DRAFT LETTER OF OFFER
"THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"

The Letter of Offer (*as defined below*) will be sent to you as a Public Shareholder (*as defined below*) of **TIMEX GROUP INDIA LIMITED** ("**Target Company**"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer (*as defined below*) or Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance to the member of the stock exchange through whom the said sale was effected.

OPEN OFFER

BY

TIMEX GROUP LUXURY WATCHES B.V. (the "**ACQUIRER**")
Registered Office: Herengracht 466, 1017CA, Amsterdam, the Netherlands
Tel: 011-020-420-1000, Fax: 011-020-624-1007

ALONG WITH

BP HOROLOGICAL INVESTORS, L.L.C. ("PAC 1")
Registered Office: c/o Corporation Service Company, 251 Little Falls Drive**,** Wilmington, DE 19808
Tel: 617-210-8300, Fax: 617-451-7330

BP HOROLOGICAL HOLDINGS, L.L.C. ("PAC 2")
Registered Office: c/o Corporation Service Company, 251 Little Falls Drive**,** Wilmington, DE 19808
Tel: 617-210-8300, Fax: 617-451-7330

AND

TANAGER GROUP B.V. ("PAC 3")
Registered Office: Herengracht 466, 1017CA, Amsterdam, the Netherlands
Tel: 011-020-420-1000, Fax: 011-020-624-1007
(PAC 1, PAC 2 and PAC 3 are collectively referred to as the "**PACs**")

at a price of INR 24.54 per Equity Share, which includes a price per share of INR 24.26 and an enhancement of INR 0.28 per Equity Share (representing a rate of 10% per annum for the period between the date in India when PAC 2 executed the SPA (*as defined below*) and the date of publication of the Detailed Public Statement, payable in cash, to acquire up to 25,304,900 fully paid up Equity Shares of face value of INR 1 each ("**Offer Shares**"), representing 25.07% of the Voting Share Capital (*as defined below*) in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") from the Public Shareholders

OF
TIMEX GROUP INDIA LIMITED
Registered office: E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi-110024
Tel: +91 11-41021297

NOTE:

1. This Offer (*as defined below*) is being made by the Acquirer and the PACs pursuant to Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. Non-resident Indian ("**NRI**") and overseas corporate body ("**OCB**") holders of the Equity Shares, willing to tender their Equity Shares in this Offer, must obtain all requisite approvals (if required) to tender the Equity Shares held by

them in this Offer (including without limitation the approval from the Reserve Bank of India ("**RBI**")) and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. Further, if the holders of Equity Shares who are not persons resident in India including NRIs, OCBs, Foreign Portfolio Investors ("**FPIs**") and Foreign Institutional Investors ("**FIIs**"), willing to tender their Equity Shares in this Offer, required any approvals (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer.

5. As on the date of this DLOF (*as defined below*), to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer / the PACs to complete this Offer. However, in case any statutory approvals are required by the Acquirer / the PACs at a later date before closure of the Tendering Period *(as defined below)*, this Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason outside the reasonable control of the Acquirer, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations.
6. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price *(as defined below)* at any time prior to commencement of 1 Working Day *(as defined below)* before the commencement of the Tendering Period (*i.e.*, up to Tuesday, February 9, 2021) and the Acquirer and the PACs shall (a) make corresponding increases to the escrow amounts, as more particularly set out in Part 5 (Offer Price) and Part 6 (Financial Arrangements), (b) make a public announcement in the newspapers in which the DPS was published, and (c) simultaneously with the making of such announcement, inform SEBI (*as defined below*), the Stock Exchange *(as defined below)* and the Target Company at its registered office of such revision. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
7. **There has been no competing offer to the Acquirer's Offer as of the date of this Draft Letter of Offer. If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**
8. Unless otherwise stated, the information set out in the DLOF reflects the position as of the date hereof.
9. A copy of the PA (*as defined below*), DPS, DLOF (including the Form of Acceptance) any other advertisement/ publications to be made in connection with this Offer is also and will be available on the website of SEBI, at www.sebi.gov.in. The LOF along with any advertisements to be made in relation to the Offer will be available on the websites of the Target Company at www.timexindia.com, Registrar to the Offer at www.linkintime.co.in, Manager to the Offer at www.jmfl.com, and BSE at www.bseindia.com.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
JM FINANCIAL **JM FINANCIAL LIMITED** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, Maharashtra, India. Contact Person: Ms. Prachee Dhuri Tel.: +91 22 6630 3030; +91 22 6630 3262 Fax: +91 22 6630 3330 **E-mail**: timex.openoffer@jmfl.com **SEBI Registration Number**: INM000010361 **CIN:** L67120MH1986PLC038784	LINKIntime **LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, Lal Bahadur ShastriMarg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Contact Person: Mr. Sumeet Deshpande Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 **E-mail:** timexgroup.offer@linkintime.co.in **Website:** www.linkintime.co.in **SEBI Registration Number:** INR000004058; **Validity Period:** Permanent **CIN:** U67190MH1999PTC118368

Tentative Schedule of Major Activities of the Open Offer

No.	Name of Activity	Schedule of Activities (Day and Date)*
1.	Issue of Public Announcement	Monday, November 23, 2020
2.	Date of completion of Underlying Transaction (*as defined below*)	Monday, December 21, 2020
3.	Publication of the Detailed Public Statement in newspapers	Tuesday, December 29, 2020
4.	Filing of the Draft Letter of Offer with SEBI	Monday, January 04, 2021
5.	Last date for public announcement for competing offer(s)	Tuesday, January 19, 2021
6.	Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Monday, January 25, 2021
7.	Identified Date#	Thursday, January 28, 2021
8.	Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company whose names appear on the Register of Members on the Identified Date	Thursday, February 04, 2021
9.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Offer	Tuesday, February 9, 2021
10.	Last date for upward revision of the Offer Price and/or Offer Size	Tuesday, February 9, 2021
11.	Date of publication of Offer opening public announcement, in the newspapers in which the Detailed Public Statement has been published	Wednesday, February 10, 2021
12.	Date of commencement of the Tendering Period ("**Offer Opening Date**")	Thursday, February 11, 2021
13.	Date of closure of the Tendering Period ("**Offer Closing Date**")	Thursday, February 25, 2021
14.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Shareholders of the Target Company	Friday, March 12, 2021
15.	Last date for publication of post-Offer public announcement in the newspapers in which the Detailed Public Statement has been published	Friday, March 19, 2021
16.	Last date for filing the post Offer report with SEBI	Friday, March 19, 2021

 # Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer will be dispatched. It is clarified that all Public Shareholders (registered or unregistered) of Equity Shares (except the Acquirer, the PACs, the persons deemed to be acting in concert with the Acquirer and the PACs, the parties to the Underlying Transaction and the persons deemed to be acting in concert with such parties) are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to paragraph 7.14 (Statutory and Other Approvals) below.

** The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of any statutory/regulatory approvals (if required) and may have to be revised accordingly.*

RISK FACTORS

The risk factors set forth below pertain to this Offer and association with the Acquirer and the PACs, and do not pertain to the present or future business or operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Public Shareholder in the Offer, but are merely indicative. Public Shareholders are advised to consult their legal advisor, stock broker, and investment consultant and / or tax advisors, for analyzing all the risks with respect to their participation in the Offer.

A. RISKS RELATING TO THE UNDERLYING TRANSACTION

Not applicable as the Underlying Transaction has been successfully completed on December 21, 2020.

B. RISKS RELATING TO THE OFFER

1. There are no statutory approvals required by the Acquirer / the PACs to complete this Offer. However, in case any statutory approvals are required by the Acquirer / the PACs at a later date before closure of the Tendering Period, this Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. The Acquirer and the PACs shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations if any such statutory approval, as may be required, is refused. In the event of such a withdrawal of the Offer, the Acquirer and the PACs (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

2. Further, in case of delay in receipt of any statutory approval, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approval was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders, for delay, at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirer and the PACs will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

3. The acquisition of Equity Shares tendered by NRIs and erstwhile OCBs is subject to approval from the RBI (if applicable). NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI or the relevant government authorities, to the extent applicable) and submit copies of such approvals, along with the other documents required in terms of the LOF, if required. Further, if the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on a repatriable basis or a non-repatriable basis.

4. In the event that either: (a) there is any litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer or the PACs from performing their obligations hereunder, or (b) SEBI instructs the Acquirer and the PACs not to proceed with the Offer; then the Offer process may be withdrawn or may be delayed beyond the schedule of activities indicated in the LOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are validly tendered and accepted under this Offer as well as the return of Equity Shares not validly tendered and accepted under this Offer, may be delayed or such payment may never be made. In the event SEBI instructs the Acquirer and/or the PACs to

not proceed with this Offer, then this Offer process shall be withdrawn and the Acquirer and the PACs (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

5. The DLOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of the LOF residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.

6. The Offer is being made for securities of an Indian company and Public Shareholders of the Target Company in the United States of America should be aware that the LOF and any other documents relating to the Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the offer timetable and timing of payments, all of which differ from those in the United States of America. Any financial information included in the DLOF or LOF or in any other documents relating to the Offer, except related to PAC 3 has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the United States of America or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. The financial information included in the DLOF or LOF and DPS in relation to PAC 3 has been prepared in accordance with U.S. generally accepted accounting principles.

7. The receipt of cash pursuant to the Offer by a Public Shareholder of the Target Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each Public Shareholder of the Target Company is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Offer.

8. Neither the U.S. Securities Exchange Commission nor any U.S. state securities commission has approved or disapproved the Offer or passed any comment upon the adequacy or completeness of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States of America.

9. The Public Shareholders who have accepted this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of Equity Shares under this Offer or the dispatch of consideration is delayed.

10. The tendered Equity Shares and documents will be held in trust by the Clearing Corporation (*as defined below*) / Registrar to the Offer until the completion of the Offer formalities. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Clearing Corporation / Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares and the Public Shareholders will not be able to trade in such Equity Shares held in trust by the Clearing Corporation / Registrar to the Offer and that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer.

11. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer. The Acquirer and the PACs do not and will not make any assurance with respect to the market price of the Equity Shares during or after the period that the Offer is open or upon completion of the Offer and disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in the Offer.

