## DIRECTORS' REPORT

To the Members of Timex Group India Limited

The Directors are pleased to present the Thirty fifth Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2023.

### FINANCIAL RESULTS AND PERFORMANCE

(Rs. in Lakhs)

FINANCIAL RESULTS	2022-23	2021-22
Revenue from operations (including other income)	38,378	26,554
Profit before Interest and Depreciation	3859	869
Less: Interest	532	190
Less: Depreciation	360	357
Profit before tax	2967	322
Tax expense [Deferred Tax] *	(1685)	-
Profit after tax	4652	322
Total comprehensive income	<b>4656</b>	<b>302</b>

\*The Company has recognised one-time deferred tax assets as at March 31, 2023 in the financial results for the year ended March 31, 2023 as it is considered probable that future taxable profits will be available.

Financial year 2022-23 has been the best ever year for the company. The business continued to move ahead on its high growth trajectory and as a result various operational and financial parameters were at their best ever. The Revenue from Operations (including other income) and the profit before tax have grown by 44.5% and 821% over the previous year.

During the year, all sales channels, except defence and institutional sales, have grown well over the previous year. Trade channel, including distribution, dealers, showroom and key accounts, continues to be the largest revenue contributor. This channel has shown remarkable growth over the last year supported by successful new product launches from Timex brand, tactical marketing initiatives and return of consumer back to retail after end of covid impact. E-commerce and OEM channels also have shown good growth over the last year and have supported profitability and cash flow well. Luxury segment has also grown significantly over the last year. Addition of significant fashion brands such as Guess and Gc, focussed approach of E-commerce channel growth supported by exclusive products and improved marketing initiatives including exciting social media influencer campaigns, growth in OEM segment and higher consumer traction for Timex brand watches have really helped achieving this growth.

The business continued to witness challenges including global geo-political factors including Russia-Ukraine conflict which resulted in currency depreciation, steep increase in raw material cost, shortage and cost increase of electronic components for smart watches etc. However, the impact of these challenges was managed well with tactful planning and execution.

We continued to move ahead with our defined strategy of focussing on analog watches as the core with smart technology products driving growth. The core analogue business will grow with the strong product portfolio with popular brands across the value chain. While Timex will continue to be our prime focus, Helix and TMX will grow exponentially at the bottom of the pyramid. The strong array of brands in fashion segment including Guess, Gc, Nautica, Furla, Ted Baker, Adidas Originals, Philipp Plein and UCB, will help in increasing our market share and give ample choice to the consumer. Versace and Salvatore Ferragamo will cater to the consumer in the luxury segment.

During the year, we continued to offer new product launches, developed innovative new product lines and introduced new international brands for the Indian market. New products were launched at higher price points thereby increasing the average price point. Timex continues to be relevant for consumer with our diverse range of watches with traditional and contemporary designs to cater to different preferences and budgets, providing consumers with exceptional craftsmanship, unique design elements, and innovative features.

One of the fastest growing collections, the Timex Fria collection features feminine and organic shapes, with an emphasis on exploring new crystal cuts and bracelet designs. The watches balance functionality with fashion, serving as both a timepiece and a statement piece of jewellery. The Fria collection received an overwhelmingly positive response from the market, which is a testament to its innovative design and attention to detail. Overall, the Timex Fria collection showcases the company's commitment to offering a diverse range of products that cater to different tastes and preferences, while also incorporating the latest trends and styles in the watch industry.

The Timex Group's international range of watches were very well received by the market and had positive feedback from the users. The Timex Group partnered with #tide to create the Waterbury Ocean Collection as a sustainability initiative, transforming single-use plastic into a durable watch, using ocean material collected by fishermen, sorted, cleaned, shredded, and recrafted in a Swiss facility using carbon-neutral transport and solar power. The collection's timepieces commit to reducing the consumption of fossil fuels, creating employment for local communities, improving the underwater habitat, and more.

Timex Group's collaboration with Fortnite created the Race Against TimeX, a watch-infused virtual world where watches symbolize empowerment, providing players with additional speed and powers that give them a competitive edge. Timex Group also entered Web3 with the Bored Ape Yacht Club, the world's largest and most profitable NFT project to date, offering a collection of single-edition watches and corresponding digital twin NFTs, exclusively available to members of the Bored Ape and Mutant Ape community.

In collaboration with Stranger Things, Timex Group created a spine-chilling collaboration that features otherworldly inspiration across three of the company's most iconic cult classics—Timex Camper, Timex T80, and Timex Atlantis.

Our youth fashion brand Helix continued to offer stylish and affordable watches for young adults. Helix watches are designed to be functional yet fashionable, with a variety of styles and colors to choose from. The brand's collection includes watches for both men and women, with features such as water resistance, multi-functions, and colorful dials. Helix watches are perfect for everyday wear or for adding a touch of style to any outfit.

Our budget brand TMX performed well in Tier2/3 towns and will continue to be a pillar of success for the company in these markets. With introduction of new segments such as kids, fashion, and workwear, TMX has carved a good trajectory for itself and is poised to grow well.

The fashion and luxury segment forms a significant part of the overall watch market and is growing well driven by factors like rising disposable income, increasing exposure to international brands, and growing demand for high-value products etc. With addition of new international fashion brands in our portfolio last year, the focus has been on growing this segment and increase our market share. We moved ahead in this direction with a focussed approach on network expansion, business development with duty-free outlets, product launch events, influencer collaborations and investment in visual merchandising. These efforts coupled with new product introductions and product lifecycle management supported by attractive consumer offers and promotions have helped increasing our reach to the relevant consumer.

Guess brand watches continued to establish its fashion authority through introduction of pathbreaking iridescent plating for both men and women, disruptive designs in new royalty collection for men and continuously elevating the collection architecture through new product introduction in already loved Phoenix Watches which continue to contribute significantly in Guess business from men's category. Gc saw introduction of radically new case designs. Similarly, other new products were launched considering the tastes and preferences of Indian consumers, while maintaining the Brand DNA and design directions.

We have seen increasing demand for tech wearables across the country. We believe that this segment will help in faster growth. The Company offered a robust tech product portfolio to meet the demand of the fitness conscious Indian consumer at a variety of price points and feature concepts which were well received in the market. With the right mix of performance and style, the Company's tech portfolio presents compelling product choices for the Indian consumer of today. As a 'Future Fit' Company, made in India technology products will remain a focus of the Supply Chain strategy. Going forward, the Company plans to completely move the smart watch assembly to India, increase the frequency of new products launches and lower the price points to be more competitive and relevant in this segment.

Marketing initiatives, packed with out-of-the-box narrative and execution heralded this year's brand campaigns. Given the constant evolution in the marketing landscape post pandemic, we increased our efforts towards digital marketing and newer marketing formats like influencer marketing. Top of the funnel activities led by Digital, PR and influencer marketing were supported with continuous effort to deliver delightful in-store shopping experience. During the financial year, we extended the global association of the Netflix series "Stranger Things" in India and launched the "Given For Generations" campaign across digital, outdoor and in-store branding. Timex was also supported with long term brand affinity driving activities like a visit of select journalist to the Baddi Factory so they can experience the charm of Timex watch making expertise first-hand. Timex Annual showcase event was conducted successfully in New Delhi. We also sponsored key fashion events like Mysore India Fashion week and India Beach Fashion Week (IBFW) to drive relevant brand association. Further, E-commerce and E-tail performance marketing saw a renewed focus given the consumer behavior shift. We invested in high ROI marketing spends across Tata Cliq Luxury, Myntra, Amazon and Flipkart. Recognition of Timex as the best watch brand in the world by Rolling Stones re-affirmed the high quality product and service offerings over the last 169 years across the world.

IPL is a festival of cricket with over half a billion viewership. This is an ideal event to associate with in order to achieve wide publicity in a short span of time. As a part of increasing our share of voice, we sponsored the defending champions of IPL, the Gujarat Titans. This association is further being amplified across marketing and media initiatives in the form of our campaign – "Timex – Choice Of The Titans". The campaign is running across mediums including television (sponsorship of India's Best Dancer on Sony TV), Radio City – Cricket Ka Blockbuster, Jio Cinema OTT ads during match live streaming, Outdoor hoardings across 10 cities including IGI airport and sports page road block print ads in Times Of India. This is also supported with GT collab social media posts, inorganic boosting of posts and influencer activation. This has also helped to create excitement among trade partners by sponsoring free match tickets and other memorabilia for them.

The OEM business vertical has grown well during the year and has become a significant revenue contributor. The Company is currently working as an OEM partner with Flipkart and Myntra for some of the most prestigious consumer brands in the industry. Growth and business development of OEM vertical is an important focus area. We are sure that with our state-of-the-art facilities coupled with our expertise in product design, supply chain, after sales services etc., all available at a single point, we provide a very good business model as an OEM partner.

## Dividend

In view of the accumulated losses, the Board of Directors has not recommended any dividend for this year. The Company does not propose to transfer any amount to General Reserve on account of accumulated losses.

## CHANGES IN SHARE CAPITAL

There was no change in the equity share capital during the year under review.

The Company issued fresh 25,00,000, 0.09% Non Cumulative Redeemable Non Convertible Preference shares of Rs.10/- each for an aggregate amount of Rs. 2,50,00,000 to the Holding Company for the purpose of redemption of existing 25,00,000, 0.1% Non Cumulative Redeemable Non Convertible Preference shares of Rs. 10/- each aggregating to Rs. 2,50,00,000 held by the Holding Company. Consequent to these transactions, there was no change in the paid up amount of the preference share capital.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC CONDITIONS AND OUTLOOK

The Indian economy has been growing at the fastest pace among the major economies irrespective of the global headwinds. The growth has been majorly backed by private sector's spending, and intensified government efforts to improve the country's infrastructure. As per National Statistical Organisation (NSO), India's strong economic performance is expected to be 7% by the end of 2022-23.

With the Reserve Bank of India (RBI) adopting stricter policy stance since the beginning of the FY 2022-23 in view of the inflationary pressures, the Indian economy has started to experience the easing of the inflationary grip while the inflation stood moderate during the third quarter. This positive transformation in the economy is aiding the demand scenario in the domestic market and enabling the country's economic wheel to roll in a geared momentum. The nation's demand situation is improving with control of inflation and helping the economy grow faster.

The underlying economic fundamentals of the Indian economy are strong, and it is expected to continue its movement on the high growth trajectory irrespective of the short-term turbulence caused by global factors. Government's the growth-enhancing policies and schemes, such as Production-Linked Incentive and the Government's push towards self-reliance, and increased infrastructure spending are gradually leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency, thereby, leading to accelerated economic growth. Also, the emphasis on manufacturing in India, various Government incentives such as rising services exports on the back of stronger digitisation and technology transformation drive across the world are anticipated to aid the economy's growth. Moreover, India is expected to take the centre stage as a preferred alternate investment destination consequent to the geopolitical conflicts between Russia and Ukraine. India is now a preferred choice of increased number of global inhouse centres and multinationals over Eastern European markets to shift their current operations or open new facilities.

RBI is anticipating inflation to move closer to the moderate level in the first half of 2023-24 with the inflationary forces coming under control and the domestic demand more likely to increase during the period. With the impact of external headwinds, the growth might decline to 6.1% in 2022-23 and is anticipated

to move up to 6.8% in 2023-24. With increased Government spending announced in Union Budget 2023-24 and rise in private consumption and investment, economic activity will further boost demand.

### OVERVIEW OF WATCH INDUSTRY

The financial year 2022-23 has been a good year for the overall watch industry where the industry recovered well from the impact of COVID-19 and low consumer demand. The consumer returned back to the retail markets and the increasing demand was visible across the channels.

The overall watch market size is expected to grow well with the increasing share of fashion and luxury segment. The smart wearable product market is growing at an exponential rate. The E-commerce channel is expected to have a larger pie in the overall channel build-up.

### GROWTH DRIVERS OF THE COMPANY

The financial year 2022-23 has seen the best ever performance for the Company. The Company is focussed to maintain the growth momentum and achieve sustainable growth with its strategic projects both for organic and inorganic growth. In line with the growth plan and to keep pace with the fast-changing business environment, the Company has identified the following key growth drivers:

#### Growing E-commerce channel and increasing points of Sale in other channels:

The E-Commerce channel has emerged as the preferred shopping channel and has been growing at a fast pace over the years. The factors such as increasing internet users, growing online shopper base, growing comfort for online shopping, enhanced shopping experience and e-com platforms serving majorly the whole of the country have been contributing to its growth and will help it grow faster than other channels.

The Company has focus on increasing its market share in e-commerce segment through launch of exciting products through all key portals in E-commerce channel, omni channel, direct online sales through brand website, increasing and improving presence on all major e-commerce portals, offering more fashion and luxury brand products and international range of products on this channel, engaging with consumer through exciting marketing initiatives alongwith special range of products, new launches, exciting co-lab products etc. in addition to e-commerce on third party portals, the Company will also continue its focus on growing the business through its brand website as it has its own long term advantages such as brand authenticity and consumer loyalty.

Trade channel, including distribution, dealers, showroom and key accounts continues to be our largest and profitable channel. Our focus will be on increasing our market share by increasing our reach along the length and breadth of the country. This channel will be grown by increasing the points of sale, increasing and improving the product line at shop floors, introduction of exciting

new products range, international product range, giving consumer more choice with fashion and luxury brand products, better and improved marketing initiatives alongwith improved shop floor fixtures and furniture to give better shopping experience to the consumer etc. We will continue to grow Tier II / III markets with exciting range of affordable brands and products alongwith localised marketing interventions. Our wide variety of products ranging from mass to fashion to luxury and from Indian to international brands will help grow this segment. We plan to completely revamp our retail business model which will help growing our business through exclusive stores. Improved marketing initiatives, branding, consumer engagement and international range of products will help growing our business in the large format stores.

In a significant development and in line with our strategy of increasing our retail footprint in the country, Timex Group has acquired “Justwatches” brand which is a renowned watch retail brand known for its unmatched multi brand watch retailing services. Under this deal, we will be taking over all Justwatches stores across the country and also the online webstore [www.justwatches.com](http://www.justwatches.com) and will run them to reach to our consumer through our authorised franchisees. These premium stores located in luxury malls across the country will offer watches of all Timex Group Brand at one place giving ample choice to the consumer. This deal fits perfectly in Timex’s mission to stay close to its consumer. More than a decade old, Justwatches has been a favourite destination for watch lovers for years. It has successfully delivered an excellent retailing ambiance, constant innovation, and service to its strong consumer base over all these years. Supported by its online shopping platform, Justwatches has been able to truly provide its consumers with an omnichannel shopping experience.

**Product portfolio:**

The Company boasts one of the most formidable portfolios of watch brands in the Indian market, bolstered by its global organizational structure and an extensive depth of knowledge and experience in design and manufacturing.

The Company’s impressive range of products spans a diverse array of categories, from luxurious statement timepieces to practical and functional everyday watches, as well as cutting-edge tech wearables. This comprehensive product portfolio is not only compelling but also purposefully designed to facilitate sustained growth in an ever-evolving business environment.

The Company will continue to launch heritage products and trend-based collections under the Timex brand, including such celebrated collections as the Waterbury, Marlin, and Q series. These sought-after collections have rapidly gained consumer favour and acclaim, and the Company remains dedicated to launching more such captivating collaborations.

Over the last few years, the Company has built a strong portfolio in the international fashion and luxury brands. With Guess, Gc, Nautica, Furla, Ted Baker, Adidas Originals, Philipp Plein, Plein Sports and UCB, this segment is well-positioned to capitalize

on the growing demand for fashion and luxury brands in India and is expected to continue to be a significant contributor to the company’s growth in the years to come. The Company will continue to further strengthen up its brand portfolio by launching popular international lifestyle and fashion brands in India to cater to the high demand in the Premium Fashion and Bridge to Luxury segments driven by upper middle-class customers and the continued affinity for international brands. The enhanced fashion brand portfolio will help gain better visibility and counter share in retail formats.

Women’s statement watch collection, Fria, will be further enhanced with fresh, innovative, and attractive designs. This segment remains a focus area for the Company and will be strengthened with product and marketing in the seasons to come.

Demand for Tech Wearables is growing exponentially. The Company has its presence in this segment with a robust product pipeline across the brands Timex and Helix to meet the demands of the fitness conscious Indian consumer at a variety of price points and feature concepts. The Company will further boost its technology product road map with more value for money products and additional technological features at competitive price points.

With the emergence of Generation Z as a driving force behind digital and market trends, the Company continues to expand its youth portfolio with on-trend seasonal launches that are bolstered by targeted social media marketing campaigns, ensuring that it remains top-of-mind among digitally-savvy young consumers.

In our view, Tier-2 and smaller towns are emerging as the new centres of economic revival and growth, and as such, are expected to fuel sustainable growth. The Company has recognized this trend and is poised to expand its mass brand, TMX, with a flurry of exciting new product launches.

The initiatives in product are driven by key insights on consumer and market and enabled by the deep technological and infrastructure strength of the Company. Projects to segment the company’s offerings into distinct categories based on specific characteristics or attributes are underway. With the goal of creating a more targeted marketing strategy that addresses the unique needs and preferences of each segment, allowing for more effective communication and product development, this strategic project will drive the new product introductions in the seasons to come.

Innovation remains one of the cornerstones of the Company’s growth strategy, with a steadfast focus on delivering products that leave a mark on the minds of consumers at a variety of price points. Looking ahead, the Company will continue to drive innovation while keeping a keen eye on emerging trends, all the while maintaining a strong connection with its rich heritage and legacy.

**Increasing Marketing initiatives:**

Timex is an authentic American watch brand known for innovation, craftsmanship and a heritage of par excellence. All the marketing initiatives will continue to reinforce these perceptions of the brand in India as well. The brand has remained relevant for

ages, and we will continue to position it for a newer and evolving consumer base for future relevance. We will continue to leverage digital channels in order to portray the brand's uniqueness through iconic global products. We will continue to focus on smart digital strategies to increase customer engagement.

The company is on a growth path and we will look to increase our share of voice in media to support the new launches planned through the year. On one hand we will look at high decibel media visibility through associations like IPL, and celebrity endorsement to help drive top of funnel objectives. On the other hand, we will drive relevant point of sale messaging and Visual Merchandising excellence to ensure that our bottom of funnel objectives and conversions continue to grow. We will continue to keep the brand top of mind of consumers through ATL, digital marketing, visual merchandising, tactical consumer initiatives and in-store visibility.

Sponsoring the defending champions of Indian Premier League (IPL), the Gujarat Titans, will go a long way in increasing our share of voice in a short span of time. Our campaign – "Timex – Choice Of The Titans" will further amplify this association across marketing and media initiatives. The campaign is running across mediums including television (sponsorship of India's Best Dancer on Sony TV), Radio City – Cricket Ka Blockbuster, Jio Cinema OTT ads during match live streaming, Outdoor hoardings across 10 cities including IGI airport and sports page road block print ads in Times Of India every weekend till. This is also supported with GT collab social media posts, inorganic boosting of posts and influencer activation.