12. The Public Shareholders are advised to consult their respective tax advisors for assessing tax liability arising from this Offer, including but not limited to the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PACs and the Manager to the Offer do not accept any responsibility for the accuracy or completeness of the tax provisions set forth in the LOF.

13. Any person placing reliance on any source of information other than the PA, the DPS, the DLOF and the LOF, any other advertisement or materials issued by or on behalf of the Acquirer and the PACs, will be doing so at its own risk.

14. The information pertaining to the Target Company, contained in the PA, the DPS, the DLOF, and the LOF, any other advertisement/ publications to be made in connection with this Offer has been/ shall be compiled from information published or provided by such parties or other publicly available source, as the case may be.

15. Neither the Acquirer, the PACs nor the Manager to the Offer accept any responsibility for the information contained in the PA, the DPS, the DLOF and the LOF, any other advertisement/ publications to be made in connection with this Offer that pertains to the Target Company and the information that has been obtained from public sources or provided by the Target Company.

16. This Offer is subject to completion risks as would be applicable to similar transactions

C. RISKS RELATING TO THE ACQUIRER AND THE PACs

1. Neither the Acquirer, the PACs nor the Manager to the Offer make any assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

2. Neither the Acquirer, the PACs nor the Manager to the Offer make any assurance with respect to the future financial performance of the Target Company.

3. Neither the Acquirer, the PACs nor the Manager to the Offer can provide any assurance with respect to the market price of the Equity Shares, before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Public Shareholder with respect to participation in the Offer.

4. The Acquirer, the PACs and the Manager to the Offer make no assurance with respect to their investment or divestment decisions relating to their proposed shareholding in the Target Company. The audit report covering consolidated financial statements for December 31, 2019 and the review report covering the consolidated financial statements for September 30, 2020, contain an explanatory paragraph that states that due to the uncertainty that PAC 3 anticipates in maintaining sufficient liquidity to fund ongoing operations, substantial doubt exists about the company's ability to continue as a going concern.

5. As per Regulation 38 of SEBI (LODR) Regulations (*as defined below*) read with Rule 19A of the SCRR (*as defined below*), the Target Company is required to maintain at least 25% public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, the public shareholding in the Target Company may fall below such minimum public shareholding requirement. Any failure to comply with the conditions of the SCRR and the SEBI (LODR) Regulations within the time period stated therein through permitted routes and any other such routes as may be approved by SEBI from time to time could have an adverse effect on the price and tradability of the Equity Shares.

D. CURRENCY OF PRESENTATION

In the DLOF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

In the DLOF, all references to “INR” or “Rs.” or “Rupees” are references to the Indian Rupees, all references to “USD” or “US Dollar” or “US$” are references to the United States Dollar. Unless otherwise stated, the INR equivalent quoted in each case is calculated in accordance with the RBI reference rate as on November 23, 2020 (*i.e.*, USD 1 = INR 74.1409), unless specified otherwise. (*Source:* www.fbil.org.in).

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KEY DEFINITIONS

Acquirer	Timex Group Luxury Watches B.V.
Board of Directors	Board of Directors of the Acquirer, PAC 3 or the Target Company, as the case may be
BSE	BSE Limited
Buying Broker	JM Financial Institutional Securities Limited
Clearing Corporation	Indian Clearing Corporation Limited
Detailed Public Statement / DPS	Detailed Public Statement dated December 28, 2020, which was published on December 29, 2020 in Financial Express (English – All Editions), Jansatta (Hindi – All Editions, including New Delhi Edition) and Pratahkal (Marathi – Mumbai Edition), issued by the Manager to the Offer, on behalf of the Acquirer, in compliance with the SEBI (SAST) Regulations
Draft Letter of Offer / DLOF	Draft Letter of Offer dated January 4, 2021
DTAA	Double Taxation Avoidance Agreement
Equity Share(s)	Each fully paid-up equity share of the Target Company, having face value of INR 1 each
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time
FI	Financial Institutions
FII / FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined in FEMA
Form of Acceptance	Form of Acceptance and Acknowledgement accompanying the Letter of Offer
Identified Date	Tenth Working Day prior to commencement of the Tendering Period for purpose of determining the Public Shareholders to whom the Letter of Offer shall be sent (*i.e.*, Thursday, January 28, 2021)
Letter of Offer / LOF	Letter of Offer
Manager to the Offer	JM Financial Limited
MF	Mutual Funds
Mn / Million	1,000,000 units
NRI	Non-resident Indian
OCB	Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000
Offer / Open Offer	The Offer being made by the Acquirer for acquisition of up to 25,304,900 Equity Shares, constituting 25.07% of the Voting Share Capital of the Target Company
Offer Price	INR 24.54 (*Indian Rupees twenty four and fifty four paise*) per Equity Share which includes a price per share of INR 24.26 (*Indian Rupees twenty four and twenty six paise*) and an enhancement of INR 0.28 (*Indian Rupees twenty eight paise*) per Equity Share, representing interest at 10% per annum for the period between November 19, 2020, the date in India when PAC 2 executed the SPA and December 29, 2020 (*i.e.*, the date of the publication of the Detailed Public Statement) in accordance with Regulation 8(12) of the SEBI (SAST) Regulations
Offer Size	25,304,900 Equity Shares, constituting 25.07% of the Voting Share Capital of the Target Company
PACs	Collectively refers to PAC 1, PAC 2 and PAC 3
PAC 1	BP Horological Investors, L.L.C.
PAC 2	BP Horological Holdings, L.L.C.
PAC 3	Tanager Group B.V.
Public Announcement / PA	Public Announcement dated November 23, 2020 issued by the Manager to the Offer on behalf of the Acquirer, in relation to this Offer and filed with the Stock Exchange, SEBI and the Target Company in accordance with the SEBI (SAST) Regulations
Public Shareholders or Shareholders	All the public shareholders of the Target Company, excluding the promoters, members of the promoter group of the Target Company, parties to the SPA, the Acquirer, the PACs, and any persons deemed to be acting in concert with any of the parties mentioned

	above, pursuant to and in compliance with the SEBI (SAST) Regulations
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
Rs./Rupees/INR	The lawful currency of the Republic of India
SCRR	Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereof
SEBI	Securities and Exchange Board of India
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Stock Exchange	BSE
Target Company	Timex Group India Limited
Tendering Period	The ten working days period from February 11, 2021 to February 25, 2021 (both days inclusive)
U.S.	United States of America
USD/US$	United States Dollars
Voting Share Capital	Total voting Equity Share capital of the Target Company as on the 10th Working Day from the closure of the tendering period for the Offer
Working Day	Working day as defined under the SEBI (SAST) Regulations

Note: All capitalized terms used in the Draft Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACs OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, JM FINANCIAL LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 4, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES (IF ANY) AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

THE INFORMATION CONTAINED IN THIS DRAFT LETTER OF OFFER IS INTENDED EXCLUSIVELY FOR PERSONS WHO ARE NOT "U.S. PERSONS" FOR PURPOSES OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND WHO ARE NOT PHYSICALLY PRESENT IN THE UNITED STATES OF AMERICA. THIS DRAFT LETTER OF OFFER DOES NOT IN ANY WAY CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN THE UNITED STATES OF AMERICA, AND CANNOT BE ACCEPTED BY ANY MEANS OR INSTRUMENTALITY FROM WITHIN THE UNITED STATES OF AMERICA. POTENTIAL USERS OF THE INFORMATION CONTAINED IN THIS DRAFT LETTER OF OFFER ARE REQUESTED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

General Disclaimer

The Draft Letter of Offer, the Detailed Public Statement and the Public Announcement in connection with the Offer, have been prepared for the purposes of compliance with the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the publication of the Detailed Public Statement nor the delivery of the Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target Company, the Acquirer, the PACs and any persons deemed to be acting in concert with the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. It is not to be implied that the Acquirer, the PACs, or any persons acting in concert with the Acquirer, are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Detailed Public Statement and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

Persons in possession of the Detailed Public Statement and /or the Letter of Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

2. DETAILS OF THE OFFER

2.1 BACKGROUND TO THE OFFER

2.1.1 This Offer is a mandatory offer made in compliance with Regulation 3(1), Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations, pursuant to the indirect acquisition of the Equity Shares, voting rights and control of the Target Company by PAC 2.

2.1.2 This Offer is pursuant to the Underlying Transaction resulting in an indirect acquisition of the Equity Shares of the Target Company under Regulation 5(1) of the SEBI (SAST) Regulations.

2.1.3 PAC 2, along with BP Horological Group, L.L.C., entered into a stock purchase agreement with Eagleville Group B.V., Fred. Dessen & Company Limited and Petruvius Limited (collectively, "**Sellers**"), dated November 18, 2020 ("**SPA**"), pursuant to which PAC 2 acquired from Sellers 65% (sixty five percent) of the issued share capital of PAC 3, comprising of 198,520 ordinary shares having a nominal value of USD 0.01 each, for an aggregate consideration of USD 15,000,000 (*US Dollars fifteen million*) payable in cash.

2.1.4 Simultaneously with the execution of the SPA, PAC 1 entered into a senior secured note purchase agreement with PAC 3 (along with certain subsidiaries of PAC 3 acting as guarantors), Sellers and Wilmington Trust, National Association (as collateral agent), dated November 18, 2020 ("**NPA**"), pursuant to which, subject to the terms and conditions set out in the NPA, PAC 3 issued and sold to PAC 1 on November 18, 2020 certain Series A-1 Senior Secured Notes, due on November 15, 2021, in an aggregate principal amount of USD 30,000,000 (*US Dollars thirty million*) and PAC 3 issued and sold to PAC 1 and Sellers on December 21, 2020 certain Series A-2 Senior Secured Notes in an aggregate principal amount of USD 55,000,000 (*US Dollars fifty five million)*, and Series B Senior Secured Notes in an aggregate principal amount of USD 5,000,000, (*US Dollars five million*) respectively, due on November 18, 2025 ("**Notes**").

2.1.5 BP Horological Group, L.L.C., Sellers, PAC 2 and PAC 3 have executed a shareholders' agreement on December 21, 2020 ("**SHA**") in relation to the terms of the participation of PAC 2 and Sellers in PAC 3, their relationship as holders of shares in PAC 3, and the governance and management of PAC 3. The SHA sets out certain governance rights in relation to the subsidiaries of PAC 3, including the Acquirer and the Target Company. Pursuant to the SHA, PAC 2 has the right to appoint a majority of the members of the supervisory board of PAC 3, which entitles PAC 2 to control the supervisory board's actions with respect to PAC 3 (subject to the specific rights of the Sellers to consent to certain actions as described in the SHA). Further, any material actions taken by PAC 3 or its subsidiaries require the prior written approval of a majority in interest of the outstanding ordinary shares, which PAC 2 controls by virtue of holding 65% of the outstanding shares of PAC 3. In addition, certain identified corporate actions in the SHA require the prior written consent at the general meeting of PAC 3, which in effect is determined by PAC 2 by virtue of holding 65% of the outstanding shares of PAC 3.

2.1.6 PAC 3 holds 100% of the issued share capital of Timex Nederland B.V. which holds 100% of the issued share capital of the Acquirer. The Acquirer directly holds 75,645,100 Equity Shares in the Target Company constituting 74.93% of the Voting Share Capital, and is disclosed as part of the promoter and promoter group of the Target Company. Thus, the completion of the transactions contemplated by the SPA and the NPA on December 21, 2020 (the "**Underlying Transaction**") resulted in an indirect acquisition of the majority of the voting rights in and control over the Target Company by PAC 2. The purchase consideration of USD 15,000,000 (*US Dollars fifteen million*) for acquisition of 65% of the issued share capital of PAC 3 has been paid by PAC 2 in cash to the Sellers, with no portion of the purchase consideration being deferred. Pursuant to the SPA, Sellers have provided certain representations and warranties and indemnities to PAC 2, which are customary for transactions of this nature.

2.1.7 Certain key terms of the SPA are as follows: The SPA was entered into on November 18, 2020, by and among PAC 2, the Sellers and BP Horological Group, L.L.C.. The Underlying Transaction was completed on December 21, 2020, following the satisfaction or waiver of all conditions to closing set forth in the SPA. Under the SPA, PAC 2 purchased 65% of the issued share capital of PAC 3 from the Sellers. The total consideration paid by PAC 2 for 65% of the issued share capital of PAC 3 was an aggregate amount of USD $15,000,000 ("**Purchase Price**"). None of the Purchase Price is deferred or contingent upon subsequent events. Each of PAC 2 and the Sellers have made certain representations and warranties and covenants which are customary for transaction such as the Underlying Transaction. Each of the Sellers on the on the one hand, and PAC 2 on the other hand, have provided certain indemnities to each other, under certain conditions, including breach of fundamental representations and warranties and covenants. Receipt of approval from the Federal Cartel Office in Germany pursuant to the German Act Against Restraints of Competition was a condition to closing under the SPA, and such approval was received on December 9, 2020.

2.1.8 Certain key terms of the SHA are as follows: The SHA was entered into on December 21, 2020, by and among PAC 3, PAC 2, the Sellers and BP Horological Group, L.L.C. Under the SHA, PAC 2 may nominate, appoint or cause the appointment of the majority of persons to the supervisory board of PAC 3 and/or modify the composition of the supervisory board in accordance with applicable laws. Additionally, under the SHA, PAC 2 has a consent right for any material actions taken by PAC 3 by virtue of its 65% ownership of the issued share capital of PAC 3. As of the date of this DLOF, the PACs do not, except to the extent of the shares indirectly held and controlled by them pursuant to the Underlying Transaction, hold any Equity Shares in the Target Company.

2.1.9 Neither the Acquirer nor the PACs have been prohibited by SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

2.1.10 The Acquirer and the PACs do not have any definite plans with respect to the Target Company as on the date of the DLOF. PAC 1 and PAC 2 are affiliates of the Baupost Group, L.L.C.. The Baupost Group, L.L.C. and its affiliates believe they can use their operational expertise and financial strength to partner with the Target Company and its management team in pursuing a unique opportunity to drive innovation and growth in the watch industry.

2.1.11 David Thomas Payne (General Counsel of PAC 3 and director of the Acquirer) serves as chairman and director of the Target Company.

2.1.12 The Acquirer and the PACs are making this Offer to all Public Shareholders to acquire up to 25,304,900 Equity Shares, constituting 25.07% of the Voting Share Capital of the Target Company.

2.1.13 In terms of Regulation 18(2) of the SEBI (SAST) Regulations, the LOF will be issued within 7 Working Days from the date of receipt of final comments from SEBI on the DLOF.

2.1.14 The committee of independent directors formulated by the Board of Directors of the Target Company in accordance with Regulation 26(6) and 26(7) of the SEBI (SAST) Regulations is required to publish a reasoned recommendation for the Offer at least 2 Working Days before the commencement of the Tendering Period in the same newspapers in which the Detailed Public Statement was published.

2.2 DETAILS OF THE OFFER

2.2.1 The Public Announcement was made and filed with the Stock Exchange on November 23, 2020 and was sent to the registered office of the Target Company on November 24, 2020 and filed with SEBI on November 23, 2020.

2.2.2 In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the DPS dated December 28, 2020 was published on December 29, 2020 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English national daily	All editions

Jansatta	Hindi national daily	All editions
Jansatta	Hindi national daily	New Delhi edition, being the regional language of the registered office of the Target Company
Pratahkal	Marathi	Mumbai edition, being the regional language of the place where the Equity Shares are listed

2.2.3 A copy of the PA, the DPS, the DLOF, the LOF any other advertisement/ publications to be made in connection with this Offer are also and will be made available on the SEBI website at www.sebi.gov.in. The LOF along with any advertisements to be made in relation to the Offer will be available on the websites of the Target Company at www.timexindia.com, Registrar to the Offer at www.linkintime.co.in, Manager to the Offer at www.jmfl.com, BSE at www.bseindia.com.

2.2.4 This Offer is to acquire up to 25,304,900 (*Twenty five million three hundred and four thousand and nine hundred*) Equity Shares constituting 25.07% (*Twenty five point zero seven per cent*) of the Voting Share Capital of the Target Company at a price of at a price of INR 24.54 per share (*Indian Rupees twenty four and fifty four paise*) ("**Offer Price**"), which includes a price per share of INR 24.26 (*Indian Rupees twenty four and twenty six paise*) and an enhancement of INR 0.28 (*Indian Rupees twenty eight paise*) per Equity Share (representing interest at a rate of 10% per annum for the period between the date on which PAC 2 executed the SPA and the date of publication of the DPS, in accordance with Regulation 8(12) of the SEBI (SAST) Regulations), payable in cash, in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS, the DLOF and the LOF.

2.2.5 As on the date of this DLOF, there are no (i) partly paid-up Equity Shares; or (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures including employee stock options) issued by the Target Company.

2.2.6 There is no differential price for the Equity Shares.

2.2.7 This is not a competitive offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

2.2.8 There has been no competing offer to the Acquirer's Offer as of the date of this DLOF. The last date for making such competing offer is January 19, 2021.

2.2.9 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.

2.2.10 As on the date of this DLOF, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer or the PACs to complete this Offer. However, in case any statutory approvals are required by the Acquirer / the PACs at a later date before closure of the Tendering Period, this Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason outside the reasonable control of the Acquirer, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of such a withdrawal of the Offer, the Acquirer and the PACs (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, in the same newspapers in which this DPS has been published and such public announcement will also be sent to BSE, SEBI and the Target Company at its registered office.

2.2.11 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.

2.2.12 The acquisition of Equity Shares tendered by NRIs and OCBs is subject to and, where applicable, such OCBs and NRIs submitting the approval/ exemption from the RBI for tendering their Equity Shares in the Offer.

2.2.13 The Manager to the Offer does not hold any Equity Shares as on the date of the Draft Letter of Offer. The Manager to the Offer further declares and undertakes not to deal on its own account in the Equity Shares during the Offer Period, in terms of Regulation 27(6) of SEBI (SAST) Regulations.

2.2.14 The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and the PACs at any time prior to 1 Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.

2.2.15 Other than the completion of the Underlying Transaction on December 21, 2020, pursuant to which the Target Company became an indirect subsidiary of PAC 2, the Acquirer and the PACs have not acquired any Equity Shares of the Target Company since the date of the PA (*i.e.*, November 23, 2020) and up to the date of this DLOF.

2.2.16 The Equity Shares, which will be acquired by the Acquirer, shall be fully paid-up, free from all liens, charges and encumbrances. The Acquirer shall acquire Equity Shares held by the Public Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.

2.2.17 The Equity Shares are listed on the Stock Exchange (*i.e.*, BSE Limited).

2.2.18 As per Regulation 38 of the LODR, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (Twenty Five percent) public shareholding ("**MPS**"), as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, in the event that the public shareholding of the Target Company falls below the MPS, the Acquirer and the PACs shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, SEBI (SAST) Regulations and LODR, pursuant to the methods prescribed by SEBI.

2.3 OBJECT OF ACQUISITION/OFFER

2.3.1 This Offer is being made to the Public Shareholders of the Target Company under Regulation 3(1), 4 and 5(1) of the SEBI (SAST) Regulations as a result of the consummation of the Underlying Transaction.

2.3.2 PAC 3 holds 100% of the issued share capital of Timex Nederland B.V. which holds 100% of the issued share capital of the Acquirer. The Acquirer directly holds 75,645,100 Equity Shares in the Target Company constituting 74.93% of the Voting Share Capital. Pursuant to the completion of the Underlying Transaction on December 21, 2020, PAC 2 indirectly owns a majority of the Voting Share Capital of the Target Company.

2.3.3 The Acquirer and the PACs do not have any definite plans with respect to the Target Company as on the date of this DLOF. PAC 1 and PAC 2 are affiliates of the Baupost Group, L.L.C.. The Baupost Group, L.L.C. and its affiliates believe they can use their operational expertise and financial strength to partner with the Target Company and its management team in pursuing a unique opportunity to drive innovation and growth in the watch industry.

2.3.4 The Offer to the Public Shareholders of the Target Company is to acquire 25,304,900 Equity Shares constituting to 25.07% of the Voting Share Capital of the Target Company.