We will follow this up with launch of a global marketing campaign that is targeted at a newer audience and Gen Z and has a radical thought that will differentiate and position Timex in a unique way for the coming years. We will be looking to support this campaign with celebrity endorsement to ensure mass acceptability. These initiatives will ensure a strong media momentum for the brand thus paving the way for supporting newer launches and global ranges in India. We will be launching Timex UFC collection, Sports Collection and new ranges from Fria apart from global lines like Waterbury, Marlin and Q Timex.

We will also use seasonal consumer demand affinity to plan campaigns on both online and offline channels. Festive and gifting periods for offline will continue to be drivers of spikes in revenue while market place led big event days will support the spikes in online channels.

Through our strategic marketing initiatives, we will continue to keep the brand relevant for a new age audience and build a consumer pipeline for the future. Apart from the focus on Timex, we will also improve the imagery of our mass access brands and work towards ensuring they gain a larger share of the market. TMX will be promoted basis sharper consumer insights to ensure it resonates even more strongly with the consumers in our target segment. More initiatives would be taken to build awareness of fashion brands amongst target segment to take advantage of growing demand for fashion brands and drive future sales. Further, re-launching of 'iConnect' brand supported with strong marketing initiatives will help targeting and growing our tech segment with renewed energy.

## **Strengthening our manufacturing capability:**

Our assembly facility in Baddi, Himachal Pradesh is one of the most advanced, well-equipped and sophisticated manufacturing facility. This facility is fully capable to fulfil all our product requirements. Baddi facility is fully equipped with advanced state of the art technology and equipment and well experienced watch makers to produce high quality watches. The facility has best of the class certifications such as SA 8000:2014 and ISO 45001:2018. It can assemble a wide array of exciting products ranging from basic Quartz Analog and Digital models including Ana-Digi watches to the technically advanced watches including the Automatic , Intelligent Quartz , Activity trackers and connected products ( Smart watches) and some of them having the Indiglo night light feature also.

The Baddi facility has very well supported the OEM business vertical with high quality watches. These watches have been well appreciated by partners and ultimate consumer. We will continue to explore more such opportunities to leverage the Baddi facility.

## **Internal and External stakeholder support:**

We are confident of maintaining our growth momentum with our team of highly skilled, experienced and motivated employees. The Company provides best of the class facilities, professional work culture and a friendly and fully engaged work place to its employees which has resulted in low attrition rate and retention of experienced manpower. The Company has a strong network of partners for both backend and frontend integration. These resources are crucial for our growth and we will continue to invest / improve them further.

## **OPPORTUNITIES AND CHALLENGES**

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

1. The macro-economic factors including growth outlook of Indian economy, inflation coming under control, government's boost for increasing demand and per capita income, Indian demography, urbanization, and increasing fashion spends of Indian population, are all assuring long term growth of the country. This will boost overall consumer demand and specifically demand for more discretionary goods including watches.
2. The India's consumption story led by the young (Millennial & Gen Z), digital savvy, low median-age (<30 years) and rising middle class consumers will help growing watch industry too.
3. Lower tier cities have huge growth potential. Consumer demand in these cities has recovered comparatively faster in the post COVID-19 pandemic times. This segment would help growing the business at faster pace.
4. Traditional analogue watch segment has ample room to grow as majority of the Indian consumers still like to wear them compared with smart wearables.

5. New age digital sales channels such as e-commerce, online and omni channels are growing the overall watch market size exponentially.
6. With the surge in aspirational consumer with high disposable income and premiumizing across categories and the availability of international fashion and luxury brands, the watch industry is bound to grow. This will also help in improving the average prices and margins.
7. With the low wrist watch penetration in India, there is a huge untapped potential to cover.
8. With the innovative marketing and consumer engagement initiatives, smart wearables, watches and bands have been growing at an exponential pace and are expected to further grow at a fast pace and will increase the overall size of watch market.
9. The Private Labels providing affordable products, capturing gap between unbranded and branded products and high retailer margin will support in further growth of the watch industry.
10. Strategic initiatives including OEM business will focus on boosting revenue, higher capacity utilisation and reduction in overheads.

## 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. Substantial part of the net worth of the Company has been eroded by the accumulated losses of the past years. However, the operational performance of the Company has significantly improved during the year under review and is expected to improve further with the focussed approach to strengthen the bottom line. 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. Baddi facility provides over 90% of the Timex watches sold by the Company. The Baddi facility in turn is dependent upon continuous supply of material from its vendors in and outside the country. Non-availability of material from these vendors may pose short term imbalance and disturbance in the supply chain. The supply chain team is regularly working on diversifying the vendor base to mitigate this risk.
2. Technology and fashion products are witnessing fast growing demand. Fitness trackers and smart watches will also continue to grow. Growth of this segment might impact analogue business. To mitigate this risk, the Company has made a solid technology product roadmap and has introduced series of such products which have seen huge success. The Company will be coming out with more technology products for the users of this category. Further, the Company has added highly renowned international fashion brands in its portfolio and will continue to add more.
3. With the increased penetration of internet, digital sales channel will grow faster. E-commerce sales, omni channel sales and online sales through the brand websites and e-retail venture are the focus areas for next level of growth. Currently, the retail channel including distribution, dealers, showroom and key accounts constitute major part of our revenue. The Company will increase its share in the online sales with its increased presence over all e-commerce portals and brand website.
4. Competition is increasing its investment in brand campaigns and is adopting price reduction techniques to disrupt the market. 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.
5. For OEM business, the Company is majorly dependent upon Flipkart and this business has other risks including high quantity and short lead time, low margins, pressure on production lines/ vendor capacities, impact on Timex main business on backend as well as frontend etc. This risk will be mitigated with OEM business development with other partners in apparel and retail category.
6. The world is moving towards digitization. Data has become the most important asset and has the potential to grow the business exponentially. For sustainable future growth, it is important to drive digital and encourage innovation across all functions. If the Company fails to adapt to digitalization, it may be left behind the competition and may lose business opportunities.



7. Fake / counterfeit products continue to pose challenge for the watch industry. 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.

#### • Labour risk at Baddi plant

The labour risks at Baddi facility such as loss of trained manpower, labour movement, labour unrest, strike etc. are inherent as the facility is located in Baddi Industrial area. With more watch assembly units being set up by competition in the country, we face risk of losing our technically trained manpower. Further, it is also important to upgrade the skill set of our labour in line with the rapidly changing nature of work and skills.

We believe that our employees are our biggest asset and we need to always keep them motivated and engaged to enable them to contribute to Company's growth. We have set up well defined policies and systems for recruitment and appraisal of employees at factory. With regular on-the-job training and job rotation, we ensure that we have seamless availability of trained and skilled manpower. Employees are motivated with reward and recognition programs, employee engagement activities, welfare activities etc. The Company's environment, health and safety policies have been certified by world class certifications such as SA-8000 and ISO 45001:2018. All labour related issues are handled proactively and prompt action is taken to avoid any adverse situation.

#### • 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.

## 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

Pursuant to the provisions of Section 160, 196, 197 and 198 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Deepak Chhabra was appointed as an Additional Director as well as Managing Director of the Company for a term of 3 years with effect from March 28, 2022. The Shareholders of the Company have also approved the said appointment vide postal ballot dated June 4, 2022.

Further, in accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. David

Thomas Payne retires by rotation as a Director, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as a Director.

Apart from change in the Managing Director of the Company being a key managerial person, as provided above, there was no other 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 registered themselves with the Independent Directors' Database 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 2022-23.

### Number of meetings of Board of Directors

Four Board meetings were held during the financial year 2022-23 on May 26, 2022, August 4, 2022, November 1, 2022 and February 2, 2023. 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. Risk Management 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 drafted 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](http://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.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

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](http://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](http://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, 2023.

During the year under review, the Company made payment, net of credits, aggregating to Rs. 6,985 Lakh by way of Central, State and local sales taxes and duties as against Rs. 3,553 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 financial year 2023-24 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), have been appointed as the Statutory Auditors of the Company by the shareholders in their 34th annual general meeting, to hold office for the second term of 5 years from the conclusion of 34th Annual General Meeting till the conclusion of 39th 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 2022-23 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 2022-23. 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.

They have undertaken the audit considering all the applicable compliances as per the Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by the Secretarial Auditors has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

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 2023-24. The Company has received their consent for appointment.

## HUMAN RESOURCES

At Timex, we believe that our employees are our most important assets. Our experienced, talented and motivated manpower is our key to successful operations and achieving our growth plans. We are committed to hiring and retaining the best talent. Our efforts and initiatives are driven towards 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 we will continue to invest in this. We regularly organise training programmes to sharpen employee skills and conduct employee engagement activities to keep the employees fully motivated and engaged.

We provide good work culture and regular growth opportunities to our employees which is the main reason for low attrition rate. Our succession planning roadmap for critical roles at the senior leadership ensures seamless availability of competent talent.

Our policies are driven towards the culture of performance and meritocracy at all levels of the organisation. Smart KRAs and KPIs are agreed in the beginning of the year in line with the Company's growth strategy and plan. The goals and objectives are defined and tracked in an online performance management system. Performance appraisals are also linked with these smart goals and objectives.

As on 31st March, 2023, our team consists of 353 very efficient and dedicated employees across the country.

## SIGNIFICANT CHANGE IN KEY FINANCIAL RATIOS

The Net Profit Margin was at 12.1% for the financial year ended March 31, 2023 as compared to 1.2% for the previous financial year. The ratio has improved by 896% due to improvement in operating leverage of the company with increase in revenue by 45% and PBT by 821%. Further, one-time recognition of deferred tax assets of Rs. 1684 lakhs as positively impacted this ratio.

The Operating Profit Margin of the Company was at 10.06% for the financial year ended March 31, 2023 as compared to 3.27% for the previous financial year. The ratio has improved by 207% due to improvement in operating leverage of the company with increase in revenue by 45% and Expenses increased by 35%.

The interest coverage ratio was at 6.58 for the financial year ended March 31, 2023 as compared to 2.69 for the previous financial year. The ratio has improved by 144% due to increase in the earnings before interest by 583%.

The current ratio was at 1.47 for the financial year ended March 31, 2023 as compared to 1.17 for the previous financial year. The ratio has improved by 26% due to increase in inventory and receivables as compared to previous year.

The Debt Equity ratio was at 0.41 for the financial year ended March 31, 2023 as compared to 1.53 for the previous financial year. The ratio has improved by 73% due to improvement in profitability of the company during the year. Further, one-time recognition of deferred tax assets of INR 1684 lacs as positively impacted this ratio.

The Debtors turnover ratio was at 7.60 for the financial year ended March 31, 2023 as compared to 6.11 for the previous financial year. An increase in the ratio is mainly caused due to increase of 45% in Sales of the Company, Sales in the previous year was adversely impacted due to Covid-19 Pandemic as compared to the current year.

The Inventory turnover ratio was at 2.91 for the financial year ended March 31, 2023 as compared to 3.41 for the previous financial year. An improvement in the ratio is mainly caused by sharp increase of total cost of goods sold in line with increase in sales of the company.

The return on net worth has increased from 19.4% to 77% due to improvement in profitability of the company. Further, one-time recognition of deferred tax assets of Rs. 1684 lakhs as positively impacted this ratio.

## 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 i.e. May 23, 2023.

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

Pursuant to Section 92(3) read with Section 134 (3)(a) of the Act, the Annual Return as on March 31, 2023 is available at the web link - [https://www.timexindia.com/pdf/Timex\\_Draft%20Annual\\_Return%202022-23.pdf](https://www.timexindia.com/pdf/Timex_Draft%20Annual_Return%202022-23.pdf)

## 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.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As required under Regulation 34 of the Listing Regulations, the Business Responsibility & Sustainability Report is provided in a separate section and forms part of the Annual 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 B** 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 2023, 24,393 shareholders representing 97.64% of the Equity Share Capital are holding shares in dematerialized form.

## **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.

## **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

With zero tolerance towards sexual harassment at the workplace, the Company has formed Internal Committees at Baddi Plant, Corporate Office, warehouse and 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 2022-23, no such complaint was received across the organisation. Also, there was no pending complaints either at the beginning or at end of the financial year.

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.

## **APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the financial year 2022-23.

## **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

The Company has not made any such valuation during the financial year 2022-23.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the

directors to the best of their knowledge and ability confirm that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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**

**David Thomas Payne**  
Chairman  
DIN: 07504820

**Place: Connecticut, USA**  
**Date: 23 May, 2023**

## 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 2023

**To,  
The Members,  
Timex Group India Limited  
E-10, Lower Ground Floor,  
Lajpat Nagar-III New Delhi-110024**

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, 2023 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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulation, 2021;
- (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, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

## We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except the meetings which were held at shorter notice where all the Independent Directors were present, 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

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

To,  
The Members  
Timex Group India Limited  
E-10, Lower Ground Floor,  
Lajpat Nagar-III New Delhi-110024

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. Wherever 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.

monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- (i) Issued and allotted 25,00,000 (Twenty Five Lakh), 0.09% Non-cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- (Rupees Ten) each at par to M/s Timex Group Luxury Watches B.V. on Private Placement Basis.
- (ii) Redeemed 25,00,000 (Twenty Five Lakh), 0.1% Non-cumulative redeemable Non- Convertible Preference Shares of Rs. 10/- each held by M/s Timex Group Luxury Watches B.V.

**For NKJ & Associates  
Company Secretaries**

**Place: New Delhi  
Date: 23 May, 2023**

**Neelesh Kr. Jain  
FCS No.: 5593  
C P No.: 5233  
UDIN: F005593E000324549**

**Annexure A**

**Place: New Delhi  
Date: 23 May, 2023**

**Sd-  
Neelesh Kr. Jain  
FCS No.: 5593  
C P No.: 5233  
UDIN: F005593E000324549**

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

Particulars	Measures
<b>Conservation of energy</b>	
(i) the steps taken or impact on conservation of energy; (ii) the steps taken by the company for utilising alternate sources of energy; (iii) the capital investment on energy conservation equipment.	The Company has taken the following steps towards energy conservation: <ul style="list-style-type: none"> <li>• Installation of 6 Solar Street Lights near the Factory Gates</li> <li>• Installation of motion sensor switches in all the Cabins, Offices, Training room &amp; Wash rooms to auto switch off lights if no one present in the area.</li> <li>• Conversion of CFL lights to LED lights in Stores, Packaging &amp; Dispatch area</li> <li>• Redesign the layout of the Material incoming store area – to save Air conditioning &amp; overloading of AC compressors</li> <li>• Redesign the layout of Watch Dispatch area – to save Air conditioning &amp; overloading of AC compressors</li> <li>• Roller blinds are Installed in canteen area to block sunlight heat from Window Glasses- to save Air conditioning &amp; overloading of AC compressors.</li> <li>• Installed low wattage wall fan to circulate cool air to save electricity.</li> </ul>
<b>Technology Absorption</b>	
(i) the efforts made towards technology absorption; (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) the expenditure incurred on Research and Development.	<ul style="list-style-type: none"> <li>• Offline to Online Conversion of various new launched movements PC33 , VJ53,VJ55,VJ21 &amp; 036 Assembly line operations to improve productivity 800 Units /day to 2500 Units/day.</li> <li>• Localization of Angle assembly to set up a line system without compromising the Quality - Cost saving &amp; quick Service availability.</li> <li>• Localization of Nest assembly for pneumatic Hands driving tools placed on each line without compromising the Quality - Cost saving &amp; quick Service availability</li> <li>• Localization of Watch Head Trays of 25 cavity saved cost.</li> <li>• Redesigned &amp; Implementation of 3 Unit Fit Up Carrier with holding Stud to run Bigger size Dials online – to improve first pass yield &amp; to reduce Dial rejection online.</li> <li>• Arrangement of Packing Material near to packing line to save Material down time &amp; to improve productivity.</li> <li>• Installation of Additional DRN (Dynamic Run Test ) Machine to Increase 50% Capacity of Watch Head time testing.</li> </ul>
<b>Foreign exchange</b>	
The Company has earned INR 1,552 Lakhs in Foreign exchange and used INR 13,170 lakhs.	



## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

Transparency and accountability are the two basic tenets of Corporate Governance which are integral part of our business and endeavour to ensure fairness for every stakeholder- our customers, investors, vendors and the communities wherever we operate. At TIMEX, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. We always seek to ensure that our performance is driven by integrity, value and ethics. Responsible corporate conduct is integral to the way we do our business.

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

Our Board is responsible for shaping the long-term vision and policy approach to steadily elevate the quality of governance in our Organisation. At Timex, we firmly believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the Management. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

#### VISION

The Timex Group vision is anchored in our rigorous focus on long lasting relationships with our customers and our commitment to build the power of our brands, underpinned by our people's 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.

The composition and category of Directors on Board of the Company as on May 23, 2023 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 other 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	1	-	-
Mr. Deepak Chhabra (DIN: 01879706)	Managing Director	Nil	1	-	-
Mr. Sylvain Ernest Louis Tatu (DIN: 09125924)	Non-Executive Director	Nil	-	-	-
Ms. Gagan Singh (DIN: 01097014)	Non-Executive-Independent Director	Nil	1	2 (including 2 chairpersonship)	-
Mr. Pradeep Mukerjee (DIN: 02287773)	Non-Executive-Independent Director	Nil	-	-	-
Mr. Bijou Kurien (DIN: 01802995)	Non-Executive-Independent Director	3800	11	4 (including 2 chairmanship)	LTIMindtree Limited – Independent Director Brigade Enterprises 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)**

Pursuant to the provisions of Section 160, 196, 197 and 198 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Deepak Chhabra was appointed as an Additional Director as well as Managing Director of the Company for a term of 3 years with effect from March 28, 2022. The Company had, vide postal ballot notice dated April 11, 2022, placed before the members, the resolutions for appointment of Mr. Chhabra as Director and Managing Director of the Company. The results of the said postal ballot was announced on June 6, 2022 and both the resolutions were passed with requisite majority.

In accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. David Thomas Payne retires by rotation as a Director in the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as a Director.

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.

**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 2022-23 on 26th May, 2022, 4th August, 2022, 1st November, 2022 & 2nd February, 2023 to consider amongst other business matters, the quarterly performance of the Company and financial results. The Company provides the facility for participation of the Directors in the meeting through Video Conference. 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. Directors attending the meeting actively participated in the deliberations at these meetings.