2.3.5 Currently, the Acquirer and the PACs do not have any intention to dispose of or otherwise encumber any assets or investments of the Target Company, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, other than in the ordinary course of business, for a period of 2 (two) years from the date of completion of this Open Offer. If the Acquirer intends to alienate any material asset of the Target Company within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the Shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets.

3. BACKGROUND OF THE ACQUIRER AND THE PACs

3.1 TIMEX GROUP LUXURY WATCHES B. V. ("Acquirer")

3.1.1 The Acquirer is Timex Group Luxury Watches B.V., a private company incorporated as Timex Watches B.V. on November 6, 1989 under the laws of the Netherlands.

3.1.2 The Acquirer was established for the purpose of participating in, to finance, to conduct the management of administration of other business enterprises and in addition thereto the Acquirer is authorized to undertake business as per its objects section as stipulated in the articles of association of the Acquirer.

3.1.3 The Acquirer was incorporated as Timex Watches B.V.. The Acquirer's name was changed to Timex Group Luxury Watches B.V. on December 12, 2007.

3.1.4 The registered office of the Acquirer is located at Herengracht 466, 1017CA, Amsterdam, the Netherlands.

3.1.5 The issued and paid up share capital of the Acquirer amounts to EUR 18,200 and consists of 40 ordinary fully paid up shares of EUR 455 each. PAC 3 holds 100% of the issued share capital of Timex Nederland B.V. which holds 100% of the issued share capital of the Acquirer. Further details on PAC 3 and Timex Group are set out in paragraph 3.4. PAC 3 is controlled by PAC 2 on account of completion of the Underlying Transaction.

3.1.6 The Acquirer belongs to the Timex Group.

3.1.7 The shares of the Acquirer are not listed on any stock exchange in India or abroad.

3.1.8 The Acquirer currently holds 75,645,100 Equity Shares representing 74.93% of the Voting Share Capital of the Target Company. The Acquirer is classified as a promoter and is in control of the Target Company. David Thomas Payne (General Counsel of PAC 3 and director of the Acquirer) serves as chairman and director of the Target Company. The Acquirer has not directly acquired any Equity Shares of the Target Company between the date of the PA (*i.e.*, November 23, 2020) and the date of the DLOF.

3.1.9 Other than as mentioned in paragraph 3.1.8, as of the date of this DLOF, the Acquirer and the directors and key employees of the Acquirer do not have any relationship or interest in the Target Company.

3.1.10 The Board of Directors of the Acquirer comprises the following members:

Sr. No.	Name and Designation	DIN	Date of Appointment	Qualification and Experience

1.	**David Thomas Payne, Director**	07504820	January 24, 2014	Mr. David Thomas Payne is Vice President, General Counsel and Secretary for Timex Group, specializing in licensing, employment law, employee benefits, corporate finance, international distribution, advertising and trademark law. Since joining Timex in 2001, Mr. Payne has advised the Timex Group 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. Prior to joining Timex, Mr. Payne represented employers in commercial and employment litigation, and secured creditors in bankruptcy proceedings. He has a Bachelor of Science degree in Computer Science from the University of Alabama, and a Juris Doctor degree from Washington & Lee University School of Law.
2.	**Yves di Benedetto, Managing Director**	N/A	December 16, 2020	Mr. Yves di Benedetto is on the board of directors of the Acquirer and is Senior Vice President, Managing Director EMEA/APAC of Timex Group. He has a Master's Degree in Science Economics from University of Nancy II.

3.1.11 The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.1.12 The Acquirer has not been categorized as a willful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

3.1.13 There is no requirement for the Acquirer under the Dutch Civil Code ("**DCC**") to audit its financial statements or prepare and publish periodic interim accounts, as per Dutch law requirements, being the place of incorporation of the Acquirer.

3.1.14 As on the date of the DLOF, the Acquirer does not have any major contingent liabilities.

3.2 BP HOROLOGICAL INVESTORS, L.L.C. ("PAC 1")

3.2.1 PAC 1 is a limited liability company which was incorporated on August 26, 2020 as BP Horological Investors, L.L.C. under the laws of State of Delaware, USA, pursuant to the Delaware Limited Liability Company Act and subsequent amendments and re-enactment thereto. Its registered office is located at c/o Corporation Service Company, 251 Little Falls Drive**,** Wilmington, DE 19808. There has been no change in the name of PAC 1 since its incorporation.

3.2.2 PAC 1 is a wholly owned subsidiary of BP Horological Group, L.L.C.. The Baupost Group, L.L.C. is the managing general partner of the limited partnerships indirectly invested in BP Horological Group, L.L.C.. The Baupost Group, L.L.C. indirectly exercises control over BP Horological Group, L.L.C.. The Baupost Group, L.L.C., a Delaware limited liability company, is registered with the Securities and Exchange Commission in the United States of America as an investment adviser pursuant to the Investment Advisers Act of 1940. Baupost Group, L.P. is a member of, and Baupost Group GP, L.L.C. is a non-member manager of, The Baupost Group, L.L.C.. Baupost Group Holdings, L.P. is a limited partner of, and Baupost Group GP, L.L.C. is a general partner of, Baupost Group, L.P.. Seth A. Klarman is the managing member of Baupost Group GP, L.L.C. and indirectly controls PAC 1.

3.2.3 PAC 1 was incorporated for the purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Limited Liability Company Act and to engage in any and all activities necessary or incidental thereto.

3.2.4 Name of the group: PAC 1 is an affiliate of The Baupost Group, L.L.C..

3.2.5 PAC 1 is a limited liability company and does not have any shares. Consequently, the shares of PAC 1 are not listed on any stock exchange in India or any other jurisdiction.

3.2.6 PAC 1 has not directly acquired any Equity Shares of the Target Company between the date of the PA (*i.e.*, November 23, 2020) and the date of the DLOF.

3.2.7 Neither PAC 1, nor its managing member, BRP Partners II, Inc., or key employees, have any relationship or interest in the Target Company except for the Underlying Transaction. Further, as per the applicable laws of the State of Delaware, USA, PAC 1 is not required to have any directors. Hence, there are no common directors on the board of PAC 1 and the Target Company.

3.2.8 In accordance with the NPA, PAC 1 has purchased and PAC 3 has sold and issued to PAC 1 Series A-1 Senior Secured Notes in an aggregate principal amount of USD 30,000,000 (*US Dollars thirty million*) on November 18, 2020, and Series A-2 Senior Secured Notes in an aggregate principal amount of USD 55,000,000 (*US Dollars fifty five million*) on December 21, 2020.

3.2.9 PAC 1 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.2.10 PAC 1 has not been categorized as a willful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

3.2.11 As PAC 1 was incorporated on August 26, 2020 and this being its first year of operations, no financial statements of PAC 1 are available as on date.

3.2.12 As on the date of the DLOF, PAC 1 does not have any major contingent liabilities.

3.3 BP HOROLOGICAL HOLDINGS, L.L.C. ("PAC 2")

3.3.1 PAC 2 is a limited liability company which was incorporated on August 26, 2020 as BP Horological Holdings, L.L.C. under the laws of State of Delaware, USA, pursuant to the Delaware Limited Liability Company Act and subsequent amendments and re-enactment thereto. Its registered office is located at c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808. There has been no change in the name of PAC 2 since its incorporation.

3.3.2 PAC 2 is a wholly owned subsidiary of BP Horological Group, L.L.C.. The Baupost Group, L.L.C. is the managing general partner of the limited partnerships indirectly invested in BP Horological Group, L.L.C.. The Baupost Group, L.L.C. indirectly exercises control over BP Horological Group, L.L.C.. The Baupost Group, L.L.C., a Delaware limited liability company, is registered with the Securities and Exchange Commission in the United States of America as an investment adviser pursuant to the Investment Advisers Act of 1940. Baupost Group, L.P. is a member of, and Baupost Group GP, L.L.C. is a non-member manager of, The Baupost Group, L.L.C.. Baupost Group Holdings, L.P. is a limited partner of, and Baupost Group GP, L.L.C. is a general partner of, Baupost Group, L.P.. Seth A. Klarman is the managing member of Baupost Group GP, L.L.C. and indirectly controls PAC 2.

3.3.3 PAC 2 was incorporated for the purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Limited Liability Company Act and to engage in any and all activities necessary or incidental thereto.

3.3.4 Name of the group: PAC 2 is an affiliate of The Baupost Group, L.L.C..

3.3.5 PAC 2 is a limited liability company and does not have any shares. Consequently, the shares of PAC 2 are not listed on any stock exchange in India or any other jurisdiction.

3.3.6 Upon completion of the Underlying Transaction, pursuant to the terms of the SPA, PAC 2 has purchased 65% of the outstanding share capital of PAC 3 from Sellers. PAC 2 does not directly hold any shares in the Target Company but has indirectly acquired majority shareholding and control over the Target Company on account of completion of the Underlying Transaction on December 21, 2020.

3.3.7 Neither PAC 2, nor its managing member, BRP Partners II, Inc., or key employees, have any relationship or interest in the Target Company except for the Underlying Transaction. Further, as per the applicable laws of the State of Delaware, USA, PAC 2 is not required to have any directors. Hence, there are no common directors on the board of PAC 2 and the Target Company.

3.3.8 PAC 2 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.3.9 PAC 2 has not been categorized as a willful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

3.3.10 As PAC 2 was incorporated on August 26, 2020 and this being its first year of operations, no financial statements of PAC 2 are available as on date.

3.3.11 As on the date of the DLOF, PAC 2 does not have any major contingent liabilities.

3.4 TANAGER GROUP B.V. ("PAC 3")

3.4.1 PAC 3 is Tanager Group B.V., a private company, incorporated on December 29, 1980 under the laws of the Netherlands.

3.4.2 PAC 3's operations consist of the design, manufacture, marketing and distribution of watches primarily under the 'TIMEX', 'GUESS?', 'NAUTICA', 'VERSACE', 'FERRAGAMO', 'TED BAKER' and other trademarks. In addition, PAC 3 markets watch components and licenses the 'TIMEX' and other trademarks for use on various products and watch attachments.

3.4.3 PAC 3 was incorporated as Frederiksplein Holding B.V.. Its name was changed to Timex Group B.V. on November 29, 1993 and subsequently to Tanager Group B.V. as of December 3, 2019.