#### d) 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 2022-23 are as under:

Names	No. of Board Meetings attended	Attendance at last AGM
Mr. David Thomas Payne	4	Yes
Ms. Gagan Singh	4	Yes
Mr. Pradeep Mukerjee	4	Yes
Mr. Bijou Kurien	4	Yes
Mr. Sylvain Ernest Louis Tatu	3	Yes
Mr. Deepak Chhabra	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	Mr. Deepak Chhabra, Mr. Bijou Kurien, Ms. Gagan Singh, Mr. David Payne, Mr. Sylvain Tatu
2.	Technical skills/ experience		
	Retail	Yes	Mr. Bijou Kurien, Mr. David Payne, Mr. Deepak Chhabra, Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. Sylvain Tatu
	Accounting and Finance	Yes	Ms. Gagan Singh, Mr. Bijou Kurien, Mr. Deepak Chhabra, Mr. Pradeep Mukerjee, Mr. David Payne, Mr. Sylvain Tatu

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
	Sales and Marketing	Yes	Mr. Bijou Kurien, Mr. Deepak Chhabra, Ms. Gagan Singh, Mr. Pradeep Mukerjee, Mr. David Payne, Mr. Sylvain Tatu
	Human Resources	Yes	Mr. Pradeep Mukerjee, Mr. David Payne, Mr. Deepak Chhabra, Ms. Gagan Singh, Mr. Bijou Kurien, Mr. Sylvain Tatu
	Governance and Risk Management	Yes	Ms. Gagan Singh, Mr. David Payne, Mr. Bijou Kurien, Mr. Deepak Chhabra Mr. Pradeep Mukerjee, Mr. Sylvain Tatu
<b>3</b>	<b>Behavioural Competencies</b>		
	Integrity and ethical standards	Yes	Mr. Pradeep Mukerjee, Mr. David Payne, Ms. Gagan Singh, Mr. Bijou Kurien, Mr. Deepak Chhabra, Mr. Sylvain Tatu
	Mentoring abilities	Yes	Mr. Pradeep Mukerjee, Mr. David Payne, Ms. Gagan Singh, Bijou Kurien, Mr. Deepak Chhabra, Mr. Sylvain Tatu
	Interpersonal relations	Yes	Mr. Pradeep Mukerjee, Mr. David Payne, Ms. Gagan Singh, Mr. Bijou Kurien, Mr. Deepak Chhabra, Mr. Sylvain Tatu

## INDEPENDENT DIRECTORS MEETING

A meeting of Independent Directors of the Company was held on February 2, 2023 whereas 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 is available at the following link - [https://www.timexindia.com/wp-content/uploads/2023/05/Familiarization-Programme\\_31-March-2023-1.pdf](https://www.timexindia.com/wp-content/uploads/2023/05/Familiarization-Programme_31-March-2023-1.pdf)

## 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 in place an 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 Board of Directors have outlined the scope and terms of reference for the Audit Committee in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other laws as deem necessary 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 26th May 2022, 4th August, 2022, 1<sup>st</sup> November, 2022, & 2nd February, 2023.

The details of member's attendance at the Audit Committee Meetings during the Financial Year 2022-23 are as under:

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

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.

The Board of Directors have outlined the scope and terms of reference for the Nomination & Remuneration Committee in line with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other laws as deem necessary 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 26th May 2022, & 2nd February 2023.

The details of member's attendance at the Nomination & Remuneration Committee Meetings during the Financial Year 2022-23 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.

The Board of Directors have outlined the scope and terms of reference for the Stakeholders Relationship Committee in line with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other laws as deem necessary 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.

For expediting the process of share transmission and issuance of duplicate share certificates, the Board has delegated these powers 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 two times on 4th August 2022, & 2nd February 2023.

The details of member's attendance at the Stakeholders Relationship Committee Meetings during the Financial Year 2022-23 are as under:

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

The details of complaints received and resolved during the Financial Year ended 31st March, 2023 are given in the table below:

Complaints outstanding as on April 1, 2022	0
Complaints received during the year ended March 31, 2023	1
Complaints resolved during the year ended March 31, 2023	1
Complaints pending as on March 31, 2023	0

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

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

#### d) Share Allotment and Transfer Committee

The Committee comprises of Mr. Deepak Chhabra and Mr. David Thomas Payne. The Share Allotment and Transfer Committee considers requests of share allotment/ 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 and is available at the following link - <https://www.timexindia.com/code-of-conduct/> 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, 2023, is annexed hereto.

## DISCLOSURES

### a) Related party transactions

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

None of the transactions with any of the related parties was in conflict with the Company's interest.

Attention of members is drawn to the disclosure of transactions with related parties set out in Note no. 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 and is available at the following link - at [https://www.timexindia.com/wp-content/uploads/2022/03/RPT-policy\\_24\\_march\\_2022.pdf](https://www.timexindia.com/wp-content/uploads/2022/03/RPT-policy_24_march_2022.pdf) 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. apart from a fine imposed by the BSE Ltd. which was later waived off by the Exchange.

### 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, a certificate on yearly basis, has 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, 2018, 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.

Further, the Board of Directors has, in its meeting held on May 23, 2023, formed a Risk Management Committee with 3 directors including Mr. David Payne, Chairman and Ms. Gagan Singh and Mr. Deepak Chhabra as its members.

**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, 2023 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.

**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)** The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)

Act, 2013 forms part of the Directors' Report. During the financial year 2022-23, no complaint was received under the Act, across the organisation. Also, there was no pending complaints either at the beginning or at end of the financial year.

**m) 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.

**n)** Recommendation of the Board Committees: During the year under review, there has been no instances of rejection by the Board of any recommendations made by any of its Committees.

**o) 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, 2023 are as follows-

Sl. No.	Name	Sitting Fees	Salary and Benefits	Performance Bonus	Retirals	Total (in Rs.)
2.	Mr. Deepak Chhabra	Nil	2,23,38,638	2,73,20,145	27,00,060	5,23,58,844
3.	Ms. Gagan Singh	3,60,000	Nil	Nil	Nil	3,60,000
4.	Mr. Bijou Kurien	3,00,000	Nil	Nil	Nil	3,00,000
5.	Mr. Pradeep Mukerjee	3,60,000	Nil	Nil	Nil	3,60,000

Note: Mr. David Thomas Payne and Mr. Sylvain Tatu were not paid any sitting fees or other remuneration during the year 2022-23



Mr. Deepak Chhabra was appointed as Managing Director of the Company for a period of 3 years w.e.f March 28, 2022. In terms of the agreement, the Company or Mr. Deepak Chhabra can terminate the Appointment Agreement by giving 3 months' notice in writing. There is no severance fee.

The Company has made a Strategic Plan for the years 2022-24. With the view to drive performance towards achievement of this Strategic Plan including sustainable growth in revenue and profitability and to motivate and retain the key team members, the Board of Directors has, on the recommendations of the Nomination and Remuneration Committee, approved "2022 Long-Term Incentive Plan" (LTI) for payment of a cash based incentive on achievement of long-term goals. The Administrator of the Plan is authorised to decide the LTI participants and their participation percentages.

Mr. Deepak Chhabra would lead the team towards achievement of long-term strategic goals of the Company. As a participant to the LTI plan, he is entitled to receive long term cash-based incentive as per the performance criteria and his percentage participation.

## GENERAL SHAREHOLDER INFORMATION

AGM: Day, Date, time and venue	:	Wednesday, August 23, 2023 at 4.00 p.m. through Video Conferencing or any other audio visual means
Financial Year	:	April 1, 2022 to March 31, 2023
Tentative calendar of events for the financial year 2022-23 (April-March)	:	To review and approve unaudited Financial Results for the quarter First quarter - upto 14th August, 2023 Second quarter - upto 14th November, 2023 Third quarter - upto 14th February, 2024 Fourth quarter - upto 15th May, 2024 or alternatively upto 30th May, 2024 with Annual Results for the Year ending 31st March 2024
Book closure Date	:	August 21, 2023 to August 22, 2023 (both days inclusive)
Listing of shares on Stock Exchanges	:	BSE Ltd., Phiroze Jeejee bhoy Towers, Dalal Street, Mumbai-400001
Registered Office	:	E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi-110024
Listing Fees	:	Listing fees as prescribed has been paid to the Stock Exchange up to March 31, 2024
Registrar & Share Transfer Agents (RTA) of the Company for both physical and electronic mode of share transfers.	:	Alankit Assignment Limited 4E/2 Alankit House, Jhandewalan Extension, New Delhi -110055 Contact Person: Mr. J K Singla  Phones : 011-42541234 Fax : 011-42541967 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. The Board has delegated the authority for approving transmission, duplicate, etc. of the Company's securities to the Share Allotment and Transfer Committee. A summary of transmission and duplicate of securities of the company so approved by the Share Allotment and Transfer Committee is placed at the Board Meeting.

## MEANS OF COMMUNICATION

In accordance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has maintained a functional website at [www.timexindia.com](http://www.timexindia.com) containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of conference calls/presentations to institutional investors or analysts etc. The contents of the said website are updated within 2 working days from the date of such change.

The quarterly and annual results are generally published in Business Standard (English and Hindi editions) and also displayed on the Company's website.

Further, the Company disseminates to the Stock Exchange (i.e. BSE Ltd.), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and for the information of the public at large.

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.

As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company and is available at the following link - <https://www.timexindia.com/shareholders-information/>.

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

Date	Category	Venue/ Deemed Venue	Time	No. of Special Resolution
18.09.2020	AGM	Unit No. 303, 3RD Floor, Tower-B, World Trade Tower (WTT), C-1, Sector-16, Noida	03.30 PM	-
16.09.2021	AGM	Unit No. 303, 3RD Floor, Tower-B, World Trade Tower (WTT), C-1, Sector-16, Noida	04.00 PM	-
28.07.2022	AGM	E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi-110024	04.00 PM	2

## 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.

In compliance with General Circular numbers 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021 20/2021, 3/2022 & 11/2022 issued by the Ministry of Corporate Affairs (“MCA”), Company has sent the Postal Ballot Notice along with the explanatory statement in electronic form only to those Members whose e-mail addresses were registered with the Company/ Depositories, to enable them to cast their votes electronically. The Company also published a Notice in the newspaper and other requirements as mandated under the provisions of the Act

and Rules framed thereunder. The voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

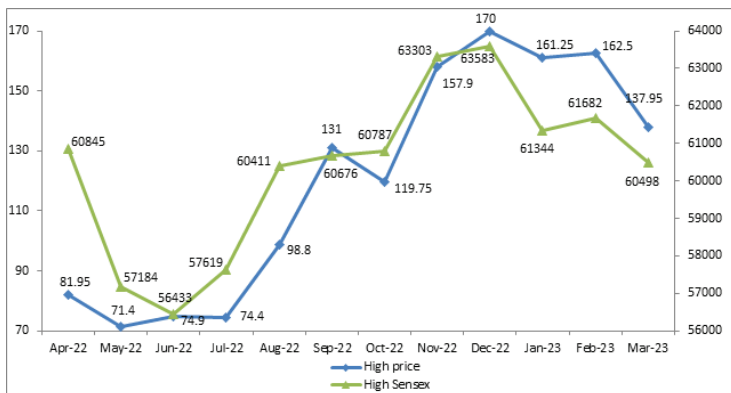
In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically through the e-voting services provided by NSDL. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialized form have casted their vote electronically. Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the 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.

Date of Declaration of Postal Ballot Results	Name of the Scrutinizer	Brief particulars of resolution	Percentage of votes cast in favour of the resolution
June 06, 2022	Mr. Neelesh Kumar Jain, Proprietor, M/s N.K.J & Associates, Company Secretaries	Appointment of Mr. Deepak Chhabra (DIN: 01879706) as Director of the Company (Ordinary Resolution)	99.999
June 06, 2022	Mr. Neelesh Kumar Jain, Proprietor, M/s N.K.J & Associates, Company Secretaries	Appointment Of Mr. Deepak Chhabra (DIN: 01879706) as Managing Director of the Company (Special Resolution)	99.999

## 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:

# TIMEX GROUP



Month	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
High	81.95	71.40	74.90	74.40	98.80	131	119.75	157.90	170	161.25	162.50	137.95
Low	64	55	57.10	64.25	67.55	97.05	100	101.95	131.40	144	113.10	119.80

## STOCKCODE

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 2023, the distribution of Company's shareholding was as follows: -

No. of Shares	No. of Shareholders	% of Shareholders	Shares	% of shares
UPTO - 2500	41484	97.91	8124276	8.05
2501 - 5000	423	1.00	1616744	1.60
5001 - 10000	232	0.55	1766083	1.75
10001 - 20000	94	0.22	1381587	1.37
20001 - 30000	44	0.10	1114244	1.10
30001 - 40000	21	0.05	764182	0.76
40001 - 50000	24	0.06	1112562	1.10
50001 AND ABOVE	47	0.11	85070322	84.27
<b>TOTAL</b>	<b>42369</b>	<b>100.00</b>	<b>100950000</b>	<b>100.00</b>

## DEMATERIALISATION OF SHARES

Members are requested to convert their physical holdings to demat/electronic form through the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held. Shares received for dematerialization are generally confirmed within a maximum period of twenty one days from the date of receipt, if the documents are clear in all respects. There are 24393 no. of shareholders holding their shares in dematerialized form, which represent 97.64% 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 CORRESPONDENCE

Timex Group India Limited, E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi-110024

Email: investor.relations@timex.com

**CERTIFICATE UNDER PARA 10(I) OF PART C OF SCHEDULE V TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with Schedule V Para-C clause 10(I) of the SEBI  
(Listing obligation and Disclosure Requirements) Regulation, 2015]

To  
The Members,  
Timex Group India Limited  
E-10, Lower Ground Floor,  
Lajpat Nagar-III, New Delhi-110024

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Timex Group India Limited having CIN L33301DL1988PLC033434 and having registered office at E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi-110024 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulations 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending 31st March 2023, 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 other Statutory Authority.

S. No.	Name of the Directors	DIN	Date of appointment in the Company
1	Gagan Makar Singh	01097014	31/01/2007
2	Pradeep Mukerjee	02287773	30/07/2009
3	Bijou Kurien	01802995	29/07/2011
4	David Thomas Payne	07504820	20/04/2018
5	Sylvain Ernest Louis Tatu	09125924	26/03/2021
6	Deepak Chhabra	01879706	28/03/2022

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N.K.J & ASSOCIATES

Company Secretaries

Sd/-

NEELES K. JAIN

Proprietor

Membership No. FCS 5593

Certificate of Practice No. 5233

UDIN: F005593E000324439

Date: 23 May, 2023

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, 2023 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, 2023 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, 2023;
  - ii. significant changes in accounting policies during the year ended 31st March, 2023 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/-  
Deepak Chhabra  
Managing Director  
(DIN: 01879706)

Sd/-  
Amit Jain  
Chief Financial Officer

Date: 23 May, 2023  
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, Deepak Chhabra, Managing Director of Timex Group India Limited (“the Company”), hereby affirm that, the Board Members and the Senior Management Personnel during the financial year 2022-23, 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: 10 May, 2023  
Place: Noida

Sd/-  
Deepak Chhabra  
Managing Director  
(DIN: 01879706)

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

1. We have reviewed the implementation of the corporate governance procedures by Timex Group India Limited (the Company) during the year ended March 31, 2023, 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.

Date: 23 May, 2023  
Place: New Delhi

For N.K.J & ASSOCIATES  
Company Secretaries  
Sd/-  
NEELESH KR. JAIN  
Proprietor  
Membership No. FCS 5593  
Certificate of Practice No. 5233  
UDIN: F005593E000324505

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L33301DL1988PLC033434
2.	Name of the Listed Entity	TIMEX GROUP INDIA LIMITED
3.	Year of incorporation	1988
4.	Registered office address	E-10, Lower Ground Floor, Lajpat Nagar III, New Delhi-110024
5.	Corporate address	Unit No. 303, 3rd Floor, Tower B, World Trade Tower (WTT), C-1, Sector-16, Noida-201301
6.	E-mail	<a href="mailto:Investor.relations@timex.com">Investor.relations@timex.com</a>
7.	Telephone	0120-4741300
8.	Website	<a href="http://www.timexindia.com">www.timexindia.com</a>
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd.
11.	Paid-up Capital	Equity share capital - Rs. 10,09,50,000 Preference share capital - Rs. 76,10,00,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Deepak Chhabra Managing Director Contact Details: Phone No.: 0120-4741300 Email: <a href="mailto:investor.relations@timex.com">investor.relations@timex.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures made in this report are on standalone basis and pertain only to Timex Group India Limited

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

S.no	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Manufacturing	Manufacturing of watches	66%
2	Trade	Wholesale Trading	33%
3	Support service to Organisations	Other support services to organizations	1%

##### 15. Products/Service sold by the entity (accounting for 90% of the entity's Turnover):

S.no.	Product/Service	NIC Code	% of total Turnover contributed
1.	Watches	2652	100%*

\*rounded off

#### III. Operations

##### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	7	8
International	-	-	-

##### 17. Market served by the entity

###### a. Number of locations

Locations	Number
National (No. of states)	Pan India
International (No. of Countries)	7

###### b. What is the contribution of exports as a percentage of the turnover of the entity?

Exports contribute approximately 4.1% of total turnover of the Company.

## c. A brief on types of customers

The Company sells its products majorly on wholesale cash and carry basis through various sales channels and partners including distributors, dealers, franchisee operated exclusive brand outlets, modern trade - chain stores, defence, institutional, e-commerce, brand webstore etc. The Company has a strong array of prestigious international brands in its portfolio in fashion and lifestyle segment which gives ample choice to the fashion oriented consumer. Currently, the brands in our portfolio include Timex, Guess, Gc, Versace, Salvatore Ferragamo, Nautica, Ted Baker, Furla, Adidas Originals, Philipp Plein, Plein Sports, UCB, Helix and TMX. The Company also operates as the ODM for watches with Flipkart for the prestigious brands such as Wrogn, Van Heusen, Allen Solly and Peter England.

## IV. Employees

### 18. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No.(C)	%(C/A)
<b>EMPLOYEES</b>						
1	Permanent(D)	197	181	92%	16	8%
2	Other than Permanent (E)*	455	413	91%	42	9%
3	<b>Total employees (D+E)</b>	<b>652</b>	<b>594</b>	<b>91%</b>	<b>58</b>	<b>9%</b>
<b>WORKERS</b>						
4	Permanent(F)	156	20	13%	136	87%
5	Other than Permanent(G)*	9	1	11%	8	89%
6	<b>Total employees (F+G)</b>	<b>165</b>	<b>21</b>	<b>13%</b>	<b>144</b>	<b>87%</b>

\*Other than permanent employees represent the employees contracted via third party.

#### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No.(C)	%(C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent(D)	0	0	0	0	0
2	Other than Permanent(E)*	0	0	0	0	0
3	<b>Total differently abled employees (D+E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent(F)	1	0	0	1	0.73%
5	Other than Permanent(G)*	0	0	0	0	0
6	<b>Total differently abled workers (F+G)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0.73%</b>

\*Other than permanent employees in Timex are contracted via third party.

### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	6	1	16.67
Key Management Personnel*	2	-	-

\*Excluding BOD

### 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate)			FY 2021-22 (Turnover rate)			FY 2020-21 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	10%	1%	11%	11%	1%	12%	12%	1%	13%
<b>Permanent Workers</b>	0%	12%	12%	1%	10%	11%	0%	19%	19%



## V. Holding, Subsidiary and Associate Companies (including joint venture)

21. (a) Names of holding/subsidiary/associate companies/joint venture

S.no	Name of the holding/ subsidiary/ associate companies/ joint venture (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)
1.	Timex Group Luxury Watches B.V.	Holding Company	-	No

The Company does not have any subsidiary, associate or Joint venture.

## VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No): No

(ii) Turnover (in Rs.) - Rs. 38,378 Lakhs

(iii) Net worth (in Rs.) - Rs. 6,052 Lakhs

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaints is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of Complaints filed during the year	Number of Complaints pending resolution at close of the year	Remarks	Number of Complaints filed during the year	Number of Complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf">https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf</a>	There have been no complaints or grievances received under any of the principles of National Guidelines on Responsible Business Conduct.					
Investors (other than shareholders)	Yes <a href="https://www.timexindia.com/investors-contact/">https://www.timexindia.com/investors-contact/</a>						
Shareholders	Yes <a href="https://www.timexindia.com/investors-contact/">https://www.timexindia.com/investors-contact/</a>	1	0	Not Applicable	1	0	Not Applicable
Employees and Workers	Yes <a href="https://www.timexindia.com/pdf/Whistle%20Blower%20Policy.pdf">https://www.timexindia.com/pdf/Whistle%20Blower%20Policy.pdf</a> and <a href="https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf">https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf</a>	There have been no complaints or grievances received under any of the principles of National Guidelines on Responsible Business Conduct.					
Customers	Yes <a href="https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf">https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf</a>	10	0	Not Applicable	14	0	Not Applicable
Value Chain Partners	and <a href="https://www.timexindia.com/warranty-repair/">https://www.timexindia.com/warranty-repair/</a>	There have been no complaints or grievances received under any of the principles of National Guidelines on Responsible Business Conduct.					
Other (Please Specify)		-					

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Please refer to the Risk Management Section in the Board's Report in addition to the following details.

S. no	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Employee Health, Safety and Well-being	R	As the Company's most valuable resource, employee safety and wellbeing are of paramount importance. This is accomplished by assessing and controlling health and safety risks across the operations.	The Company emphasises on placing safety as a pre-requisite across all its operations. Further, Company also takes various measures to ensure the health and wellbeing of employees by resorting to various interventions through health awareness programs.	Neutral Any cost put towards employee health, safety and well-being will yield positive results in the long term.
2.	Labour practices	R	Changing regulations around labour practices pose a challenge	The Company adheres to all applicable laws, pertaining to human rights and labour practices. The Company does not engage in child labour, forced or compulsory labour.	Negative Workplace incidents related to employee's health and safety can result into the cost of high litigation, plants shutdown, survivor benefits and fines from the regulators.
3.	Human Rights	R	Changing regulations around human rights pose as a challenge	The Company puts in substantial efforts to ensure that no human right violations are ensured in the entire line of our business.	Negative Any violation can lead to severe reputational and financial risk for the Company.
4.	Waste management	O	The Company has a robust waste management process with zero discharge of waste outside the plant premises.	To regularly improve our waste segregation, collection, treatment and disposal processes to make the process more efficient	Positive The waste generated is either used back in processes or disposed off to the registered vendors for recycling.
5.	Consumer welfare	O	To distinguish ourselves as the market leaders and most preferred consumer brand	Timex has established strong connect with consumer and build brands that ensure consumer welfare	Positive Goodwill amongst consumer will convert into product sales
6.	Innovation and Technology	O	The implementation of new technologies will enable the organisation to be at the forefront as market leaders with better quality products. It will also help business to counter any disruptive business models that may pose a threat to our business.	-	Positive Cost undertaken for innovation and technology would benefit the company.
7.	Governance	O	A robust governance structure will enable the Company in assessing its policies and processes from the perspective of minimizing the impact on the environment while empowering the society and act as responsible corporate citizen.	Strong leadership and resilient execution teams	Positive Transforming our business and levelling it up.

8.	Training and Development	O	The Company can raise the bar on quality of its offerings and become increasingly future-ready by ensuring requisite technical and behavioural skills are imparted to its workforce through regular trainings.	Adapting to best training / development practices to develop our people	Positive The investment made in training and development of people will benefit the company across all functions
9.	Diversity at workplace	O	A diverse workplace is an inclusive environment that provides equal rights and opportunities for all employees and helps in building an equitable society. A greater diversity across genders and ethnicity is strongly correlated to a greater level of inclusiveness (unconventional biases in ethnicity, race and equality while transforming our thoughts and actions at a personal and professional level), improved propositions and productivity enabling value creation.	Encouraging diversity at all levels through all our practices	Positive A pool of diverse workforce of different genders, ages and ethnicities, nationalities, socio-economic backgrounds, religious beliefs, cultural practices, and sexual orientation will enable the Company to develop its services further and mitigate operational risks. Diversity in the workforce brings new perspectives, experiences and ideas which enables innovation, increases performance and enables a positive culture in the organization.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

S No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>											
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	<ol style="list-style-type: none"> <li>Code of Conduct for all Directors and Senior Management: <a href="https://www.timexindia.com/code-of-conduct/">https://www.timexindia.com/code-of-conduct/</a></li> <li>Code of Conduct for employees: <a href="https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf">https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf</a></li> <li>Whistle Blower Policy: <a href="https://www.timexindia.com/pdf/Whistle%20Blower%20Policy.pdf">https://www.timexindia.com/pdf/Whistle%20Blower%20Policy.pdf</a></li> </ol>								

			4.	Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders: <a href="https://www.timexindia.com/wp-content/uploads/2021/03/Timex-POIT-Reg-amended_21-March_2021.pdf">https://www.timexindia.com/wp-content/uploads/2021/03/Timex-POIT-Reg-amended_21-March_2021.pdf</a>								
			5.	Related Party Transaction Policy: <a href="https://www.timexindia.com/wp-content/uploads/2022/03/RPT-policy_24-march_2022.pdf">https://www.timexindia.com/wp-content/uploads/2022/03/RPT-policy_24-march_2022.pdf</a>								
			6.	Policy for Determination of Materiality of Events / Information: <a href="https://www.timexindia.com/pdf/TGIL_Policy_events.pdf">https://www.timexindia.com/pdf/TGIL_Policy_events.pdf</a>								
			7.	Prevention of Sexual Harassment of women: <a href="https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Policy-on-Sexual-Harrasement.pdf">https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Policy-on-Sexual-Harrasement.pdf</a>								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes										
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> <li>SA 8000:2014</li> <li>ISO 45001:2018</li> </ul>										
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is cognizant of its responsibilities under ESG framework and endeavors to be a leading organisation on these parameters. Will its efforts across various functions, the organization is moving towards this goal.										
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company is taking adequate steps towards fulfilment of its responsibilities for ESG framework.										
<b>Governance, leadership and oversight</b>												
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	The Company believes that sustainability, inclusivity, prosperity and governance are as important as profitability. With this belief, the Company is making consistent efforts to make a brighter future for all the stakeholders who deal with the Company. We believe that the growth must be sustainable and we need to work proactively for our environmental, social and governance aspects. To this end, we have taken thoughtful measures to tackle inequalities within and beyond the organization, earn and retain the trust of all our stakeholders and build a greener tomorrow. We believe in leading by example and delivering solutions in the form leading, sustainable and trustworthy products in our field and build a stronger brand.										
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Deepak Chhabra (DIN: 01879706), Managing Director of the Company										
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company does not have specified Committee for decision making on sustainability related issues. However, the Directors and senior management monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis.										

## 10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half Yearly/ Quarterly/Any other- Please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	The policies are reviewed periodically/ on a need basis by the Board of Directors of the Company.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Status of compliance with all applicable statutory requirements is reviewed by the Board of Directors on a quarterly basis.								

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
No										

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/no)									
It is planned to be done in the next financial year (Yes/no)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable**

### Essential Indicators

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	During the year, the Board and KMPs engaged in various updates pertaining to business, regulatory, safety, employee well-being, ESG matters etc.  The KMPs and Senior Management are also given periodic updates on Company's Code of Conduct, the provisions of SEBI (Prohibition of Insider Trading) Regulations, Whistle Blower Policy, Prevention of Sexual harassment, HR policies, etc.	100%
Key Managerial Personnel			
Employees other than BoD and KMPs	8	Various trainings and awareness sessions are regularly organised for employees covering areas including induction training at joining and trainings on leadership, HR policy, functional/ technical skills and compliance matters during the course of employment.	100%
Workers	25	All workers undergo training programmes on a regular basis in the areas of skill upgradation, process orientation, soft skill development and safety. These trainings are imparted through online and classroom mods as well as on-the-job.  Classroom trainings conducted during the year included SA 8000 Awareness session, Trainings on SA 8000 Policy & Procedures, Awareness on POSH, Trainings on Health & safety & Risk assessment etc.	95%

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2022-23.**

<b>Monetary</b>					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	Not Applicable
Settlement	NIL	NIL	NIL	NIL	Not Applicable
Compounding fee	NIL	NIL	NIL	NIL	Not Applicable
<b>Non- Monetary</b>					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)	
Imprisonment	NIL	NIL	Not Applicable	Not Applicable	
Punishment	NIL	NIL	Not Applicable	Not Applicable	

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
	Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company strictly prohibits corruption and bribery practices and covers these matters in detail with do's and don'ts in its Code of Conduct. All employees and other stakeholders dealing with the Company are required to abide by the values of the company. The code requires the employees to work and conduct in an ethical, accountable and transparent manner in their day-to-day office work and addresses issues beyond corruption and bribery. Web-link to the Company's code of conduct: [https://www.timexindia.com/wp-content/uploads/2023/05/Timex\\_Code-of-Conduct.pdf](https://www.timexindia.com/wp-content/uploads/2023/05/Timex_Code-of-Conduct.pdf)

Apart from the Code of Conduct, the Company also has a Whistle blower Policy to report such matters.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	NIL	Not Applicable	NIL	Not Applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	NIL	Not Applicable	NIL	Not Applicable

**7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company continuously strives to implant sustainability throughout its supply chain system. According to SA 8000:2014, the SPT committee member must visit the Supplier once in a year to assess him on three basic sustainability grounds – Environmental, Social & Economical. Supplier Assessment checklist must be filled, stamped & signed along with complete information.

**b. If yes, what percentage of inputs were sourced sustainably?**

≥ 80% of the inputs are sourced sustainably.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

As a part of the e-waste recycling and plastic waste management collection programme, the Company has partnered with government authorised recyclers. We have detailed MOU signed for both e-waste, solid waste management and used oil with the identified treatment

value-chain player. All the necessary and legal authorisations required for the processing facilities have been taken and approved by concerned governmental agencies. The recycling and disposal of e-waste help us to ensure the protection of the environment from hazardous consequences.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the Company is in compliance with the Extended Producer Responsibility (EPR) guidelines. Our waste collection plan is in line with the EPR plan submitted to Pollution Control Board (PCB).

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% OF EMPLOYEES COVERED BY										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	% (D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent Employees</b>											
Male	181	181	100%	181	100%	0	0	181	100%	33	18%
Female	16	16	100%	16	100%	16	100%	0	0	1	6%
<b>Total</b>	197	197	100%	197	100%	16	8%	181	92%	34	17%
<b>Other than Permanent employees*</b>											
Male	413	413	100%	413	100%	0	0	413	100%	0	0
Female	42	42	100%	42	100%	42	100%	0	0	0	0
<b>Total</b>	455	455	100%	455	100%	42	9%	413	91%	0	0

\*Other than permanent employees in Timex are contracted via third party and the responsibility related to the information shared above lies with the contractor. Timex ensures that the contractors meet the statutory requirements.

**b. Details of measures for the well-being of workers:**

Category	% OF EMPLOYEES COVERED BY										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	% (D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent Workers</b>											
Male	20	20	100%	20	100%	0	0	20	100%	20	100%
Female	136	136	100%	136	100%	136	100%	0	0	136	100%
<b>Total</b>	156	156	100%	156	100%	136	87%	20	13%	156	100%
<b>Other than Permanent Workers*</b>											
Male	1	1	100%	1	100%	0	0	1	100%	1	100%
Female	8	8	100%	8	100%	8	100%	0	0	8	100%
<b>Total</b>	9	9	100%	9	100%	8	89%	1	11%	9	100%

\*Other than permanent employees in Timex are contracted via third party and the responsibility related to the information shared above lies with the contractor. Timex ensures that the contractors meet the statutory requirements.

**2. Details of retirement benefits:**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0	100%	Y	0	100%	Y
Others- Please Specify	-	-	-	-	-	-

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises / offices of the Company are accessible to all the employees including differently abled employees and workers.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? if so, provide a web-link to the policy.

The company is committed to provide equal employment opportunities to all persons with diverse experience, impartiality and equal access, acceptance and respect of diverse culture, social background and equal treatment for persons with disability. The Company endeavours to ensure that the work environment is free from any discrimination against all persons including persons with disabilities.

Weblink of the Policy:

<https://www.timexindia.com/wp-content/uploads/2023/05/TIMEX-Equal-employment-Opportunity-Policy-FINAL.pdf>

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has multiple mechanisms to redress grievances such as Grievance Committee at Plant, Internal Committees under POSH Act for all workplaces, Company's Code of Conduct and Whistle Blower mechanism. The Company has also placed "Suggestion Box" at its plant which can be used by the employees and workers to raise their grievances.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Benefits	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or union (D)	% (D/C)
Total Permanent Employees	197	0	-	185	0	-
Male	181	0	-	169	0	-
Female	16	0	-	16	0	-
Total Permanent Workers	156	0	-	160	0	-
Male	20	0	-	20	0	-
Female	136	0	-	140	0	-

### 8. Details of training given to employees and workers:

Category	Total (A)	FY 2022-23				Total (D)	FY 2021-22			
		On health and safety measures		On Skill upgradation			On health and safety measures		On Skill upgradation	
		Number (B)	%(B/A)	Number (C)	%(C/A)		Number (E)	%(E/D)	No.(F)	%(F/D)
<b>Employees</b>										
Male	181	33	18%	181	100%	169	34	20%	169	100%
Female	16	1	6%	16	100%	16	1	6%	16	100%
<b>Total</b>	<b>197</b>	<b>34</b>	<b>17%</b>	<b>197</b>	<b>100%</b>	<b>185</b>	<b>35</b>	<b>19%</b>	<b>185</b>	<b>100%</b>
<b>Workers</b>										
Male	20	20	100%	20	100%	20	20	100%	20	100%
Female	136	136	100%	136	100%	140	140	100%	140	100%
<b>Total</b>	<b>156</b>	<b>156</b>	<b>100%</b>	<b>156</b>	<b>100%</b>	<b>160</b>	<b>160</b>	<b>100%</b>	<b>160</b>	<b>100%</b>



## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	%(B/A)	Total (C)	No.(D)	%(D/C)
<b>Employees</b>						
Male	181	175	97%	169	157	93%
Female	16	16	100%	16	16	100%
<b>Total</b>	<b>197</b>	<b>191</b>	<b>97%</b>	<b>185</b>	<b>173</b>	<b>94%</b>
<b>Workers</b>						
Male	20	20	100%	20	20	100%
Female	136	136	100%	140	140	100%
<b>Total</b>	<b>156</b>	<b>156</b>	<b>100%</b>	<b>160</b>	<b>160</b>	<b>100%</b>

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Occupational Health and Safety Management System has been implemented at the Plant. The Company's health and safety management system is based on ISO 45001:2018, the International Standard for Occupational Health and Safety.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Periodic Mock drill conducted at the Plant
- Brainstorming by cross function team
- Internal and External audit
- Maintaining records of Risk assessment

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, the Company has processes for workers to report the work-related hazards and to remove themselves from such risks. We have a system in place for workers to report near misses and safety observations, which includes unsafe acts or conditions in and around the workplace. Once the report has been made, corrective and preventive actions are undertaken with specified timelines, and a person is assigned with responsibility, the same will be reviewed by the respective unit head. This helps us ensure that the workplace is safe for all workers, and any potential hazards are identified and addressed promptly

### d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, all the employees / workers of the Company have access to non-occupational medical and healthcare services. The Plant has a medical room with a full-time nurse and a regular visiting doctor. The nurse is responsible for providing first aid treatment, attending to emergency health issues, and referring injured individuals to higher medical centres for doctors' consultation if necessary. This ensures that employees / workers have access to basic medical care and attention when needed, which can help prevent minor injuries and illnesses from becoming more severe.

## 11. Details of safety related incidents, in the following format:

Safety incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

## 12. Describe the measures taken by the entity to ensure a safe and healthy work-place:

At Timex, we emphasize strongly on the health, safety and well-being of our people. We continuously strive to create a work environment that is free from any occupational hazards, regardless of where our people are located or what type of work they carry out. Some of the measures undertaken by the Company is listed below:

- a) **Employee training:** Comprehensive training is essential for preventing workplace injury. The Company ensures that all employees and workers have access to safety training.
- b) **Safety Inspections/ Audits:** The Company conducts safety audit or inspection at defined intervals to critically examine and identify any needs for corrective action. Checks are conducted in standardized format and records maintained at site.
- c) **Regular review meetings:** Regular meetings to review safety rules and discuss preventive measures are conducted to ensure that the workplaces are safe for the workers.

**13. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the plant was assessed by the Company and external auditors
Working Conditions	100% of the plant was assessed by the Company and external auditors

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not applicable

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Any individual or group of individuals that adds value to the business of the Company is identified as a key stakeholder. This includes employees & workers, shareholders, customers, vendors, regulators, various government organizations amongst others. We prioritised our key stakeholders to understand their expectations and concerns. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organisational strategy.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlet, Advertisement, Community meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half/ Yearly/Quarterly/ Others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and workers	No	Direct, through e-mail, meetings, townhall, website, notice board	Daily/need to know basis	RnR, Employee Engagement, Talent Management
Shareholders	No	Email, website, newspaper advertisements, stock exchange intimations, Investor Presentations, Annual General Meeting, investor meetings, notices and intimations	Periodic/Annual	To give an update on the developments in the Company, business performance, statutory information/ filings

Customers	No	Multiple channels	Regular	Stay in touch with the customers and to receive their feedback on various products that the Company manufactures and deals with.
Vendors/ Value Chain Partners	No	E-mail, one to one and joint meetings with vendors, website	Periodic/Annual	Stay in touch with vendors and suppliers for product engagement
Regulators	No	Emails, one on one meetings	Need based	Discussions with respect to various regulations, amendments, inspections, and approvals

## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	%(B/A)	Total (C)	No. of employees/ workers covered (D)	%(D/C)
<b>Employees</b>						
Permanent	197	197	100%	185	185	100%
Other than Permanent	455	-	-	397	-	-
<b>Total Employees</b>	<b>652</b>	<b>197</b>	<b>30.21%</b>	<b>582</b>	<b>185</b>	<b>31.78%</b>
<b>Workers</b>						
Permanent	156	156	100%	160	160	100%
Other than Permanent	9	9	100%	55	55	100%
<b>Total Workers</b>	<b>165</b>	<b>165</b>	<b>100%</b>	<b>215</b>	<b>215</b>	<b>100%</b>

**Note:** Currently, we have a Code of Conduct, HR Policy Manual and Policy on Sexual Harassment in place which covers the aspects of human rights. The employees are mandated to abide by these policies before joining the company. Additionally, extracts of the Factory Act prohibiting child/bonded Labour and minimum wages are displayed in factory premises for perusal of all direct/indirect employees.