3.4.4 The registered office of PAC 3 is located at Herengracht 466, 1017CA, Amsterdam, the Netherlands (Tel: 011-020-420-1000, Fax: 011-020-624-1007 Email: dpayne@timexgroup.com).

3.4.5 PAC 3 holds 100% of the issued share capital of Timex Nederland B.V., which holds 100% of the issued share capital of the Acquirer.

3.4.6 Sellers collectively own 35% of the issued share capital of PAC 3, and PAC 2 holds 65% of the issued share capital of PAC 3 as of the completion of the Underlying Transaction. The issued and paid-up share capital of PAC 3 is USD 3,054.16 consisting of 305,416 ordinary shares of USD 0.01 each amounting to USD 3,054.16.

The issued and paid up share capital of PAC 3, along with its shareholding pattern as on the date of this DLOF is set out below:

Sr. No.	Shareholder Category	No. and percentage of shares held
1.	PAC 2	198,520 (65%)
2.	Sellers	106,896 (35%)
	Total	305,416 (100%)

3.4.7 PAC 3 belongs to the Timex Group.

3.4.8 The shares of PAC 3 are not listed on any stock exchange in India or any other jurisdictions.

3.4.9 PAC 3 does not directly hold any shares in the Target Company. However, PAC 3 indirectly holds and controls shares of the Acquirer, which holds 75,645,100 Equity Shares representing 74.93% of the Voting Share Capital of the Company. David Payne (General Counsel of PAC 3) serves as the chairman and director of the Target Company.

3.4.10 Other than as mentioned in paragraph 3.4.9, as of the date of the DLOF, PAC 3 and the directors and key employees of PAC 3 do not have any relationship or interest in the Target Company.

3.4.11 The Board of Directors of PAC 3 comprises the following members:

Sr. No.	Name and Designation	DIN	Date of Appointment	Qualification and Experience
1.	**Anette Olsen, Director**	N/A	December 21, 2020	Ms. Anette S. Olsen is the managing director of Bonheur ASA. Anette S. Olsen holds a BA in business organization and an MBA.
2.	**Åge Korsvold, Director**	N/A	December 21, 2020	Mr. Åge Korsvold started working for Storebrand as a financial analyst in 1972. He was a director of Orkla Industrier from 1977 and a financial advisor in Fondsfinans from 1982. From 1992 to 1994 he was partner and owner of Procorp AS, before he became the CEO of UNI Storebrand in 1994. Korsvold was the CEO of Kistefos AS from 2001 to 2011, and the CEO of Orkla ASA from April 2012 to February 2014. Åge Korsvold was the Chairman of the board of Directors of Insr Insurance Group ASA. Åge Korsvold holds an MBA from the University of Pennsylvania, 1971.
3.	**Thomas W. Blumenthal, Director**	N/A	December 21, 2020	Mr. Thomas W. Blumenthal is a partner and head of Private Corporate Investments at the Baupost Group, a registered investment adviser that manages discretionary equity capital following a value investment philosophy. He joined Baupost in 1993. Mr. Blumenthal has previously served on the boards of directors of Data Documents, Inc., Richey Electronics, Inc. and RMA HomeServices, Inc. He graduated from Claremont McKenna College with a Bachelor of Arts degree in Economics.
4.	**Patrick Cook, Director**	N/A	December 21, 2020	Mr. Patrick Cook is currently Managing Director at the Baupost Group. He has served as a member of the Boards of DRS Acquisition LLC, Surfaces Southeast Holdco, LLC and Bakkavor Group. Patrick received his education from Vanderbilt University.

5.	**Joseph H. Izhakoff, Director**	N/A	December 21, 2020	Mr. Joseph H. Izhakoff was a shareholder/ partner of Akerman, Senterfitt & Edison, P.A., one of Florida's premier law firms, where his practice focused on corporate finance and mergers and acquisitions. Mr. Izhakoff began his career in New York with Paul, Weiss, Rifkind, Wharton & Garrison, a globally oriented, full service law firm with offices worldwide. Mr. Izhakoff received a Bachelor of Science degree with highest honors from the State University of New York at Albany in 1987 and a Juris Doctor degree with honors from Harvard Law School in 1990.
6.	**Collin Beecroft, Director**	N/A	December 21, 2020	Mr. Collin Beecroft is an Executive Director and Senior Investment Counsel in the Transaction Structuring Group at the Baupost Group. Mr. Beecroft was previously a partner in the Corporate Department of Ropes & Gray. He has counselled a variety of public and private companies, including private equity funds, banks, and venture capital firms. Mr. Beecroft graduated summa cum laude with a B.A. in International Relations from Brigham Young University in 1987 and cum laude with a J.D. from Harvard Law School in 1990. He was admitted to the Massachusetts bar in 1990.

3.4.12 PAC 3 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.4.13 PAC 3 has not been categorized as a wilful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

3.4.14 Certain financial information of PAC 3 derived from its audited consolidated financial statements as of and for the years ending December 31, 2019, 2018 and 2017, prepared in accordance with U.S. generally accepted accounting principles, audited by PAC 3's auditor KPMG LLP, in accordance with auditing standards generally accepted in the United States of America, are as follows. Additionally, certain financial information of PAC 3 derived from its interim unaudited consolidated financial statements as of and for the nine months ending September 30, 2020, prepared in accordance with U.S. generally accepted accounting principles, reviewed by PAC 3's auditor KPMG LLP in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information, are as follows. The audit report covering the December 31, 2019 consolidated financial statements and the review report covering the September 30, 2020 consolidated financial statements contain an explanatory paragraph that states that due to the uncertainty that the company anticipates in maintaining sufficient liquidity to fund ongoing operations, substantial doubt exists about the company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Statement of Operations	**As at and for the nine months ended September 30, 2020**		**Financial year ended December 31, 2019**		**Financial year ended December 31, 2018**		**Financial year ended December 31, 2017**	
	USD in `000	**INR Mn[2][3]**	**USD in `000**	**INR Mn[2][3]**	**USD in `000**	**INR Mn[2][3]**	**USD in `000**	**INR Mn[2][3]**
Net Sales (A)	1,99,721	14,814	4,26,049	29,996	4,11,596	28,130	4,23,924	27,604
Other Income (B) [1]		-	-	-	-	-	-	-
Total Income (A+B)	**1,99,721**	**14,814**	**4,26,049**	**29,996**	**4,11,596**	**28,130**	**4,23,924**	**27,604**
Total Expenditure (excluding Depreciation & Amortisation, Interest	2,27,880	16,902	4,33,360	30,511	4,45,877	30,473	4,62,892	30,142

Expenses and Taxes)								
Profit Before Depreciation & Amortisation, Interest Expenses and Taxes	-28,159	-2,088	-7,311	-515	-34,281	-2,343	-38,968	-2,537
Depreciation and Amortisation	4,619	343	6,641	468	7,919	541	9,871	643
Interest Expenses	510	38	1,285	90	1,216	83	588	38
Profit Before Tax	**-33,288**	**-2,469**	**-15,237**	**-1,073**	**-43,416**	**-2,967**	**-49,427**	**-3,219**
Income Tax (Benefit) / expense	2,847	211	-320	-23	1,882	129	2,735	178
Profit After Tax	**-36,135**	**-2,680**	**-14,917**	**-1,050**	**-45,298**	**-3,096**	**-52,162**	**-3,397**

Balance Sheet Statement	**As at and for the nine months ended September 30, 2020**		**Financial year ended December 31, 2019**		**Financial year ended December 31, 2018**		**Financial year ended December 31, 2017**	
	USD in `000	**INR Mn(2)(3)**	**USD in `000**	**INR Mn(2)(3)**	**USD in `000**	**INR Mn(2)(3)**	**USD in `000**	**INR Mn(2)(3)**
Sources of funds								
Paid up share capital	**53,482**	**3,947**	53,482	**3,812**	53,482	**3,733**	53,482	**3,419**
Reserves and Surplus (excluding revaluation reserves)	**41,019**	**3,027**	77,154	**5,499**	92,071	**6,426**	1,38,131	**8,830**
Accumulated other comprehensive loss	**-28,048**	**-2,070**	-28,835	**-2,055**	-27,754	**-1,937**	-29,686	**-1,898**
Shareholder's Equity	**66,453**	**4,904**	**1,01,801**	**7,256**	**1,17,799**	**8,221**	**1,61,927**	**10,352**
Secured loans	2,500	184	13,000	927	17,000	1,186	10,000	639
Unsecured Loans	1,988	147	2,670	190	2,005	140	267	17
Shareholder's Loans	39,618	2,924	33,531	2,390	9,987	697	-	-
Deferred Compensation and fringe benefits	28,947	2,136	29,575	2,108	23,924	1,670	23,721	1,516
Other Long Term Liabilities	4,414	326	5,037	359	5,791	404	6,416	410
Total	**1,43,920**	**10,621**	**1,85,614**	**13,229**	**1,76,506**	**12,319**	**2,02,331**	**12,934**
Uses of funds								
Property, plant and equipment, net	22,993	1,697	26,397	1,881	29,537	2,061	33,256	2,126
Investments	642	47	642	46	741	52	1,096	70
Other Assets	19,432	1,434	15,558	1,109	16,967	1,184	18,353	1,173
Net current assets	1,00,853	7,443	1,43,017	10,193	1,29,261	9,021	1,49,626	9,565

Total miscellaneous expenditure not written off (1)	-	-	-	-	-	-	-	-
Total	**1,43,920**	**10,621**	**1,85,614**	**13,229**	**1,76,506**	**12,319**	**2,02,331**	**12,934**
Other Financial Data	**As at and for the nine months ended September 30, 2020**		**Financial year ended Dec 31, 2019**		**Financial year ended Dec 31, 2018**		**Financial year ended Dec 31, 2017**	
	USD in `000	**INR Mn(2)(3)**	**USD in `000**	**INR Mn(2)(3)**	**USD in `000**	**INR Mn(2)(3)**	**USD in `000**	**INR Mn(2)(3)**
Dividend (%) (1)	-	-	-	-	-	-	-	-
Earnings Per Share (1)	-	-	-	-	-	-	-	-

Note:

(1) Not applicable

(2) The USD to INR conversion has been assumed at the rate of as follows:
The USD to INR conversion rates assumed for conversion of numbers included in the Statement of Operations are as follows (Source: www.fbil.org.in):

USD / INR Exchange Rate	**As at and for the nine months ended September 30, 2020**	**Financial year ended Dec 31, 2019**	**Financial year ended Dec 31, 2018**	**Financial year ended Dec 31, 2017**
Average rate for the year / period	74.17	70.41	68.34	65.12

The USD to INR conversion rates assumed for conversion of number included in the Balance Sheet Statement are as follows (Source: www.fbil.org.in):

USD / INR Exchange Rate	**As at and for the nine months ended September 30, 2020**	**Financial year ended Dec 31, 2019**	**Financial year ended Dec 31, 2018**	**Financial year ended Dec 31, 2017**
Rate as on last day of the year	73.80	71.27	69.79	63.93

(3) The translation of the financial information into INR has not been reviewed or audited, respectively, by KPMG LLP.

3.4.15 PAC 3 has no material contingent liabilities that are not provided for as of September 30, 2020.

4. BACKGROUND OF THE TARGET COMPANY

4.1 The Target Company (*i.e.*, Timex Group India Limited) was incorporated as a public limited company in India on October 4, 1988 under the Companies Act, 1956 and is primarily engaged in the business of manufacturing and trading of watches and rendering of related after-sales services. The Company's manufacturing facility is located at Baddi, Himachal Pradesh.

4.2 The Equity Share Capital of the Target Company was listed on the Stock Exchange on December 9, 1993 (Scrip ID: TIMEX; Scrip Code: 500414). The ISIN of Equity Shares of the Target Company is INE064A01026. The Equity Shares are considered to be frequently traded in terms of Regulation 2(1)(j) of the SEBI SAST Regulations.

4.3 The registered office of the Target Company is situated at: E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi-110024 (Tel: 011-41021297, Email ID: investor.relations@timex.com, Contact person: Dhiraj Kumar Maggo, Website: www.timexindia.com). The corporate identification number of the Target Company is L33301DL1988PLC033434.

4.4 The Target Company is controlled by the Acquirer (a wholly-owned indirect subsidiary of PAC 3), which holds 75,645,100 Equity Shares in the Target Company constituting 74.93% of the total issued, paid-up Equity Share capital of the Target Company.

4.5 As on the date of the DLOF, the total authorized share capital of the Target Company is INR 170,00,00,000 (*Rupees One hundred and seventy crores only*) consisting of 90,00,00,000 (*ninety crores*) Equity Shares of INR 1 each and 8,00,00,000 (*eight crores*) preference shares of INR 10 each. The issued, subscribed and paid-up Equity Share Capital of the Target Company is INR 10,09,50,000 (*Rupees ten crores nine lakhs and fifty thousand only*) consisting of 10,09,50,000 (*ten crores nine lakhs and fifty thousand*) Equity Shares. The issued, subscribed and paid-up preference share capital of the Target Company is INR 76,10,00,000 (*Rupees seventy six crores and ten lakhs only*) consisting of 7,61,00,000 (*Seven crores and sixty one lakhs*) preference shares. The Target Company does not have partly paid-up Equity Shares or warrants, fully convertible securities, partly convertible securities and employee stock options.

4.6 The Equity Share capital structure of the Target Company is as follows:

Paid-up Equity Shares of Target Company	**No. of Equity Shares**	**% of shares or voting rights**
Fully paid-up Equity Shares	100,950,000	100%
Partly paid-up Equity Shares	-	-
Total paid-up Equity Shares	100,950,000	100%
Total voting rights in Target Company	100,950,000	100%

4.7 There has been no suspension of trading of the Equity Shares on BSE.

4.8 There are no Equity Shares of the Target Company that are not listed on BSE.

4.9 As on the date of this DLOF, there are no (i) partly paid-up Equity Shares; or (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures including employee stock options) issued by the Target Company.

4.10 The Board of Directors of the Target Company comprises the following directors:

Sr. No.	**Name**	**Designation**	**DIN**	**Date of Appointment**
1.	David Thomas Payne	Non-Executive and Non-Independent Director	07504820	April 20, 2018

		(Chairperson related to the Promoter)		
2.	Pradeep Mukerjee	Non-Executive Independent Director	02287773	July 30, 2009
3.	Bijou Kurien	Non-Executive Independent Director	01802995	July 29, 2011
4.	Gagan Makar Singh,	Non-Executive Independent Director	01097014	January 31, 2007
5.	Sharmila Sahai	Executive Director, Managing Director	00893750	November 18, 2013

4.11 The Target Company was not involved in any merger/demerger/spin offs during the last 3 years.

4.11.1 The key financial information of the Target Company based on its audited financial statements, audited by the Target Company's Statutory Auditor Deloitte Haskins and Sells LLP, as at and for the 12 (twelve) month period ended March 31, 2018, March 31, 2019 and March 31, 2020 and unaudited financial statements, which have been subjected to limited review by the Target Company's Statutory Auditor, Deloitte Haskins and Sells LLP for the interim period from April 1, 2020 until September 30, 2020, and as at September 30, 2020 are as follows:

(Amount: INR in million)

Particulars	**Six months ended September 30, 2020[(2)]**	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Statement of Profit and Loss				
Income from operations	366.50	2,519.00	2,416.30	2,094.00
Other Income	7.20	3.90	2.70	7.50
Total Income	373.70	2,522.90	2,419.00	2,101.50
Total Expenditure (Excluding Depreciation, Interest and Tax)	502.80	2,483.20	2,303.70	1,988.60
Profit Before Depreciation Interest and Tax	-129.10	39.70	115.30	112.90
Interest (Finance Cost)	13.10	28.00	15.80	21.00
Depreciation and amortization expenses	17.70	29.70	16.00	16.70
Profit(Loss) Before Tax	-159.90	-18.00	83.50	75.20
Provision for Tax		-	8.90	-
Profit after Tax	-159.90	-18.00	74.60	75.20
Balance Sheet				
Sources of Funds				
Paid up Share Capital	101.00	101.00	101.00	101.00
Reserves and Surplus	-54.60	105.80	123.80	51.80
Net-worth	46.40	206.80	224.80	152.80
Secured loans				
Unsecured loans	146.20	204.20	268.70	282.90
Non-Current Liabilities	189.90	191.50	65.30	56.20
Total	382.50	602.50	558.80	491.90

Uses of funds				
Net fixed assets	209.00	225.70	83.70	73.50
Investments				
Other Non-Current Assets	11.20	15.40	43.00	37.00
Net current assets	162.30	361.40	432.10	381.40
Total Miscellaneous Expenditure Not Written Off				
Total	382.50	602.50	558.80	491.90
Other Financial Data				
Dividend (%)				
Basic Earnings Per Share	-2.01	-1.03	-0.11	0.75
Diluted Earnings Per Share	-2.01	-1.03	-0.11	0.75
Return on Net Worth (%)	-344.61%(3)	-8.70%	33.19%	49.21%
Book Value Per Share(4)	0.46	2.05	2.23	1.51

Note:

1. NA: Not Applicable
2. Unaudited Half Yearly Numbers
3. Not Annualized
4. Book Value per share is the net worth as of the end of the respective period divided by the number of shares outstanding shares as of the end of the respective period.

4.12 Pre and post- offer Equity Shareholding pattern of the Target Company as on the date of the DLOF:

	Shareholders' category	Shareholding and voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
1	**Promoter group**								
A	Parties to the agreement, if any	-	-	-	-	-	-	-	-
B	Promoters other than A above(1)	7,56,45,100	74.93	-	-	2,53,04,900	25.07	10,09,50,000	100
C	Total 1 (A+B)	7,56,45,100	74.93	-	-	2,53,04,900	25.07	10,09,50,000	100
2	**Acquirers**								
A	Acquirer(1)								
	Timex Group Luxury Watches B.V.	7,56,45,100	74.93	-	-	2,53,04,900	25.07	10,09,50,000	100
	Total	7,56,45,100	74.93	-	-	2,53,04,900	25.07	10,09,50,000	100
B	PACs								
	BP Horological	-	-	-	-	-	-	-	-

	Shareholders' category	Shareholding and voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
	Investors, L.L.C. (PAC 1)								
	BP Horological Holdings, L.L.C. (PAC 2)	-	-	-	-	See note 2 below	See note 2 below	See note 2 below	See note 2 below
	Tanager Group B.V. (PAC 3)	-	-	-	-	See note 2 below	See note 2 below	See note 2 below	See note 2 below
	Total	-	-	-	-	-	-	-	-
C	**Total 2 (A+B)** (1)	7,56,45,100	74.93	-	-	2,53,04,900	25.07	10,09,50,000	100
3	**Parties to agreement other than 1A and 2**	-	-	-	-	-	-	-	-
4	**Public (other than parties to the agreement, Acquirers and PACs)**	-	-	-	-	-	-	-	-
A	FPI/ FIIs / MFs / FIs / Banks	29,123	0.03	-	-	(2,53,04,900)	(25.07)	-	-
B	Others	2,52,75,777	25.04	-	-				
	Total 4(A+B)	**2,53,04,900**	**25.07**	-	-	**(2,53,04,900)**	**(25.07)**	-	-
	Grand Total (1+2+3+4)	**10,09,50,000**	**100**	**-**	**-**			**10,09,50,000**	**100**

Notes:

1. The SPA has been entered into amongst PAC 2, PAC 3 and Sellers. The Acquirer is not a party to the SPA. However, the Acquirer is part of the Promoter and Promoter Group of the Target Company and is the Acquirer for the purposes of the Open Offer. Accordingly, the Acquirer falls under the category "Promoter other than A above" and "Main Acquirer" as per the Open Offer. Its shareholding has been mentioned at both places but has not been added twice in grand total.
2. PAC 2 has not and will not directly acquire any Equity Shares of the Target Company through the Underlying Transaction. On account of completion of the Underlying Transaction, PAC 2 owns 65% of the issued share capital of PAC 3 and also controls PAC 3, which indirectly holds and controls shares of the Acquirer, which holds 75,645,100 Equity Shares representing 74.93% of the Voting Share Capital.
3. The number of Shareholders of the Target Company in the "public category" as on 25th December, 2020 is 40,959.