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2022-23				Total (D)	FY 2021-22			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	%(B/A)	Number (C)	%(C/A)		Number (E)	%(E/D)	Number (F)	%(F/D)
<b>Employees</b>										
<b>Permanent</b>	197	0	0	197	100%	185	0	0	185	100%
Male	181	0	0	181	100%	169	0	0	169	100%
Female	16	0	0	16	100%	16	0	0	16	100%

<b>Other than Permanent</b>	455	0	0	455	100%	397	0	0	397	100%
Male	413	0	0	413	100%	351	0	0	351	100%
Female	42	0	0	42	100%	46	0	0	46	100%
<b>Workers</b>										
<b>Permanent</b>	156	0	0	156	100%	160	0	0	160	100%
Male	20	0	0	20	100%	17	0	0	17	100%
Female	136	0	0	136	100%	143	0	0	143	100%
<b>Other than Permanent</b>	9	0	0	9	100%	55	0	0	55	100%
Male	1	0	0	1	100%	6	0	0	6	100%
Female	8	0	0	8	100%	49	0	0	49	100%

### 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ Wages of respective category	Number	Median remuneration/ salary/ Wages of respective category
Board of Directors (BoD)*	5	Rs. 5,23,58,844	1	-
Key Managerial Personnel	2	Rs. 2,25,12,883	0	-
Employees other than BoD and KMP	178	Rs. 12,92,976	16	Rs. 11,99,004
Workers	20	Rs. 1,94,06 4	136	Rs. 1,96,560

\*The Company has 1 Managing Director and 5 other directors including independent directors and other non executive directors. Independent directors are only getting sitting fees. Other non executive directors do not get any remuneration. The remuneration details in the above table only considers remuneration of Managing Director.

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Internal Committees under POSH and HR department are responsible for these matters.

### 5. Describe the internal mechanisms in place to redress grievances related to human right issues.

At Timex, guidance on human rights issues is covered as a part of its Code of Conduct, HR Policy Manual and POSH Rules. Employees are encouraged to approach their Reporting Manager, Head of Department or personnel from Human Resource Department for any grievances.

Also, the Company has a Whistle Blower Policy that allows and encourages its stakeholders to raise concerns about the violations against the Code of Conduct.

### 6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

## 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company promotes an open culture of communication devoid of any bullying or harassment of any kind. The Whistle blower Policy provides the guidelines and mechanism that the Company follows for the protection of the complainant / whistle blower. The investigation is done strictly in a confidential manner ensuring the protection of the complainant against any retaliation. All care is taken to withhold the identity of the complainant / whistle blower. The Company provides necessary safeguards to all whistle blowers for making protected disclosures in good faith, in all the areas mentioned in the Code of Conduct such as business with integrity, responsible corporate citizenship, illegal and unfair labour practices, trade practices and other laws.

The Company also has a policy on prevention, prohibition and redressal of sexual harassment of any employee at the workplace and has an Internal Committee (IC) at various locations in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the IC are responsible for conducting inquiries pertaining to such complaints. On a regular basis, the Company sensitises its employees on the prevention of sexual harassment at the workplace through awareness programs.

## 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.

## 9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% of the plant was assessed by the Company and external auditors
Forced/involuntary labour	100% of the plant was assessed by the Company and external auditors
Sexual harassment	100% of the plant was assessed by the Company and external auditors
Discrimination at workplace	100% of the plant was assessed by the Company and external auditors
Wages	100% of the plant was assessed by the Company and external auditors
Others-please specify	-

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (in Joules)	FY 2021-22 (in Joules)
Total electricity consumption (A)	2.87 X 10 <sup>12</sup>	2.58 X 10 <sup>12</sup>
Total fuel consumption (B)	4.76 X 10 <sup>10</sup>	4.73 X 10 <sup>10</sup>
Energy consumption through other sources (C)	0	0
<b>Total energy consumption (A+B+C)</b>	<b>2.92 x 10<sup>12</sup></b>	<b>2.63 x 10<sup>12</sup></b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) Joules per Lakhs (Rs.)	7.608 x 10 <sup>7</sup>	9.90 X 10 <sup>7</sup>
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assurance has been done for data verification.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (in Joules)	FY 2021-22 (in Joules)
<b>Water withdrawal by source (in Kilolitres)</b>		
(i)Surface water	0	0
(ii)Groundwater	4,935	4,426

(iii)Third party water	993	965
(iv)Seawater/desalinated water	0	0
(v)Others	0	0
<b>Total volume of water withdrawal (in Kilolitres) (i + ii + iii + iv + v)</b>	5,928	5,391
<b>Total Volume of water consumption (in Kilolitres)</b>	5,928	5,391
<b>Water intensity per rupee of turnover (Water consumed/ turnover) KL per Lakhs (Rs.)</b>	0.154	0.203
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assurance has been done for data verification.

#### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At present, we do not have Zero Liquid Discharge mechanism. However, we use 100% of the treated water from Sewer Treatment Plant (STP) within the Baddi premises for horticulture and toilet use with the consent from the concerned authorities. We follow all the necessary applicable guidelines and directions on maintaining the standards of STP as required by CPCB and SPCBs.

#### 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	Metric tonnes	0.223	0.204
Sox	Metric tonnes	0.061	0.0201
Particulate matter (PM)	We undertake third party lab testing for each of these air emission parameters including NOx and SOx on yearly basis. To ensure the parameters are within permissible limits. This is done in addition to our internal monitoring systems. We also submit the reports to the concern authority and pollution control board.		
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others—please Specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assurance has been done for data verification.

#### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emission</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	NIL	NIL
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	NIL	NIL
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		Not Applicable	Not Applicable
<b>Total Scope 1 and Scope 2 emissions intensity (optional) – the relevant metric may be selected by the entity</b>		Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assurance has been done for data verification

#### 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Timex has taken several initiatives to increase energy efficiency and reduce emissions. Some of the initiatives taken in FY 2022-23 are as follows:

Initiatives	
<b>Conservation of Electricity</b>	<ul style="list-style-type: none"> <li>Low power and energy efficient air curtain installed at entry/exit points at Baddi factory to improve air conditioning efficiency and duct ingress.</li> <li>Using electrical drive blower for cleaning instead of compressed air. Saving approximately 15% energy (8 kWh /Month)</li> <li>Using mechanical float type auto drain valve instead of timer based. Saving approximately 20% power (i.e., 60 cu ft./month of compressed air)</li> </ul>

	<ul style="list-style-type: none"> <li>Using LEDs instead of CFL lights in Baddi Factory. LED is 75% more efficient than Incandescent light. Saving 750 kWh/day approx.</li> <li>Using partial solar (Street light) instead of LEDs lights</li> <li>Using motion sensor for washroom/cabins, meeting lights to save energy.</li> <li>Using Digital AC Timer for IT server room ACs for cyclic operation of two split Air Conditioner. Saving power consumption approx. 200 kWh/Month.</li> </ul>
<b><u>Aircon Optimization</u></b>	<ul style="list-style-type: none"> <li>Redesigned the layout of the incoming store area ensuring that there is no AC vent in the store only fans are available.</li> <li>Company has Installed VRF System which is using environment friendly refrigerant R410 and is energy efficient. It improves the quality of working areas as it provides better temperature control especially during winters.</li> </ul>
<b><u>Conservation of Environment</u></b>	<ul style="list-style-type: none"> <li>Rainwater Harvesting to recharge Ground Water 1900 Kilo liters /Year recharged.</li> <li>Reuse of our sewage water after treatment for irrigation of the green area 100 KL /Month water reused.</li> <li>Reuse sludge of sewage treatment plant as a compost manure 7.5 cube meter/ year</li> <li>Developed an oil mist collector to condensate the oil from blow by gases from DG Set. This increases the life of air filters and reduces contamination of ambient air.</li> </ul>
<b><u>Green Area Development</u></b>	<ul style="list-style-type: none"> <li>Timex celebrate Van Mahotsav every year to keep local people involved in plantation drives and spread environmental awareness. As part of the annual tree-planting festival, every year we plant about 40-50 local variants belonging to Himachal Pradesh.</li> </ul>

## 8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	2.705	2.068
E-waste (B)	0.154	0.073
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste generated (G)	-	-
Other Non-hazardous waste generated (H)		
Aluminium Scrap	0.029	0.055
Brass Scrap	0.451	0.662
MS Scrap	1.168	4.55
Steel	1.705	1.994
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>6.212</b>	<b>9.402</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operation (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	6.212	9.402
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>6.212</b>	<b>9.402</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assurance has been done for data verification.

## 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company's waste management systems are well defined to manage operational waste. Our plastic waste management processes are in line with Plastic Waste Management (PWM) EPR (Extended Producer Responsibility) guidelines under PWM Rule 2016.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S.no.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is compliant with the applicable environmental laws/regulations/ guidelines in India and no fines/penalties/actions were taken by regulatory agencies/ courts.				

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. - 2 (Two)
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/ National)
1	All India Federation of Horological Industries	National
2	Baddi Barotiwala Nalagarh Industries Association	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil		

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.no.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						



**3. Describe the mechanism to receive and redress grievances of the community.**

The Company acknowledges its responsibility towards the society and supports inclusive growth and equitable development of all its stakeholders. We strongly believe in growing together responsibly leading to success of our business. We aim at balancing the needs and address the concerns of our stakeholders and endeavour to take into the consideration the impact we have on the environment, society and the community.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	35%	32%
Sourced directly from within the district and neighbouring districts	2.1%	2%

**PRINCIPLE 9: Business should engage with and provide value to their consumers in a responsible manner**

**Essential Indicator**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has adequate mechanism and takes due efforts for addressing and redressal of consumer feedback and complaints. The consumers can raise their complaints through a dedicated phone line or by dropping an E-mail. The consumer complaints received at [feedback@timexindia.com](mailto:feedback@timexindia.com)/[custservice@timexindia.com](mailto:custservice@timexindia.com) are managed in accordance with the standard operating procedure (SOP). Based on its nature, the complaints are forwarded to the respective department for their further actions, if any, including adequate response to the said complaints. The Company also takes appropriate actions for addressing any consumer complaints lodged with the consumer forums as per the applicable laws and regulations.

**1. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

**2. Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	We have not received any complaint with respect to Data Privacy, Advertising and Cybersecurity during the FY 2022-23 and FY 2021-22					
Advertising						
Cyber-security						
Delivery of essential services	Our products and services do not fall under the category of essential services					
Restricted Trade Practices	We have not received any complaint with respect to restricted trade practices and unfair trade practices during the FY 2022-23 and FY 2021-22					
Unfair Trade Practices						
Other (consumer complaints relating to products)	10	0	-	14	0	-

**3. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Not applicable	
Forced recalls		

**4. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

No

**5. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not Applicable

## 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 March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Cash Flows 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 March 31, 2023, and its profit, 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 (SAs) specified under section 143(10) of the Act. 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.

#### 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. We have determined that there are no 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 Report, 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.

#### Responsibilities of Management and Those Charged with Governance 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 statements 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company’s 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 with reference to financial statements 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.

## 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, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India (refer Note 43 to the financial statements).
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to financial statements .

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.

i) 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 26A to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 26C to 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 26D to the financial statements;

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 34 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities.

(b) The Management has represented, that, to the best of its knowledge

and belief, as disclosed in the note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“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)

**Pramod B. Shukla**  
(Partner)

Place: Noida  
Date: May 23, 2023

(Membership No. 104337)  
(UDIN: 23104337BGYEZJ7393)

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report on the financial statements for the year ended March 31, 2023 to the Members of Timex Group India Limited of even date]

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of Timex Group India Limited (“the Company”) as of March 31, 2023 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 with reference to financial statements 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 respective 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial

statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company’s internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us on internal financial controls with

reference to financial statements the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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)

**Pramod B. Shukla**  
(Partner)

Place: Noida  
Date: May 23, 2023

(Membership No. 104337)  
(UDIN: 23104337BGYEZJ7393)

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report on the financial statements for the year ended March 31, 2023 to the Members of Timex Group India Limited of even date]

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, capital work in-progress and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) The Company does not have any immovable properties {other than properties (including buildings constructed thereon which is included in Property, plant and Equipment disclosed in the financial statements) where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee}.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 (“the Order”) is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. Sales Tax,

Service Tax and Value Added Tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. In lacs)	Period to which the Amount Relates	Forum where Dispute is Pending
The Gujarat Value Added Tax Act, 2003	Value Added Tax	5.51*	2013-2014	Deputy Commissioner (Appeals), Commercial taxes, Ahmedabad
The Central Sales Tax, 1956	Central Sales Tax	114.63*	2011-2014	Deputy Commissioner (Appeals), Commercial taxes, Ahmedabad
The Central Sales Tax, 1956	Central Sales Tax	11.27*	2015-2017	Deputy Commissioner (Appeals), Commercial taxes, Ernakulam
The Income-tax Act, 1961	Penalty u/s 271(1)(c)	464.67	AY 2013-14	Commissioner of Income-tax (Appeals)
The Customs Act, 1962	Customs Duty	123.87	1997	Commissioner of Customs (Export)
Goods and Services tax Act, 2017	Goods and Services Tax	9.23	AY 2018-2019	Assistant Commissioner, (ST)(FAC)
Goods and Services tax Act, 2017	Goods and Services Tax	2.73	AY 2019-2020	Assistant Commissioner, (ST)(FAC)
Goods and Services tax Act, 2017	Goods and Services Tax	0.19	AY 2020-2021	Assistant Commissioner, (ST)(FAC)

\*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. 1.25 Lakh and Rs. 15.29 lakhs respectively.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during

the year for long-term purposes by the Company.

- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year on the pledge of any security and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, as applicable, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or

- optionally) convertible debentures during the year.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) There is no core investment company within the Group {as defined in the Core Investment Companies (Reserve Bank) Directions, 2016} and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due (Also refer note 1B(iii) to the financial statements).
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

**Pramod B. Shukla**  
(Partner)

(Membership No. 104337)

(UDIN: 23104337BGYEZJ7393)

Place: Noida  
Date: May 23, 2023



# TIMEX GROUP

## Balance Sheet as at March 31, 2023

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

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2.1	586	588
(b) Capital work-in-progress	2.2	16	-
(c) Right-of-use assets	32	1,054	1,096
(d) Other Intangible assets	3	16	45
(e) Financial Assets			
-Other financial assets	4	88	62
(f) Deferred tax assets	25.3	1,684	-
(g) Income tax assets (net)	5	45	13
(h) Other non-current assets	6	25	22
<b>Total non-current assets</b>		<b>3,514</b>	<b>1,826</b>
<b>(2) Current assets</b>			
(a) Inventories	7	9,588	5,357
(b) Financial Assets			
(i) Trade receivables	8	5,237	4,860
(ii) Cash and cash equivalents	9	128	34
(iii) Bank balances other than (ii) above	10	2	2
(iv) Other financial assets	4	10	39
(c) Other current assets	6	953	922
<b>Total current assets</b>		<b>15,918</b>	<b>11,214</b>
<b>TOTAL ASSETS</b>		<b>19,432</b>	<b>13,040</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	1,010	1,010
(b) Other Equity	12	5,042	547
<b>Total Equity</b>		<b>6,052</b>	<b>1,557</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	167	-
(ii) Lease liabilities	32	960	1,008
(b) Provisions	13	1,428	863
<b>Total non-current liabilities</b>		<b>2,555</b>	<b>1,871</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	2,297	2,376
(ii) Lease liabilities	32	174	125
(iii) Trade payables	16		
- total outstanding dues of micro enterprises and small enterprises; and		508	638
- total outstanding dues of creditors other than micro enterprises and small enterprises.		6,094	4,969
(iv) Other financial liabilities	17	690	712
(b) Other current liabilities	14	515	414
(c) Provisions	13	547	378
<b>Total current liabilities</b>		<b>10,825</b>	<b>9,612</b>
<b>Total liabilities</b>		<b>13,380</b>	<b>11,483</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,432</b>	<b>13,040</b>

Accompanying notes forming part of the financial statements

1 to 43

In terms of our report attached

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

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pramod B. Shukla**

Partner

**David Thomas Payne**

Chairman

(DIN - 07504820)

Place : Connecticut, USA

Date : May 23, 2023

**Deepak Chhabra**

Managing Director

(DIN - 01879706)

Place : Noida

Date : May 23, 2023

**Dhiraj Kumar Maggo**

Vice President – Legal, HR & Company Secretary

(Membership No.:F7609)

Place : Noida

Date : May 23, 2023

**Amit Jain**

Chief Financial Officer

(PAN - AAMPJ9232F)

Place : Noida

Date : May 23, 2023

Place : Noida

Date : May 23, 2023

## Statement of Profit and Loss for the year ended March 31, 2023

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

Particulars	Note No.	Year ended	Year ended
		March 31, 2023	March 31, 2022
<b>I</b> Revenue from operations	18	38,345	26,446
<b>II</b> Other income	19	33	108
<b>III Total Income (I + II)</b>		<b>38,378</b>	<b>26,554</b>
<b>IV Expenses</b>			
Cost of materials consumed	20	15,254	11,008
Purchases of stock-in-trade	20.1	9,942	5,386
Changes in inventories of finished goods and stock-in-trade	20.2	(3,441)	(1,589)
Employee benefits expense	21	4,639	3,769
Finance costs	22	532	190
Depreciation and amortisation expenses	23	360	357
Other expenses	24	8,125	7,111
<b>Total Expenses (IV)</b>		<b>35,411</b>	<b>26,232</b>
<b>V Profit before tax (III - IV)</b>		<b>2,967</b>	<b>322</b>
<b>VI Tax Expense</b>			
Current tax		-	-
Deferred tax	25.1	(1,685)	-
<b>Total tax expense</b>		<b>(1,685)</b>	<b>-</b>
<b>VII Profit for the period (V - VI)</b>		<b>4,652</b>	<b>322</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Gain / (loss) on defined benefit obligations	28.2	5	(20)
- Income tax relating to items that will not be reclassified to profit or loss	25.1	(1)	-
<b>Total other comprehensive income</b>		<b>4</b>	<b>(20)</b>
<b>IX Total comprehensive income for the period (VII + VIII)</b>		<b>4,656</b>	<b>302</b>
Earning per equity share [Face value of share - Re. 1 (absolute amount) each]			
Basic (in Rs.)	30	3.90	(0.39)
Diluted (in Rs.)	30	3.90	(0.39)
Accompanying notes forming part of the financial statements	1 to 43		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pramod B. Shukla**

Partner

Place : Noida

Date : May 23, 2023

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

**David Thomas Payne**

Chairman  
(DIN - 07504820)  
Place : Connecticut, USA  
Date : May 23, 2023

**Dhiraj Kumar Maggo**

Vice President – Legal, HR & Company Secretary  
(Membership No.:F7609)  
Place : Noida  
Date : May 23, 2023

**Deepak Chhabra**

Managing Director  
(DIN - 01879706)  
Place : Noida  
Date : May 23, 2023

**Amit Jain**

Chief Financial Officer  
(PAN - AAMPJ9232F)  
Place : Noida  
Date : May 23, 2023