   Details of Preference share capital of Target Company issued to the Acquirer.

Type	Date of Issue	Number of preference shares	Face Value (INR)	Dividend (%)
Non-cumulative Non-Convertible Redeemable Preference Shares	March 25, 2003	2,500,000	10	0.10%
Cumulative Non-Convertible Redeemable Preference Shares	March 27, 2004	15,700,000	10	13.88%
Cumulative Non-Convertible Redeemable Preference Shares	March 21, 2006	22,900,000	10	13.88%
Cumulative Non-Convertible Redeemable Preference Shares	February 16, 2017	35,000,000	10	5.00%

4.13 The Acquirer has not acquired any Equity Shares after the date of the PA till the date of this DLOF. The PACs have not acquired any Equity Shares after the date of the PA till the date of the DLOF except to the extent of the Underlying Transaction.

5. OFFER PRICE

5.1 Justification of Offer Price

5.1.1 The Equity Shares of the Target Company are listed and traded on the Stock Exchange.

5.1.2 The traded turnover in the Equity Shares of the Target Company on BSE during the period November 1, 2019 to October 31, 2020 ("**Twelve Month Period**"), viz. twelve calendar months preceding the calendar month in which the PA is made, is given below:

Stock Exchange	Traded turnover of Equity Shares of the Target Company during the Twelve Month Period ("A")	Total number of Equity Shares of the Target Company during the Twelve Month Period ("B")	Traded turnover as % of total number of Equity Shares of the Target Company (A/B)
BSE	1,20,23,015	10,09,50,000	11.91%

Source: CA Certificate from R. Mehta & Associates dated November 23, 2020.

5.1.3 Based on the above information, the Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

5.1.4 This is an indirect acquisition of Target Company in terms of Regulations 5(1) of the SEBI (SAST) Regulations, and such indirect acquisition does not fall within the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations.

5.1.5 The Offer Price of INR 24.54 (*Indian Rupees Twenty Four and fifty four paise*) per Offer Share is justified in terms of Regulation 8(3) read with Regulation 8(5) and enhanced as per Regulation 8(12) of the SEBI (SAST) Regulations, being the highest of the following parameters:

Sr. No.	*Details*	*Price per share in INR*
a.	The highest negotiated price per share of the Target Company under the agreement for any acquisition attracting the obligation to make a PA of this Offer	Not Applicable
b.	The volume-weighted average price paid or payable for any acquisition by the Acquirer or the PACs during the fifty-two weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is	Not Applicable

	announced in the public domain	
c.	The highest price paid or payable for any acquisition, whether by the Acquirer or the PACs, during the twenty-six weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain	Not Applicable
d.	The highest price paid or payable for any acquisition, whether by the Acquirer or by the PACs between the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the date of the PA of this Offer	Not Applicable
e.	The volume-weighted average market price of the shares for a period of sixty trading days immediately preceding the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, as traded on the BSE being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, provided such shares are frequently traded	24.26
f.	The per Equity Share value computed under Regulation 8(5), if applicable	24.26[(1) (2)]
g.	Price at (f) above including interest in terms of Regulation 8(12) of the SEBI (SAST) Regulations	24.54 [(3)]

Note:

(1) In terms of Regulation 8(5) of the SEBI (SAST) Regulations, an indirect acquisition where: (a) the proportionate net asset value of the target company, as a percentage of the consolidated net asset value of the entity or business being acquired; (b) the proportionate sales turnover of the target company, as a percentage of the consolidated sales turnover of the entity or business being acquired; or (c) the proportionate market capitalization of the target company, as a percentage of the enterprise value for the entity or business being acquired, is in excess of 15%, on the basis of the most recent audited annual financial statements, the Acquirer is required to compute and disclose the per Equity Share value of the Target Company. As per certificate dated November 19, 2020 from R. Mehta & Associates, the proportionate market capitalization of the Target Company as a percentage of the enterprise value of the entity or business being acquired (i.e. PAC 3), is in excess of 15%.

(2) The Acquirer and the PACs have taken into account a per share price of INR 24.26 for the acquisition of the Target Company for the Underlying Transaction. This has been arrived at on the basis of the volume-weighted average market price of the Equity Shares of the Target Company for a period of 60 trading days immediately preceding November 19, 2020 (i.e., the date in India when PAC 2 executed definitive documents to acquire PAC 3).

(3) In accordance with regulation 8(12) of the SEBI (SAST) Regulations, the offer price is required to be enhanced by an amount determined at the rate of 10% per annum for the period between, the earlier of the date on which the primary acquisition is contracted or the date on which the intention or the decision to make the primary acquisition is announced in the public domain (being November 19, 2020 the date in India), and the date of the publication of the Detailed Public Statement, provided such period is more than 5 Working Days. Accordingly, the price per Equity Share ascribed under (g) above, has been enhanced by INR 0.28 per Equity Share, at the rate of 10% per annum for the period between November 19, 2020 and the date of publication of the Detailed Public Statement (i.e. December 29, 2020).

Source: Certificate dated December 28, 2020 issued by R. Mehta & Associates, Chartered Accountants

5.1.6 There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

5.1.7 As on the date of the DLOF, there is no revision in the Offer Price or size of the Open Offer. In case of any revision in the Offer Price, the Acquirer and the PACs shall comply with applicable provisions of Regulation 18 of the SEBI (SAST) Regulations and any other provisions of the SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price.

5.1.8 In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price at any time prior to commencement of the last 1 Working Day before the commencement of the tendering period. In the event of such revision, the Acquirer and the PACs shall (i) make corresponding increase to the escrow amount in the Escrow Account (ii) make public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously notify to BSE, SEBI and the Target Company at its registered office of such revision.

5.1.9 If the Acquirer or the PACs acquire Equity Shares during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer and the PACs shall pay the difference between the highest acquisition price and the Offer Price, to all Shareholders whose shares have been accepted in the Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form. Further, the Acquirer and the PACs shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

6. FINANCIAL ARRANGEMENTS

6.1 The total funding requirement for this Offer is INR 620,982,246 (*Indian Rupees Six hundred and twenty million nine hundred and eight two thousand two hundred and forty six only*) ("**Maximum Open Offer Consideration**") assuming full acceptance of this Offer.

6.2 The Acquirer has confirmed that it has adequate resources for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Open Offer. R. Mehta & Associates, Chartered Accountants with Firm Registration No. ("**FRN**") **143992W** having its office at 206, Pacific Plaza, Garage Gally, Dadar (W), Mumbai-400028; by its certificate dated November 23, 2020, has certified that the Acquirer has made firm financial arrangements to meet its financial obligations under the Offer.

6.3 The Acquirer published the DPS on December 29, 2020 and in accordance with Regulation 17 (1) and Regulation 17 (5) of the SEBI (SAST) Regulations, the Acquirer is required to create an escrow for an amount equal to 100% of the Maximum Open Offer Consideration, which should be deposited in cash with a scheduled commercial bank. Accordingly, the total escrow amount required to be created is INR 620,982,246 (*Indian Rupees six hundred and twenty million nine hundred and eight two thousand two hundred and forty six only*).

6.4 Furthermore, the Acquirer, the Manager to the Offer and JP Morgan & Chase Bank ("**Escrow Bank**") have entered into an Escrow Agreement dated December 21, 2020 ("**Escrow Agreement**"). Pursuant to the Escrow Agreement, the Acquirer has opened an escrow account under the name and title of "Timex Group Escrow Account" bearing account number 5622409984 ("**Escrow Account**") with the Escrow Bank and has made a cash deposit of INR 620,982,246 (*Indian Rupees six hundred and twenty million nine hundred and eight two thousand two hundred and forty six only*) in the Escrow Account in accordance with the Regulation 17 (1) and Regulation 17(5) of the SEBI (SAST) Regulations. This cash deposit has been confirmed *vide* a confirmation letter dated December 22, 2020 issued by the Escrow Bank.

6.5 The Manager to the Open Offer has been solely authorised by the Acquirer to operate and realise monies lying to the credit of the Escrow Account, in terms of the SEBI (SAST) Regulations.

6.6 Pursuant to the terms of the NPA, PAC 1 has purchased and PAC 3 has sold and issued to PAC 1 Series A-1 Senior Secured Notes in an aggregate principal amount of USD 30,000,000 (*US Dollars thirty million*) on November 18, 2020, and Series A-2 Senior Secured Notes in an aggregate principal amount of USD 55,000,000 (*US Dollars fifty five million*) on December 21, 2020. Further, PAC 1 and PAC 3 via their sole member and/or board resolutions dated November 19, 2020 and November 20, 2020 have resolved to provide financial assistance/support directly or indirectly by way of equity contribution, shareholder loans and/or similar instruments with such an amount in cash, as may be required by the Acquirer for meeting its obligations under the Open Offer. After considering the aforementioned, R. Mehta & Associates, by its certificate dated November 23, 2020, has certified that the Acquirer and the PACs, have made firm financial arrangements to meet its financial obligations under the Open Offer. Further, in accordance with the board resolution dated November 20, 2020, PAC 3 has infused an amount of USD 8,500,000 (*US Dollars eight million and five hundred thousand*) into the Acquirer on December 14, 2020. The Acquirer has also deposited the 100% of the Maximum Open Offer Consideration in to the Escrow Account as of December 22, 2020.

6.7 Based on the above, the Manager to the Offer is satisfied, (i) about the adequacy of resources to meet the financial requirements of the Offer and the ability of the Acquirer along with the PACs to implement the Offer in accordance with the SEBI (SAST) Regulations, and (ii) that firm arrangements for payment through verifiable means are in place to fulfil the Offer obligations.

6.8 In case of any upward revision in the Offer Price, the cash in the Escrow Account shall be increased by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 This Offer is being made by the Acquirer and the PACs to: (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on January 28, 2021 (*i.e.*, the Identified Date), provided that such Shareholders hold any Equity Shares in the Company as of the date of closure of the Tendering Period; (ii) the beneficial owners of the Equity Shares, whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on January 28, 2021 (*i.e.*, the Identified Date); and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer but who are not the registered Public Shareholders.