## Statement of Cash Flows for the year ended March 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,967	322
Adjustments for:		
Interest income	(7)	(10)
Liabilities/provisions no longer required written back	(2)	(18)
Grant income	-	(6)
Finance costs	532	190
Depreciation and amortisation expenses	360	357
Net loss on sale / discarding of property, plant and equipment	1	1
Property, Plant and equipment written off	1	11
Allowance for bad and doubtful debts (net)	59	(74)
Net unrealised currency exchange fluctuation (gain)/loss	(31)	27
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets		
Inventories	(4,231)	(2,030)
Trade receivables	(438)	(973)
Other financial assets (Current)	29	2
Other financial assets (Non-current)	(26)	10
Other assets (Current)	(31)	290
Other assets (Non-current)	-	-
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	1,031	(178)
Other financial liabilities (Current)	(39)	(129)
Provisions (Current)	174	94
Provisions (Non-current)	565	106
Other liabilities (Current)	101	252
<b>Cash generated /(outflow) from operations</b>	<b>1,015</b>	<b>(1,756)</b>
Income taxes paid (net of refunds)	(32)	(10)
<b>Net cash generated from /(used in) operating activities</b>	<b>983</b>	<b>(1,766)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	7	10
Bank balances not considered as cash and cash equivalents	0 #	0 #
Payment for purchase of property, plant and equipment and other intangible assets	(145)	(116)
Proceeds from sale of property, plant and equipment	4	3
<b>Net cash (used in) investing activities</b>	<b>(134)</b>	<b>(103)</b>

## Statement of Cash Flows for the year ended March 31, 2023 (Contd...)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of non cumulative non convertible preference shares	250	-
Repayment of non cumulative non convertible preference shares	(250)	-
Net proceeds / (repayment) from borrowings (Current)	(79)	2,085
Repayment of lease liabilities and Interest	(255)	(233)
Finance costs paid	(421)	(80)
<b>Net cash (used in)/generated from financing activities</b>	<b>(755)</b>	<b>1,772</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>94</b>	<b>(97)</b>
Cash and cash equivalents at the beginning of the year	34	131
Cash and cash equivalents at the end of the year	<b>128</b>	<b>34</b>
<b>Note:</b>		
<b>Component of cash and cash equivalents :</b>		
Balances with Banks		
-In current accounts	125	-
Cheques, drafts on hand	2	34
Cash on hand	1	0 #
	<b>128</b>	<b>34</b>

**Note:**

The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

### Reconciliation of liabilities arising from financing activities

Particulars	March 31, 2022	Addition	Non cash changes	Repayment	March 31, 2023
Non-current borrowings	-	250	(83)	-	167
Current borrowings	2,376	-	-	(79)	2,297
Lease liabilities	1,133	144	111	(255)	1,134
<b>Total</b>	<b>3,509</b>	<b>394</b>	<b>28</b>	<b>(334)</b>	<b>3,598</b>

# Amount is below rounding off threshold adopted by the Company

Accompanying notes forming part of the financial statements

1 to 43

In terms of our report attached

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

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pramod B. Shukla**

Partner

**David Thomas Payne**

Chairman

(DIN - 07504820)

Place : Connecticut, USA

Date : May 23, 2023

**Deepak Chhabra**

Managing Director

(DIN - 01879706)

Place : Noida

Date : May 23, 2023

**Dhiraj Kumar Maggo**

Vice President – Legal, HR & Company Secretary

(Membership No.:F7609)

Place : Noida

Date : May 23, 2023

**Amit Jain**

Chief Financial Officer

(PAN - AAMPJ9232F)

Place : Noida

Date : May 23, 2023

Place : Noida

Date : May 23, 2023

## Statement of Changes in Equity for the year ended March 31, 2023

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

### (a) Equity share capital

	<u>Amount</u>
<b>Balance as at March 31, 2021</b>	1,010
Changes in equity share capital during the year	-
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the current year	-
<b>Balance as at March 31, 2022</b>	<u>1,010</u>
Changes in equity share capital during the year	-
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the current year	-
<b>Balance as at March 31, 2023</b>	<u><u>1,010</u></u>

(b) Other Equity	Securities Premium	Equity component of compound financial instrument- Preference shares	Retained earnings	TOTAL
<b>Balance as at March 31, 2021</b>	351	7,610	(7,716)	245
Profit for the year	-	-	322	322
Other comprehensive income for the year, net of income tax	-	-	(20)	(20)
<b>Total comprehensive income for the year</b>	-	-	<u>302</u>	<u>302</u>
<b>Balance as at March 31, 2022</b>	351	7,610	(7,414)	547
Profit for the year	-	-	4,652	4,652
Other comprehensive income for the year, net of income tax	-	-	4	4
<b>Total comprehensive income for the year</b>	-	-	<u>4,656</u>	<u>4,656</u>
Add : 0.09% non cumulative redeemable non convertible preference shares {refer note 1.C.(i)(b) and 15 (i) }	-	89	-	89
Less: Repayment of Preference share	-	(250)	-	(250)
<b>Balance as at March 31, 2023</b>	<u>351</u>	<u>7,449</u>	<u>(2,758)</u>	<u>5,042</u>

Accompanying notes forming part of the financial statements

1 to 43

In terms of our report attached

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

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pramod B. Shukla**

Partner

**David Thomas Payne**

Chairman  
(DIN - 07504820)  
Place : Connecticut, USA  
Date : May 23, 2023

**Deepak Chhabra**

Managing Director  
(DIN - 01879706)  
Place : Noida  
Date : May 23, 2023

**Dhiraj Kumar Maggo**

Vice President – Legal, HR & Company Secretary  
(Membership No.:F7609)  
Place : Noida  
Date : May 23, 2023

**Amit Jain**

Chief Financial Officer  
(PAN - AAMPJ9232F)  
Place : Noida  
Date : May 23, 2023

Place : Noida

Date : May 23, 2023

## Notes forming part of the financial statements for the year ended March 31, 2023

(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 E-10, Lower Ground Floor, Lajpat Nagar - III, New Delhi – 110024. The Company’s Parent Company is Timex Group Luxury Watches B.V., Netherlands and Ultimate Holding Company is BP Horological Group L.L.C.

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

The financial statements were approved for issue in accordance with a resolution of the directors on May 23, 2023.

#### B SIGNIFICANT ACCOUNTING POLICIES

##### (i) Statement of compliance

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

##### (ii) 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.

##### (iii) Use of going concern assumption

The Company has past accumulated losses which resulted in substantial erosion of total equity of the Company. The Company has started delivering growth in revenue post Covid 19 pandemic and in the current period as well. The Company has reported profit for the period of Rs. 4,652 lakhs (year ended March 31, 2022: Rs. 322 lakhs) and has positive net current asset position.

As per business plan approved by the Board of Directors, the Company expects growth in its operations with continuous improvement in the operational efficiency and the funding requirements of the Company will be met through flow of funds from operations and bank borrowings which have been fully guaranteed by Tanager Group B.V., the Intermediate Holding Company. Further, the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

In view of the above, the use of going concern assumption has been considered appropriate by the Management in preparation of the above financial statements of the Company.

##### (iv) 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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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 equipment	4 to 6 years
Office equipment	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.

### (v) 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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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.

### (vi) 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.

### (vii) 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.

### (viii) 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.

### (ix) 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,



## Notes forming part of the financial statements for the year ended March 31, 2023

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

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.

### (x) 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.

### (xi) 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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

- 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) 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.
  - (c) Stock in trade are valued at lower of cost and net realisable value.
  - (d) Goods in transit are valued at cost.

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.

Obsolete, slow moving and defective stocks are identified on the basis of regular reviews by the management and, where necessary, adequate provision is made for such stock.

### (xii) 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.

### (xiii) Revenue recognition

The Company recognises revenue when the control of goods being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled based on various customer terms including at the time of delivery of goods, dispatch or upon customer acceptance based on various distribution channels. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue recognised from major business activities:

#### a) Sale of products

Revenue from the sale of products is recognised at the point in time when control of the goods is transferred to the customer and in case of export sales of goods, it takes place on dispatch of goods from the customs port.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

The Contract assets and contract liabilities are recognised basis its estimate of return on historical results, taking into consideration

## Notes forming part of the financial statements for the year ended March 31, 2023

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

the type of customer, the type of transaction and the specifics of each arrangement.

**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.

**(xiv) Taxation**

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

**a) Current tax**

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

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

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

**b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax

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

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

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

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

**c) Current and deferred tax for the year**

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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### (xv) 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.

### (xvi) 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 are adjusted for the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprise of the weighted average shares considered for deriving basic earnings per equity share and weighted average number of equity shares, if any, which would have been issued on the conversion of all dilutive potential equity shares unless the impact is anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

### (xvii) 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.

### (xviii) 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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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.

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### (xix) 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.

### (xx) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements -** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to IND AS 107 and IND AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -** This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes -** This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also there is corresponding amendment to IND AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

The amendment is effective from 1 April, 2023. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no impact.



## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 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 (including timing thereof) of such preference share capital at the time of issue of these preference shares. The Company evaluates its current operations, performance and expected cash flows at the time of infusion of each of such issue of preference shares to consider its ability to repay

(including timing thereof) the said preference shares. In respect of preference shares issued until March 31, 2022 based on evaluation done by the management, 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 those preference shares, there was no valid expectations of this amount being repaid and accordingly were classified as equity in these Ind AS Financial Statements.

25,00,000, 0.09% Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs.10 (absolute amount) each were issued on November 23, 2022. The shares are redeemable in maximum period of 5 years with an early redemption option with an issuer. In addition, the preference shares have fixed non-discretionary dividend payments and mature on November 22, 2027. The Company has designated these preference shares as financial liabilities at FVTPL as permitted by Ind AS 109. As on date of issuance, the present value of differential between the market interest rate and actual interest rate amounting Rs. 89 lakhs are classified as deemed equity contribution.

#### (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.

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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.

The Company has reassessed unrecognised deferred tax assets as at March 31, 2023. Considering the fact that the Company has been making taxable profits in the recent years owing to improvements in business conditions and financial performance, the Company has recognised deferred tax assets as at March 31, 2023 amounting Rs. 1,684 lakhs (including Rs. 1,010 lakhs in respect of unabsorbed depreciation) in the financial statements for the year ended March 31, 2023 as it is considered probable that future taxable profits will be available.

### (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.

### (d) Allowance for Trade Receivables

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.

### (e) Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established with respect to 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 the company warranty policy. Management estimates the expense based on historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 2.1 PROPERTY, PLANT AND EQUIPMENT

	As at March 31, 2023		As at March 31, 2022	
Buildings	158		169	
Leasehold improvements	60		72	
Plant and Equipment	150		147	
Furniture and Fixtures	37		50	
Computer Equipment	151		116	
Office Equipment	30		34	
	<b>586</b>		<b>588</b>	

	Buildings*	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Computer equipment	Office equipment	Total
<b>Gross Carrying Amount</b>							
<b>Balance at March 31, 2021</b>	<b>235</b>	<b>110</b>	<b>301</b>	<b>104</b>	<b>283</b>	<b>77</b>	<b>1,110</b>
Additions	-	-	15	7	86	8	116
Disposals	-	-	(13)	(3)	(75)	(3)	(94)
<b>Balance at March 31, 2022</b>	<b>235</b>	<b>110</b>	<b>303</b>	<b>108</b>	<b>294</b>	<b>82</b>	<b>1,132</b>
Additions	-	-	32	6	93	8	139
Disposals	-	-	(1)	-	(79)	(3)	(83)
<b>Balance at March 31, 2023</b>	<b>235</b>	<b>110</b>	<b>334</b>	<b>114</b>	<b>308</b>	<b>87</b>	<b>1,188</b>
<b>Accumulated depreciation</b>							
<b>Balance at March 31, 2021</b>	<b>55</b>	<b>27</b>	<b>132</b>	<b>40</b>	<b>199</b>	<b>40</b>	<b>493</b>
Depreciation expense	11	11	28	20	50	10	130
Disposals / adjustments	-	-	(4)	(2)	(71)	(2)	(79)
<b>Balance at March 31, 2022</b>	<b>66</b>	<b>38</b>	<b>156</b>	<b>58</b>	<b>178</b>	<b>48</b>	<b>544</b>
Depreciation expense	11	12	29	19	53	11	135
Disposals / adjustments	-	-	(1)	-	(74)	(2)	(77)
<b>Balance at March 31, 2023</b>	<b>77</b>	<b>50</b>	<b>184</b>	<b>77</b>	<b>157</b>	<b>57</b>	<b>602</b>
<b>Carrying Amount</b>							
<b>Balance at March 31, 2021</b>	<b>180</b>	<b>83</b>	<b>169</b>	<b>64</b>	<b>84</b>	<b>37</b>	<b>617</b>
Additions	-	-	15	7	86	8	116
Disposals	-	-	(9)	(1)	(4)	(1)	(15)
Depreciation expenses	(11)	(11)	(28)	(20)	(50)	(10)	(130)
<b>Balance at March 31, 2022</b>	<b>169</b>	<b>72</b>	<b>147</b>	<b>50</b>	<b>116</b>	<b>34</b>	<b>588</b>
Additions	-	-	32	6	93	8	139
Disposals	-	-	-	-	(5)	(1)	(6)
Depreciation expenses	(11)	(12)	(29)	(19)	(53)	(11)	(135)
<b>Balance at March 31, 2023</b>	<b>158</b>	<b>60</b>	<b>150</b>	<b>37</b>	<b>151</b>	<b>30</b>	<b>586</b>

\* 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.(iv) for accounting policy.

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

### 2.2 CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work in progress	16	-
<b>Balance at the end of the year</b>	<b>16</b>	<b>-</b>

**Notes forming part of the financial statements for the year ended March 31, 2023**  
(All amounts in Rs. Lakhs, unless otherwise stated)

**CWIP Ageing Schedule:**

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	16	-	-	-	16
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

### 3 OTHER INTANGIBLE ASSETS

	As at March 31, 2023	As at March 31, 2022
Computer software	16	45
	<b>16</b>	<b>45</b>

**PARTICULARS**

**Gross Carrying Amount**

**Balance at March 31, 2021**

Additions / Adjustments

Disposals

**Balance at March 31, 2022**

Additions / Adjustments

Disposals

**Balance at March 31, 2023**

**Accumulated amortisation and impairment**

**Balance at March 31, 2021**

Amortisation expenses

Disposals

**Balance at March 31, 2022**

Amortisation expenses

Disposals

**Balance at March 31, 2023**

**Carrying Amount**

**Balance at March 31, 2021**

Additions

Disposals

Amortisation expenses

**Balance at March 31, 2022**

Additions

Disposals

Amortisation expenses

**Balance at March 31, 2023**

**Computer  
Software**

**238**

-

-

**238**

**238**

**155**

38

-

**193**

29

**222**

**83**

-

-

38

**45**

-

-

29

**16**

**Note:** The Company has opted to use the carrying value under previous GAAP as deemed cost for its intangible assets and for amortization period. Refer Note 1.B.(v) for accounting policy.

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 4 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Security deposits	88	62
	<b>88</b>	<b>62</b>
<b>Current</b>		
Security deposits	10	39
Interest accrued on fixed deposits with banks	0 #	0 #
	<b>10</b>	<b>39</b>

# Amount is below rounding off threshold adopted by the Company

### 5 INCOME TAX ASSETS

	As at March 31, 2023	As at March 31, 2022
<b>Tax assets</b>		
Taxes paid (net of provisions)	45	13
	<b>45</b>	<b>13</b>

### 6 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
Taxes and duties paid under protest	17	17
Balance with government authorities	5	5
Capital Advances	3	-
	<b>25</b>	<b>22</b>
<b>Current</b>		
Prepaid expenses	85	70
Balance with government authorities	146	153
Advance to suppliers	240	216
Advances to employees	11	26
Contract asset {refer note (i) below}	449	452
Others {refer note (ii) below}	22	5
	<b>953</b>	<b>922</b>

(i) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 17.

(ii) Includes 10,000 numbers of silver coins worth of Rs. 22 lakhs (2022: Includes 287 numbers of silver coins and 727 numbers of gold coins worth of Rs. 5 lakhs) which are procured for sales promotion activity.

### 7 INVENTORIES

(Lower of cost and net realisable value)

	As at March 31, 2023	As at March 31, 2022
Raw materials	2,596	1,806
Finished goods	3,810	1,969
Stock-in-trade	3,182	1,582
	<b>9,588</b>	<b>5,357</b>
<b>Included in above, goods-in-transit:</b>		
Raw materials	188	-
Finished goods	0 #	-
Stock-in-trade	64	153
	<b>252</b>	<b>153</b>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### Notes

- (i) The cost of inventories recognised as an expense during the year is Rs. 23,723 lakhs (2022: Rs. 16,601 lakhs)
- (i) The cost of inventories recognised as an expense includes Rs.517 lakhs ( 2022: Rs. 149 lakhs) in respect of write-downs of inventory or to bring the valuation of inventory to net realisable value.
- (ii) The method of valuation of inventories has been stated in note 1.B.(xi).

# Amount is below rounding off threshold adopted by the Company

## 8 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	4,860	4,717
Unsecured, significant increase in credit risk	495	227
Unsecured, credit impaired	319	295
Less: Allowance for bad and doubtful debts (refer note below)	(437)	(379)
	<b>5,237</b>	<b>4,860</b>

The Company uses expected credit loss model to assess the impairment loss or gain. The Company has used a practical expedient by computing the allowance for bad and doubtful debts 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 allowance for bad and doubtful debts 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) Trade Receivable Ageing Schedule (on gross basis)

As at March 31, 2023	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	3 Year and More	Total
(i) Undisputed Trade receivables – considered good	4,231	604	10	15	-	4,860
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	378	39	39	17	22	495
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	57	-	16	246	319
	<b>4,609</b>	<b>700</b>	<b>49</b>	<b>48</b>	<b>268</b>	<b>5,674</b>
As at March 31, 2022	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	3 Year and More	Total
(i) Undisputed Trade receivables – considered good	4,717	-	-	-	-	4,717
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	159	46	15	7	227
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	41	254	295
	<b>4,717</b>	<b>159</b>	<b>46</b>	<b>56</b>	<b>261</b>	<b>5,239</b>

\* Includes amount not due of Rs. 785 lakhs (March 31, 2022: Rs. 690 lakhs).

## Notes forming part of the financial statements for the year ended March 31, 2023

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

(iii) There is one customer as at March 31, 2023, representing more than 10% of the total balance of trade receivables. In previous year, there were no customers as at March 31, 2022 representing more than 10% of the total balance of trade receivables.

(iv) Movement in allowance for bad and doubtful debts (expected credit loss):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	379	457
Provided during the year	82	-
Utilised during the year	-	(4)
Reversed during the year	(24)	(74)
<b>Balance at the end of the year</b>	<b>437</b>	<b>379</b>

(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, 2023	As at March 31, 2022
Balances with Banks		
-In current accounts	125	-
Cheques on hand	2	34
Cash on hand	1	0 #
	<b>128</b>	<b>34</b>

## 10 OTHER BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
Deposit accounts with maturity beyond three months upto twelve months*	2	2
	<b>2</b>	<b>2</b>

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

# Amount is below rounding off threshold adopted by the Company

## 11 SHARE CAPITAL

### A. Equity Share Capital

#### Authorised equity share capital:

90,00,00,000 (As at March 31, 2022: 90,00,00,000)

equity shares of Re. 1 (absolute amount) each

	As at March 31, 2023	As at March 31, 2022
	9,000	9,000
	<b>9,000</b>	<b>9,000</b>

#### Issued, subscribed and fully paid up equity share capital

10,09,50,000 (As at March 31, 2022: 10,09,50,000) equity shares of Re. 1 (absolute amount) each

	1,010	1,010
	<b>1,010</b>	<b>1,010</b>

### (i) Reconciliation of authorised equity share capital

	Number of shares	Amount
Balance at March 31, 2021	90,00,00,000	9,000
Add / Less: Movement during the year	-	-
Balance at March 31, 2022	90,00,00,000	9,000
Add / Less: Movement during the year	-	-
<b>Balance at March 31, 2023</b>	<b>90,00,00,000</b>	<b>9,000</b>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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

	Number of shares	Amount
Balance at March 31, 2021	10,09,50,000	1,010
Add / Less: Movement during the year	-	-
Balance at March 31, 2022	10,09,50,000	1,010
Add / Less: Movement during the year	-	-
<b>Balance at March 31, 2023</b>	<b>10,09,50,000</b>	<b>1,010</b>

The Company has not bought back any 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
<b>As at March 31, 2023</b>		
Timex Group Luxury Watches B.V., the Holding Company	7,56,45,500	74.93%
<b>As at March 31, 2022</b>		
Timex Group Luxury Watches B.V., the Holding Company	7,56,45,500	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, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Timex Group Luxury Watches B.V.	7,56,45,500	74.93%	7,56,45,500	74.93%

### (v) Shareholding of promoter

Share held by promoters at March 31, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year
Timex Group Luxury Watches B.V.	7,56,45,500	74.93%	0.00%

## B. Non-convertible preference share capital

### Authorised preference share capital

	As at March 31, 2023	As at March 31, 2022
8,00,00,000 (As at March 31, 2022: 8,00,00,000) preference shares of Rs. 10 (absolute amount) each	8,000	8,000
	<b>8,000</b>	<b>8,000</b>

### Issued, subscribed and fully paid up preference share capital

7,36,00,000 (As at March 31, 2022: 7,61,00,000) preference shares of Rs. 10 (absolute amount) each	7,360	7,610
	<b>7,360</b>	<b>7,610</b>



## Notes forming part of the financial statements for the year ended March 31, 2023

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

(i) **Equity component of redeemable preference share capital**

	Number of shares	Amount
Balance at March 31, 2021	76,100,000	7,610
Add / Less: Movement during the year	-	-
Balance at March 31, 2022	76,100,000	7,610
Add : Movement during the year	-	-
Less: Movement during the year	(2,500,000)	(250)
<b>Balance at March 31, 2023</b>	<b>73,600,000</b>	<b>7,360</b>

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

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Fully paid preference shares</b>				
<b>Timex Group Luxury Watches B.V.</b>				
*0.09% non cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	25,00,000	100%	-	-
0.1% (2022:0.1%) non cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	-	-	25,00,000	100%
13.88%(2022:13.88%) 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%(2022:13.88%) 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%(2022:5%) 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%

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

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Fully paid equity shares</b>				
<b>Timex Group Luxury Watches B.V.</b>				
*0.09% non cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	25,00,000	100%	-	-
0.1% (2022:0.1%) non cumulative redeemable non convertible preference shares of Rs. 10 (absolute amount) each fully paid up	-	-	25,00,000	100%
13.88%(2022:13.88%) 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%(2022:5%) 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%

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### Terms/ rights attached to issued preference shares:

\*25,00,000 (2022:Nil) 0.09% (2022:Nil) Non-cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 0.09% per annum issued on November 22, 2022. 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.

25,00,000 (2022:25,00,000) 0.10%(2022:0.10%) 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. These preference shares were redeemed on November 23, 2022.

1,57,00,000 (2022:1,57,00,000) 13.88% (2022:13.88%) 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 (2022:2,29,00,000) 13.88% (2022:13.88%) 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 (2022: 3,50,00,000) 5% (2022: 5%) cumulative redeemable non-convertible preference shares shall be entitled to dividend at the rate of 5% per annum. In case of insufficiency of profits /no profits, the dividend on preference shares shall not be declared and distributed in the respective year but the dividend liability on the preference shares for that respective year shall be cumulated and paid to the holders of the preference shares.

Preference shares of all classes carry a preferential right as to dividend over equity shares. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward whereas in the case of non-cumulative preference shares, the entitlement for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

### Terms of redemption of preference shares

\*Maturity period for redemption of 0.09% preference shares amounting to Rs. 250 lakhs is issued on November 22, 2022. Maturity of these shares are five years from the date of allotment i.e. November 22, 2022, with an option with either party for an early redemption at any time.

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. These preference shares were redeemed on November 23, 2022.

Maturity period for redemption of 13.88% (2022:13.88%) 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% (2022:13.88%) 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.

## Notes forming part of the financial statements for the year ended March 31, 2023

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

Maturity period for redemption of 5% (2022: 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.

The preference shareholders, vide their letter dated March 31, 2020, have relinquished their voting rights accrued/accruing on the preference shares in terms of second proviso to section 47(2) of the Companies Act, 2013 due to non-payment of dividend till date or during the remaining tenure of preference shares.

During the 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 upto FY 2017-18 and extension of maturity of above preference shares.

Also refer note 26A (b)

\*Also refer note 15 (i) and 1.C.(i) (b)

## 12 OTHER EQUITY

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Retained earnings	(2,758)	(7,414)
Securities premium	351	351
Equity component of compound financial instrument		
-Preference share capital (refer note 1.C.(i).(b) and 11.B)	7,449	7,610
	<b><u>5,042</u></b>	<b><u>547</u></b>

### 12.1 Retained earnings

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balance at beginning of the year	(7,414)	(7,716)
Profit for the year	4,652	322
Other comprehensive income arising from remeasurement of defined benefit obligation	4	(20)
<b>Balance at end of the year</b>	<b><u>(2,758)</u></b>	<b><u>(7,414)</u></b>

This represents the cumulative profits/(losses) of the Company and effects of re-measurement of defined benefit obligation. This can be utilised in accordance with the provisions of the Companies Act, 2013.

### 12.2 Securities premium

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balance at beginning of the year	351	351
Movement during the year	-	-
<b>Balance at end of the year</b>	<b><u>351</u></b>	<b><u>351</u></b>

Securities premium represents amounts received on issue of shares in excess of the par value has been classified as securities premium.

### 12.3 Equity component of compound financial instrument- Preference share

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balance at beginning of the year	7,610	7,610
Add : Equity component of shares issued during the year {refer note 15(i)}	89	-
Less: Redeemed during the year	(250)	-
<b>Balance at end of the year</b>	<b><u>7,449</u></b>	<b><u>7,610</u></b>

Represents equity component of issuance of non convertible non cumulative/cumulative preference shares issued by the Company. Also refer note 15.

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 13 PROVISIONS

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Provision for employee benefits		
Provision for gratuity (refer note 28.2)	663	584
Provision for compensated absences (refer note 28.3)	306	279
Provision for Long Term Incentive {refer footnote (ii) below}	459	-
	<u>1,428</u>	<u>863</u>
<b>Current</b>		
Provision for employee benefits		
Provision for gratuity (refer note 28.2)	89	107
Provision for compensated absences (refer note 28.3)	45	59
Provision for Long Term Incentive {refer footnote (ii) below}	118	-
<b>Others</b>		
Provision for warranties {refer note 1.B.(xii) and footnote (i) below}	295	212
	<u>547</u>	<u>378</u>

#### Footnotes:-

Movement in other provisions are as follows:

	As at March 31, 2023	As at March 31, 2022
<b>(i) Provision for warranties</b>		
<b>Opening Balance</b>	212	123
Provision created/(reversed) during the year	504	291
Provision utilised during the year	(421)	(202)
<b>Closing Balance</b>	<u>295</u>	<u>212</u>
<b>(ii) Provision for Long Term Incentive (refer note 28.4)</b>		
<b>Opening Balance</b>	-	-
Provision created during the year	577	-
Provision utilised during the year	-	-
<b>Closing Balance</b>	<u>577</u>	<u>-</u>

### 14 OTHER LIABILITIES

	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Advances received from customers (contract liability)^	188	50
Statutory dues payable	312	349
Others*	15	15
	<u>515</u>	<u>414</u>

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

\* Liability for contingencies represents probable outflow of resources for matters under litigation.

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	50	60
Advances received / (Revenue recognised) (net)	138	(10)
As at the end of the year	<u>188</u>	<u>50</u>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 15 BORROWINGS

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Unsecured - at fair value through profit or loss		
0.09% non cumulative redeemable non convertible preference shares [refer note (i) below]	167	-
	<u>167</u>	<u>-</u>
<b>Current</b>		
Unsecured - at amortised cost		
Loan repayable on demand from banks [refer note (ii) below]		
-Cash credit from banks	2,297	2,376
	<u>2,297</u>	<u>2,376</u>
Amount undrawn from cash credit as on the balance sheet date	2,462	2,383
(i) 25,00,000, 0.09% Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs.10 (absolute amount) each were issued on November 23, 2022. The shares are redeemable in maximum period of 5 years with an early redemption option with an issuer. In addition, the preference shares have fixed non-discretionary dividend payments and mature on November 22, 2027. The Company has designated these preference shares as financial liabilities at FVTPL as permitted by Ind AS 109. As on date of issuance, the present value of differential between the market interest rate and actual interest rate amounting Rs. 89 lakhs are classified as deemed equity contribution.		
During the year, no dividends was paid on these redeemable non-cumulative preference shares.		
(ii) Cash credit facilities from banks carry interest ranging between 6.14% to 10.54% p.a (PY: 6.08% to 10.05% p.a)., computed on a monthly basis on actual amount utilised, and are repayable on demand. The cash credit facilities are guaranteed through Standby Letter of Credit (SBLC) by Tanager Group B.V. (formerly known as Timex Group B.V.), an intermediate holding company.		

### 16 TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
<b>Outstanding dues of micro enterprises and small enterprises;</b>	508	638
Outstanding dues of creditors other than micro enterprises and small enterprises.	6,094	4,969
	<u>6,602</u>	<u>5,607</u>

#### Trade Payables aging schedule for the year ended as on 31 March 2023:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) MSME	508	-	-	-	508
(ii) Others	6,071	9	2	1	6,083
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	11	11
<b>Total</b>	<u>6,579</u>	<u>9</u>	<u>2</u>	<u>12</u>	<u>6,602</u>

#### Trade Payables aging schedule for the year ended as on 31 March 2022:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) MSME	638	-	-	-	638
(ii) Others	4,954	2	2	-	4,958
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	11	11
<b>Total</b>	<u>5,592</u>	<u>2</u>	<u>2</u>	<u>11</u>	<u>5,607</u>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

\* Trade payables for less than 1 year includes Rs 1,102 (March 31, 2022: 957 lakhs) of unbilled dues and amount not due of Rs. 105 lakhs (March 31, 2022: Rs. 183 lakhs)

### 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, 2023	As at March 31, 2022
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	508	638
- Interest due thereon	-	-
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

	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Contract liability [refer note (i) below]	673	712
Payable for Property, Plant and Equipment	17	-
	<b>690</b>	<b>712</b>

(i) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Company estimates to be returned on account of expected sales return.

## 18 REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of products</b>		
Manufactured goods	25,264	19,231
Watches	615	431
Components and others		
Traded goods	12,129	6,523
Watches		
	<b>38,008</b>	<b>26,185</b>
Income from services provided		
Support services	308	236
Customer Services	29	25
	<b>337</b>	<b>261</b>
	<b>38,345</b>	<b>26,446</b>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

Reconciliation of revenue recognised with contract price:

A. Contract price	43,091	29,338
B. Adjustments for:		
Discount & Incentives as per contract/schemes	5,083	3,153
C. Revenue From Operations	<b>38,008</b>	<b>26,185</b>

### 19 OTHER INCOME

Interest income on financial assets carried at amortized cost

	Year ended March 31, 2023	Year ended March 31, 2022
- on bank deposits	0 #	0 #
- on others	7	10
Grant Income	-	6
Reversal of allowance for bad and doubtful debts	24	74
Liabilities /provisions no longer required written back	2	18
	<b>33</b>	<b>108</b>

# Amount is below rounding off threshold adopted by the Company

### 20 COST OF MATERIALS CONSUMED

Opening stock of raw materials

Add: Purchases of raw materials

Less: Closing stock of raw materials

**Cost of materials consumed**

	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock of raw materials	1,806	1,365
Add: Purchases of raw materials	16,044	11,449
Less: Closing stock of raw materials	17,850	12,814
<b>Cost of materials consumed</b>	<b>15,254</b>	<b>11,008</b>

#### 20.1 Purchase of Stock In Trade

Watches

	Year ended March 31, 2023	Year ended March 31, 2022
Watches	9,942	5,386
	<b>9,942</b>	<b>5,386</b>

#### 20.2 Changes In Inventories of Finished Goods, Work In Progress and Stock In Trade

**Inventories at the end of the year:**

Finished goods

Stock-in-trade

**Inventories at the beginning of the year:**

Finished goods

Stock-in-trade

**(Increase)/decrease in inventories :**

Finished goods

Stock-in-trade

Net (Increase)/decrease in inventories

	Year ended March 31, 2023	Year ended March 31, 2022
Finished goods	3,810	1,969
Stock-in-trade	3,182	1,582
	<b>6,992</b>	<b>3,551</b>
Finished goods	1,969	1,363
Stock-in-trade	1,582	599
	<b>3,551</b>	<b>1,962</b>
Finished goods	(1,841)	(606)
Stock-in-trade	(1,600)	(983)
Net (Increase)/decrease in inventories	<b>(3,441)</b>	<b>(1,589)</b>

### 21 EMPLOYEE BENEFITS EXPENSE

Salaries and wages

Contribution to provident and other funds (refer note 28.1)

Gratuity (refer note 28.2)

Compensated absences (refer note 28.3)

Workmen and staff welfare expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	4,051	3,258
Contribution to provident and other funds (refer note 28.1)	189	159
Gratuity (refer note 28.2)	125	128
Compensated absences (refer note 28.3)	85	88
Workmen and staff welfare expenses	189	136
	<b>4,639</b>	<b>3,769</b>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 22 FINANCE COSTS

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	185	80
Interest on lease liability (refer note 32)	111	110
Loss arising on financial liabilities designated at FVTPL	6	-
Others*	230	-
	<b>532</b>	<b>190</b>

\*Represents standby letter of credit charges paid to Timex Group USA, Inc., fellow subsidiary of the Company.

### 23 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 2.1)	135	131
Amortisation of intangible assets (refer note 3)	29	38
Depreciation on ROU assets (refer note 32)	196	188
	<b>360</b>	<b>357</b>

### 24 OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	68	40
Power and fuel	78	69
Selling and distribution expenses	490	424
Rent (refer note 32)	179	159
Repairs and maintenance:		
- Buildings	125	109
- Plant and machinery	67	27
- Others	29	23
Insurance	102	113
Rates and taxes	4	25
Advertising	1,315	1,565
Sales promotion	1,640	1,295
Minimum guarantee expenses	-	111
Professional and legal charges	164	200
Travelling and conveyance expenses	545	425
Directors' sitting fees	10	16
Allowance for bad and doubtful debts	83	-
Loss on sale of property, plant and equipment (net)	1	1
Property, plant and equipment written off	1	11
Bank charges	5	49
Communication expenses	61	64
Warranty expenses	504	291
Meeting and conference	96	167
Purchased services	1,513	998
Support & Service Charges	709	506
Auditor remuneration (net of input tax credit):		
- As auditors (for audit)	22	22
- Limited reviews	11	11
- Taxation matters (for tax audit)	2	2
- Reimbursement of out of pocket expenses	2	1
Net loss on account of foreign exchange fluctuations	64	41
Miscellaneous expenses*	235	346
	<b>8,125</b>	<b>7,111</b>

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



## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 25 Income Taxes

#### 25.1

	As at March 31, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive income	As at March 31, 2023
<b>Deferred Tax assets</b>				
Property, plant and equipment and Intangible assets	-	59	-	59
Temporary difference on account of disallowances under the Income-tax Act, 1961	-	208	-	208
Unabsorbed depreciation	-	1,010	-	1,010
Lease liabilities (net of Right-of-use assets)	-	20	-	20
Provision for Allowance for bad and doubtful debts	-	110	-	110
Employee benefits	-	278	(1)	277
<b>Total Deferred Tax assets</b>	<b>-</b>	<b>1,685</b>	<b>(1)</b>	<b>1,684</b>

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

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Profit before tax including comprehensive income</b>	<b>2,967</b>	<b>302</b>
Income-tax expense / (credit) @ 25.168% (2022: 25.168%)	747	76
Adjustment for items not deductible in computing taxable income	-	(378)
	<b>747</b>	<b>(302)</b>
Effect of adjustments related to assessment	-	279
Tax effect on temporary differences (net) for the year	174	25
Net Tax effect of setoff of earlier years losses/ unabsorbed depreciation against current year taxable profit	(921)	-
Tax effect arising on recognition of item relating to temporary differences and unabsorbed depreciation at the end of the year refer not 25 (ii)	(1,685)	-
Others	-	(2)
<b>Tax expenses recognised in Statement of Profit and Loss</b>	<b>(1,685)</b>	<b>-</b>

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (2022: 25.168%) payable by the Company in India on taxable profits under the Indian tax law.

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

	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax liabilities</b>		
Deferred tax assets	-	-
Provision for gratuity	189	174
Provision for compensated absences	88	85
Provision for allowance for bad and doubtful debts	<b>110</b>	<b>95</b>
Property, plant and equipment and intangible assets	59	55
Lease liabilities (net of Right -of-use-assets)	20	9
Business Loss carry forward	-	885
Unabsorbed depreciation	1,010	1,506
Temporary difference on account of disallowances under the Income-tax Act, 1961	208	84
	<b>1,684</b>	<b>2,893</b>
Deferred tax asset recognised	1,684	-
<b>Net deferred tax asset</b>	<b>1,684</b>	<b>-</b>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### Footnotes to Note 25:

- (i) 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.
- (ii) The Company has reassessed unrecognised deferred tax assets as at March 31, 2023. Considering the fact that the Company has been making taxable profits in the recent years owing to improvements in business conditions and financial performance, the Company has recognised deferred tax assets as at March 31, 2023 amounting Rs. 1,684 lakhs (including Rs. 1,010 lakhs in respect of unabsorbed depreciation) in the financial statements for the year ended March 31, 2023 as it is considered probable that future taxable profits will be available.

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.”

- (iii) 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 above disclosure has been considered after effect of APA, however the compliance report filed by the Company are yet to be audited / verified by the authorities.

## 26 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2023	As at March 31, 2022
<b>A Contingent Liabilities</b>		
a. Claims against the Company not acknowledged as debts:		
Sales tax	144	131
Income tax	465	465
Customs Duty	124	-
Others- Pricing Claims / Vendor Claims	550	155
b. Dividend on cumulative preference shares*		
2012-13 to 2017-18	-	-
2018-19	711	711
2019-20	711	711
2020-21	711	711
2021-22	711	711
2022-23	711	-
Corporate dividend tax on cumulative preference shares*		
2012-13 to 2017-18	-	-
2018-19	-	-
2019-20	-	-
2020-21	-	-
2021-22	-	-

\* 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 35,700,000 5% cumulative

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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.

### B Commitments

a. The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 30 Lakhs (2022: Rs. Nil).

C 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.

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

E The Hon'ble Supreme Court of India vide its judgement dated February 28, 2019 and subsequent review petition has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act, 1952.

There is significant uncertainty as to how the liability, if any, should be calculated for the period up to February 28, 2019 as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether the interest and penalties may be assessed. The Management have determined that on account of the practicality of application of the judgement, the Company would not be in a position to determine the liability as of now, The Company is of the opinion that the amount cannot be reasonably estimated.

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.

## 27 RELATED PARTY TRANSACTIONS

### 27.1 Description of related parties

<b>A</b>	<b>Ultimate Holding Company</b> <b>Intermediate Holding Companies</b>	BP Horological Group L.L.C* BP Horological Holdings L.L.C* Tanager Group B.V. (formerly known as Timex Group B.V.) Timex Nederland B.V.
	<b>Holding Company</b>	Timex Group Luxury Watches B.V.*
<b>B</b>	<b>Fellow Subsidiary Companies</b> (Only with whom the Company had transactions during the current year and previous year)	Timex Group USA, Inc. Vertime B.V. Timex Group Canada, Inc. Time Master Watches and Accessories Private Limited
<b>C</b>	<b>Key Managerial Personnel</b>	Mr. David Thomas Payne * (Non-Executive Director & Chairman) Mr. Sylvain Ernest Louis Tatu* (Non- Executive & Non-Independent Additional Director) Ms. Sharmila Sahai (Managing Director) (upto March 27, 2022) Mr. Deepak Chhabra (Managing Director) (from March 28, 2022) Ms. Gagan Singh (Non-Executive & Independent Director) Mr. Pradeep Mukerjee (Non-Executive & Independent Director)\ Mr. Bijou Kurien (Non- Executive & Independent Director) Mr. Amit Jain (Chief Financial Officer) Mr. Dhiraj Kumar Maggo (Company Secretary)
<b>D</b>	<b>Post Employment Benefits Plan</b>	Timex Watches Provident Fund Trust Timex Watches Superannuation Fund

\* No transactions during the current year and previous year

## Notes forming part of the financial statements for the year ended March 31, 2023

(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	Year ended
		March 31, 2023	March 31, 2022
Sale of products	Timex Nederland B.V.	1,214	486
	Timex Group USA, Inc.	0 #	-
	Timex Group Canada, Inc.	0 #	-
		<b>1,214</b>	<b>486</b>
Reimbursement of expenses (received/receivable)	Tanager Group B.V. (formerly known as Timex Group B.V.)	-	46
	Timex Nederland B.V.	60	-
	Vertime B.V.@	93	66
		<b>153</b>	<b>112</b>
Reimbursement of expenses (paid/payable)	Timex Group USA, Inc.	230	59
		<b>230</b>	<b>59</b>
Purchase of products	Vertime B.V.	1,220	851
	Timex Nederland B.V.	4,329	749
	Timex Group USA, Inc.	-	3
		<b>5,549</b>	<b>1,603</b>
Service income	Timex Group USA, Inc.	163	121
	Timex Nederland B.V.	117	116
	Time Master Watches and Accessories Private Limited	28	-
		<b>308</b>	<b>237</b>
Service charges paid	Timex Group USA, Inc. @	819	680
	Timex Nederland B.V.	12	50
		<b>831</b>	<b>730</b>
Key management personnel compensation	Short-term benefits [includes sitting fees]	648	480
	Post-employment benefits	11	18
	Other long-term benefits*	326	10
		<b>985</b>	<b>508</b>
	Ms. Sharmila Sahai	-	205
	Mr. Deepak Chhabra	524	3
	Ms. Gagan Singh	4	6
	Mr. Pradeep Mukerjee	4	5
	Mr. Bijou Kurien	3	5
	Mr. Amit Jain	249	157
	Mr. Dhiraj Maggo	201	127
		<b>985</b>	<b>508</b>
	Employee Benefits Expense	Timex Watches Provident Fund Trust	120
Timex Watches Superannuation Fund		4	4
		<b>124</b>	<b>100</b>

@ Included in sales promotion expense

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 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, 2023	March 31, 2022
Receivables	Timex Group USA, Inc.	134	60
	Tanager Group B.V. (formerly known as Timex Group B.V.)	-	47
	Timex Group Canada, Inc.	0 #	-
	Timex Nederland B.V.	720	252
	Time Master Watches and Accessories Private Limited	30	-
		<b>884</b>	<b>359</b>
Payables	Timex Group USA, Inc.	894	446
	Timex Nederland B.V.	1,753	550
	Vertime B.V.	344	354
	<b>2,991</b>	<b>1,350</b>	

# Amount is below rounding off threshold adopted by the Company

\* Based on actuarial valuation included under provisions for long term incentive (refer note 28.4)

#### Foot notes :

- Sale and purchase of goods and services to and from related parties and other transactions with related parties were made at arms length price.
- 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.
- Tanager Group B.V. (formerly known as Timex Group B.V.), an intermediate holding company, has provided bank guarantee amounting to Rs. 4,780 lakhs as on March 31, 2023 (2022: Rs. 4,780 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 March 31, 2023	Year ended March 31, 2022
Superannuation fund (Refer to note (i) below)	4	4
Provident fund (Refer to note (ii) below)	177	148
Employees' State Insurance Corporation (Refer to note (iii) below)	8	7
	<b>189</b>	<b>159</b>

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 to Timex Watches Provident Fund and Recognised 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.

## Notes forming part of the financial statements for the year ended March 31, 2023

(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:**

	As at March 31, 2023	As at March 31, 2022
Discount rate (p.a)	7.35%	6.85%
Salary increase rate (p.a)	10.00%	10.00%
Retirement age (years)	58	58
Mortality rates	IALM (2012-14)	IALM (2012-14)
Withdrawal rate		
Up to 30 years	15.00%	19.00%
31 to 44 years	10.00%	9.00%
Above 44 years	9.00%	11.00%

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

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

	Year ended March 31, 2023	Year ended March 31, 2022
Current Service cost	83	71
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	47	37
	<b>130</b>	<b>108</b>

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

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 28.2 Defined benefit plans (Contd.)

#### (iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain)/losses arising from change in demographic assumptions	7	21
Actuarial (gain)/losses arising from changes in financial assumptions	(27)	(27)
Actuarial (gain)/losses arising from changes in experience adjustments	15	26
	<u>(5)</u>	<u>20</u>

#### (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, 2023	As at March 31, 2022
Present value of defined benefit obligation	752	691
Fair Value of Plan Assets	-	-
<b>Surplus / (Deficit)</b>	<u>(752)</u>	<u>(691)</u>
Effect of asset ceiling, if any	-	-
<b>Net assets / (liability)</b>	<u>(752)</u>	<u>(691)</u>

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

	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	691	605
Current Service Cost	83	71
Interest Cost	47	37
Actuarial (gain)/losses arising from change in demographic assumptions	7	21
Actuarial (gain)/losses arising from changes in financial assumptions	(27)	(27)
Actuarial (gain)/losses arising from changes in experience adjustments	15	26
Benefits paid	(64)	(42)
<b>Closing defined benefit obligation</b>	<u>752</u>	<u>691</u>

#### (vii) Classification into non-current and current:

	As at March 31, 2023	As at March 31, 2022
<b>Gratuity</b>		
Non-current	663	584
Current	89	107
	<u>752</u>	<u>691</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. 89.38 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.

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Defined benefit obligation on plus 100 basis points	701	808	645	741
Defined benefit obligation on minus 100 basis points	810	702	743	646

## Notes forming part of the financial statements for the year ended March 31, 2023

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

### (x) Maturity Profile of Defined Benefit Obligation

	Expected cash flows over the next (valued on undiscounted basis):	Indian Rupees (INR)
a)	1 year	89
b)	2 to 5 years	315
c)	6 to 10 years	383
d)	More than 10 years	650

### 28.3 Other long-term employee benefit

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

Benefits expense

Compensated absences expenses

	Year ended March 31, 2023	Year ended March 31, 2022
	85	88
	<b>85</b>	<b>88</b>

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

	As at March 31, 2023	As at March 31, 2022
Compensated absences liability:		
Non-Current	306	279
Current	45	59
	<b>351</b>	<b>338</b>

### 28.4 Long Term incentive

On July 04, 2022, pursuant to the approval by the Board of Directors, the Company has approved Long Term Incentive Plan (LTIP) to eligible employees of the Company dependent on the Company performance over next 3 years. The Company has considered the same as Other long term employee benefits and accordingly has recorded the liability through actuarial valuation.

## 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

#### Revenue from operations

- Domestic  
- Overseas

	Year ended March 31, 2023	Year ended March 31, 2022
	36,765	25,709
	1,580	737
	<b>38,345</b>	<b>26,446</b>

#### Non current segment assets

-Within India  
-Outside India

	As at March 31, 2023	As at March 31, 2022
	1,697	1,751
	-	-
	<b>1,697</b>	<b>1,751</b>

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.

There is only one customer representing more than 10% of the total company's revenue for the financial year 2022-23 and 2021-22.



## Notes forming part of the financial statements for the year ended March 31, 2023

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

### 30 EARNINGS PER SHARE

	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax	4,652	322
Less: Preference share dividend and tax thereon (refer note 11.B.(iii))	(711)	(711)
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	3,941	(389)
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
Nominal value per equity share (INR) (absolute amount)	10	10
Basic Earnings per share (Rs.) (absolute amount)	3.90	(0.39)
Diluted Earnings per share (Rs.) (absolute amount)	3.90	(0.39)
There are no dilutive instrument issued by Company		

### 31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### 31.1 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.(xviii)}.

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

	As at March 31, 2023	As at March 31, 2022
Debt*	2,464	2,376
Cash & cash equivalents	128	34
Bank balances other than cash & cash equivalents above	2	2
Net Debt	2,334	2,340
Total Equity	6,052	1,557
<b>Net debt to equity ratio</b>	<b>39%</b>	<b>150%</b>

\* Including liability component of preference shares. Also refer note 15(i).

#### 31.2 Financial instruments by category

	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
<b>Measured at amortised cost^</b>		
(a) Trade Receivables	5,237	4,860
(b) Cash and cash equivalents	128	34
(c) Bank balances other than above	2	2
(d) Other financial assets	98	101
	<b>5,465</b>	<b>4,997</b>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

	As at March 31, 2023	As at March 31, 2022
<b>Financial Liabilities</b>		
Measured at fair value through profit or loss (FVTPL)		
(a) Borrowings	167	-
<b>Total financial liabilities measured at FVTPL (A)</b>	<b>167</b>	<b>-</b>
Measured at amortised cost <sup>^</sup>		
(a) Borrowings	2,297	2,376
(b) Lease liabilities	1,134	1,133
(b) Trade Payables	6,602	5,607
(c) Other financial liabilities	690	712
<b>Total financial liabilities measured at amortised cost (B)</b>	<b>10,723</b>	<b>9,828</b>
<b>Total Financial liabilities (A+B)</b>	<b>10,890</b>	<b>9,828</b>

<sup>^</sup> Carrying value of the financial assets and liabilities designated at amortised cost approximates its fair value.

### 31.3 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.

#### 31.3.1 Market Risk

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

#### Foreign Currency Risk Management

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

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

#### Foreign currency risk 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	As at March 31, 2023		As at March 31, 2022		
	Original currency	(Original currency in lakhs) (Rs. in lakhs)	(Original currency in lakhs)	(Rs. in lakhs)	
Trade receivables	USD	10	854	5	359
Trade payables	USD	38	3,152	20	1,524
	HKD	8	82	6	61
	CHF	4	344	4	354
	JPY	25	16	125	78

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

#### Foreign currency sensitivity analysis

The Company is mainly exposed to USD.

## Notes forming part of the financial statements for the year ended March 31, 2023

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

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.

Particulars	Year ended 31, 2023		Year ended 31, 2022	
	Rs. strengthens by 1%	Rs. weakens by 1%	Rs. strengthens by 1%	Rs. weakens by 1%
Impact on profit /(loss) for the year				
USD	23	(23)	12	(12)

### 31.3.2 Credit Risk Management

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

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

Financial assets for which loss allowance is measured:

	Note No.	As at	As at
		March 31, 2023	March 31, 2022
Trade receivables	8	437	379
		<b>437</b>	<b>379</b>
<b>Balance at the beginning</b>		<b>379</b>	<b>457</b>
Provided during the year		82	-
Utilised during the year		-	(4)
Reversed during the year		(24)	(74)
<b>Balance at the end</b>		<b>437</b>	<b>379</b>

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.

### 31.3.3 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 (undiscounted):

As at March 31, 2023	<1 year	1 to 5 years	>5 years	Total	Carrying Value
Borrowings (including equity component)	2,297	250	-	2,547	2,547
Lease liabilities	271	1,072	117	1,460	1,134
Trade payables	6,602	-	-	6,602	6,602
Other financial liabilities	690	-	-	690	690
	<b>9,860</b>	<b>1,322</b>	<b>117</b>	<b>11,299</b>	<b>10,973</b>
As at March 31, 2022	<1 year	1 to 5 years	>5 years	Total	Carrying Value
Borrowings	2,376	-	-	2,376	2,376
Lease liabilities	123	803	216	1,142	1,133

## Notes forming part of the financial statements for the year ended March 31, 2023

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

Trade payables	5,607	-	-	5,607	5,607
Other financial liabilities	712	-	-	712	712
	<b>8,818</b>	<b>803</b>	<b>216</b>	<b>9,837</b>	<b>9,828</b>

### 32 LEASES

The Company has adopted Ind AS 116- leases beginning from 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.

#### 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, 2023:

#### Movement in right-of-use assets:

Particulars	(Rs. in lakhs)		
	Lease of Office / Warehouse Space	Lease of Land	Total
Balance as of April 1, 2022 (on account of adoption of Ind AS 116)	968	128	1,096
Additions	153	-	153
Deletions			-
Depreciation	194	2	196
<b>Balance as of March 31, 2023</b>	<b>927</b>	<b>126</b>	<b>1,053</b>

The following is the movement in lease liabilities during the year ended March 31, 2023:

Lease Liability	(Rs. in lakhs)
	Total
As at April 1, 2022	1,133
Additions made during the year	144
Deletions during the year	-
Finance cost accrued during the year	111
Payment of lease liabilities	(255)
<b>Balance as of March 31, 2023</b>	<b>1,134</b>

The following is the break-up of current and non-current lease liabilities as of March 31, 2023

Lease Liability	(Rs. in lakhs)
	Total
Non - current	960
Current	174
<b>As at March 31, 2023</b>	<b>1,134</b>

## Notes forming part of the financial statements for the year ended March 31, 2023

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

Following amount has been recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	Lease of Office / Warehouse Space	Lease of Land	Total
Depreciation on right to use asset	194	2	196
Finance costs	111		111
<b>Total amount recognised in Statement of Profit and Loss</b>			<b>307</b>

### 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, 2023 on an undiscounted basis are as follows :

Particulars	March 31, 2023
(i) not later than one year	271
(ii) later than one year and not later than five years	1,072
(iii) later than five years	117
	<b>1,460</b>

Expense relating to short term leases with lease term of less than 1 year during the financial year is Rs. 24 Lakhs (year ended March 31, 2022: 26 lakhs).

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

## 33 RATIOS

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

S. No.	Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance	Reason for variance where % of variance is more than 25%
1	Current Ratio	Current assets	Current liabilities	1.47	1.17	26%	The ratio has improved on account of increase in inventory and receivables as compared to previous year on account of introduction of new product during the year, and also increase in the sales resulting increase in trade receivable
2	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.41	1.53	-73%	The ratio has improved mainly on account of profit earned during the year.
3	Debt Service Coverage Ratio,	Earnings available for debt service(2)	Debt Service(3)	1.28	0.31	311%	Better debt services coverage ratio due to improved business performance in the current year as against previous year.
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	61%	11%	470%	Better Return on equity ratio due to improved business performance in the current year as against previous year.
5	Inventory Turnover	Cost of Goods Sold	Average Inventory	2.91	3.41	-15%	
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivable	7.60	6.11	24%	

## Notes forming part of the financial statements for the year ended March 31, 2023

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

S. No.	Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance	Reason for variance where % of variance is more than 25%
7	Trade payables turnover ratio	Purchases of material, services and other expense	Average Trade Payables	5.37	4.02	34%	Better Trade payables turnover ratio due to improved business performance and quick payments in the current year as against previous year.
8	Net capital turnover ratio	Revenue from operations	Working Capital (4)	7.53	16.50	-54%	Change is mainly on account of increase in the current assets as compared to current liabilities due to increase in inventories and trade receivables as compared to previous year. Further there is also increase in the revenue during the current year, also refer remarks in 1.
9	Net profit Ratio (%)	Net Profit after tax	Revenue from operations	12.1%	1.2%	896%	Better net profit ratio due to improved business performance in the current year as against previous year mainly on account of increase in revenue compared to previous year due to introduction of new brand during the year and also increase in sale of existing brand.
10	Return on Capital employed	Earning before interest and taxes	Capital Employed(5)	41%	13%	213%	Better return on capital employed ratio due to improved business performance in the current year as against previous year mainly on account of increase in revenue and profits during the year compared to previous year.
11	Return on investment	Income generated from investments	Investments	N/A	N/A	N/A	

\*N/A - Not applicable.

- (1) Debt represents only short-term borrowings
- (2) Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.
- (3) Debt Service = Short-term debts and Interest on borrowings
- (4) Working Capital = Current Assets - Current Liabilities
- (5) Capital Employed = Tangible net worth + Debts

**34** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

**35** The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### **36 Transfer Pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management is of the opinion that its international transactions are at arm’s length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 37 The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are published.
- 38 The Company does not have any immovable properties [other than properties (including buildings constructed there on included in Property, plant and Equipment disclosed in the financial statement) where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee].
- 39 No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 40 The Company is not a declared wilful defaulter by any bank or financial institution or other lender.
- 41 The Company has no borrowings from banks or financial institutions on the basis of security of current assets.
- 42 There are no charges or satisfaction yet to be registered by the Company with ROC beyond the statutory period.
- 43 As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up on daily basis of such books of account and other relevant books and papers maintained in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis.

The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times however backup is not maintained in India and is presently maintained in servers in Singapore.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pramod B. Shukla**

Partner

Place : Noida

Date : May 23, 2023

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

**David Thomas Payne**

Chairman

(DIN - 07504820)

Place : Connecticut, USA

Date : May 23, 2023

**Dhiraj Kumar Maggo**

Vice President - Legal, HR & Company Secretary

(Membership No.:F7609)

Place : Noida

Date : May 23, 2023

**Deepak Chhabra**

Managing Director

(DIN - 01879706)

Place : Noida

Date : May 23, 2023

**Amit Jain**

Chief Financial Officer

(PAN - AAAMPJ9232F)

Place : Noida

Date : May 23, 2023



VERSACE DOMINUS

**VERSACE**



# TIMEX

TIMEX GROUP INDIA LIMITED

Registered Office: E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi - 110 024.

[www.timexindia.com](http://www.timexindia.com)