7.2 The Acquirer and the PACs are making this Offer to all Public Shareholders to acquire up to 25,304,900 Equity Shares, constituting 25.07% of the Voting Share Capital of the Target Company subject to the terms and conditions mentioned in the PA, DPS, DLOF, and the LOF.

7.3 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.

7.4 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Offer prior to the date of closure of the Tendering Period.

7.5 The Acquirer will acquire the Equity Shares free from all liens, charges, equitable interests and encumbrances. The Acquirer shall acquire the Equity Shares of the Public Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.

7.6 The Target Company does not have any Equity Shares which are currently locked-in.

7.7 The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

7.8 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

7.9 The Acquirer reserves the right to revise the Offer Price upwards prior to the commencement of the last 1 Working Day prior to the commencement of the Tendering Period (*i.e.*, up to February 9, 2021) in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price would be announced in the same newspapers where the Detailed Public Statement was published. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Detailed Public Statement and the LOF.

7.10 The acceptance of this Offer is entirely at the discretion of the Public Shareholders of the Target Company.

7.11 None of the Acquirer, the PACs, the Manager to the Offer or the Registrar to the Offer accepts any responsibility for any loss of documents during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

7.12 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

7.13 Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in any way.

7.14 Statutory and other approvals:

7.14.1 To the best of the knowledge of the Acquirer and the PACs, no statutory approvals are required by the Acquirer and/ or the PACs to complete the Open Offer as on the date of the DLOF. If, however, any statutory or other approval becomes applicable prior to completion of such acquisitions, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.

7.14.2 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event any statutory approvals (in relation to the acquisition of Equity Shares constituting the Offer Shares) which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirer, then the Acquirer and the PACs shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer and the PACs (through the Managers) shall, within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

7.14.3 NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including but not limited to, the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity), if applicable, and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory body) at the time of the original investment, in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered pursuant to this Offer. If the Equity Shares are held under the general permission of the RBI, the non-resident Shareholders should state that the Equity Shares are held under such general permission and whether such Equity Shares are held on a repatriable basis or a non-repatriable basis.

7.14.4 Subject to the receipt of the statutory and other approvals, if any, the Acquirer and the PACs shall complete all procedures relating to the Open Offer, including payment of consideration within 10 Working Days from the closure of the tendering period to those Shareholders whose share certificates or other documents are found valid and in order and are approved for acquisition by the Acquirer and the PACs.

7.14.5 By agreeing to participate in this Open Offer (i) the holders of the Equity Shares who are persons resident in India and the (ii) the holders of the Equity Shares who are persons resident outside India (including NRIs, OCBs and FPIs) give the Acquirer the authority to make, sign, execute, deliver, acknowledge and perform all actions to file applications and regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Acquirer for such regulatory filings, if required by the Acquirer.

7.14.6 Where any statutory approval required for implementing the Offer extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7.14.7 In case of delay/non-receipt of any approval which may be required by the Acquirer and/or the PACs at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer and the PACs to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations. In accordance with Regulation 18 (11A) of the SEBI (SAST) Regulations, if any waiver is not granted by SEBI, then the Acquirer shall pay interest to all such Shareholders whose Equity Shares have been accepted in the Open Offer, at the rate of 10 (Ten) percent per annum, in the event the Acquirer is unable to make payment to the Shareholders who have accepted Equity Shares in the Open Offer within the statutory period as prescribed.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 The Offer will be implemented by the Acquirer through the stock exchange mechanism made available by the BSE in the form of a separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time, and notices / guidelines issued by BSE and the Clearing Corporation in relation to the mechanism / process for the acquisition of shares through the stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time ("**Acquisition Window Circulars**").

8.2 BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer (**"Designated Stock Exchange**").

8.3 The LOF with the Form of Acceptance will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.

8.4 The Public Announcement, the Detailed Public Statement, Draft Letter of Offer, the LOF and the Form of Acceptance, along with any corrigendum or advertisement issued thereunder will also be available on the website of SEBI at www.sebi.gov.in. The LOF along with any advertisements to be made in relation to the Offer will be available on the websites of the Target Company at https://timexindia.com, Registrar to the Offer at www.linkintime.co.in, Manager to the Offer at www.jmfl.com, and BSE at www.bseindia.com. In case of non-receipt of the LOF, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the LOF or the Form of Acceptance from SEBI's website for applying in the Offer. Share Certificate(s), Transfer Deed(s), Form of Acceptance should not be sent to the Acquirer, the PACs, the Target Company or the Manager to the Offer.

8.5 All the Public Shareholders who desire to tender their Equity Shares under the Offer should consult with their depository participants and their respective stock brokers ("**Selling Broker**") well in advance to understand the process and methodology in relation to tendering of the Equity Shares through BSE during the Tendering Period.

The Buying Broker may also act as Selling Broker for Public Shareholders.

8.6 The Acquirer has appointed JM Financial Institutional Securities Limited ("**Buying Broker**") as its broker for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer will be made. The contact details of the Buying Broker are as mentioned below:

Name: JM Financial Institutional Securities Limited
Address: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. India
Contact Person: Ms. Prachee Dhuri
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330

8.7 The Acquisition Window will be provided by BSE to facilitate placing of sell orders. The Selling Broker can enter orders for Equity Shares in dematerialized form or physical form.

8.8 Public Shareholders can tender their shares only through a broker with whom the Shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with BSE if the Shareholder does not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code ("**UCC**") facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Buying Broker, to bid by using quick UCC facility. The Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

8.8.1 In case of Shareholder being an individual

(a) <u>If Shareholder is registered with KYC Registration Agency ("**KRA**"): Forms required:</u>

- i. Central Know Your Client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
- ii. Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

(b) <u>If Shareholder is not registered with KRA: Forms required:</u>

- i. CKYC form including FATCA, IPV, OSV if applicable
- ii. KRA form
- iii. KYC form Documents required (all documents self-attested): PAN card copy
  Address proof
  Bank details (cancelled cheque)
- iv. Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.8.2 <u>**In case of Shareholder is HUF:**</u>

(a) <u>If Shareholder is registered with KRA: Forms required:</u>

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
- ii. KYC form documents required (all documents self-attested): Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

(b) <u>If Shareholder is not registered with KRA: Forms required:</u>

i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
ii. KRA form
iii. Know Your Client (KYC) form Documents required (all documents self-attested): PAN card copy of HUF & KARTA
Address proof of HUF &
KARTA HUF declaration
Bank details (cancelled cheque)
iv. Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.8.3 <u>In case of Shareholder other than Individual and HUF:</u>

(a) <u>If Shareholder is KRA registered: Form required</u>

i. Know Your Client (KYC) form Documents required (all documents certified true copy) Bank details (cancelled cheque)
ii. Demat details (Demat master /Latest Demat statement)
iii. FATCA, IPV, OSV if applicable
iv. Latest list of directors/authorised signatories/partners/trustees
v. Latest shareholding pattern
vi. Board resolution
vii. Details of ultimate beneficial owner along with PAN card and address proof
viii. Last 2 years financial statements

(b) <u>If Shareholder is not KRA registered: Forms required:</u>

i. KRA form
ii. Know Your Client (KYC) form Documents required (all documents certified true copy): PAN card copy of company/ firm/trust
Address proof of company/
firm/trust Bank details (cancelled
cheque)
iii. Demat details (Demat Master /Latest Demat statement)
iv. FATCA, IPV, OSV if applicable
v. Latest list of directors/authorised signatories /partners/trustees
vi. PAN card copies & address proof of directors/authorised signatories/partners/trustees
vii. Latest shareholding pattern
viii. Board resolution/partnership declaration
ix. Details of ultimate beneficial owner along with PAN card and address proof
x. Last 2 years financial statements
xi. MOA/Partnership deed /trust deed

It may be noted that, other than submission of above forms and documents, in person verification may be required.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.9 Procedure For Tendering Shares Held In Dematerialized Form

8.9.1 The Public Shareholders who are holding Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares that such Public Shareholder intends to tender in this Offer. Public Shareholders wishing to tender their Equity Shares must tender their Equity Shares before market hours close on the last day of the Tendering Period.

8.9.2 The Selling Broker will be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchange. Before placing the order/bid, the Public Shareholder wishing to tender will be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the Stock Exchange or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.

8.9.3 Upon placing the order, the Selling Broker shall provide Transaction Registration Slip ("**TRS**") generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.

8.9.4 On receipt of TRS from the respective Seller Broker, the Public Shareholder has successfully placed the bid in the Offer.

8.9.5 Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.

8.9.6 For custodian participants, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

8.9.7 The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchange / Clearing Corporation, before the opening of the Offer.

8.9.8 The Public Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.

8.9.9 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

8.10 Procedure for tendering shares held in Physical Form

8.10.1 As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Public Shareholders holding shares in physical form are allowed to tender their shares in the Offer with effect from July 31, 2020.

8.10.2 The Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:

(i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;

(ii) Original share certificate(s);

(iii) Valid share transfer deed(s) (Form SH-4) duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;

(iv) Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);

(v) Any other relevant document such as (but not limited to) powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)), Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased, etc.

(vi) Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.

8.10.3 The Selling Broker(s) should place bids on the exchange platform including the relevant details as specified on the physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Dist. Nos. and number of Equity Shares.

8.10.4 The Selling Broker(s)/Public Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed in paragraph (a) above along with the TRS to the Registrar to the Offer (*i.e.*, Link Intime India Private Limited) at the address mentioned on the cover page. The envelope should be superscribed "Timex Group India Limited - Open Offer". Share certificates for physical shares must reach the Registrar to the Offer within 2 (two) days of Offer Closing Date.

8.10.5 The Public Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph 8.10.2 above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar to the Offer. On receipt of the confirmation from the Registrar to the Offer, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.

8.10.6 Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.

8.10.7 The Acquirer and the PACs hereby undertake to comply with the provisions of SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020 read with SEBI Circular no. SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 in relation to procedural matters relating to takeovers, including in relation to dispatch of the LOF to the Public Shareholders.

8.11 Acceptance of Shares

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

8.12 Procedure for tendering Equity Shares in case of non-receipt of Letter of Offer

8.12.1 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Offer.

8.12.2 Public Shareholders may participate in the Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in the LOF or in the relevant Form of Acceptance.

8.12.3 The LOF along with a Form of Acceptance, will be dispatched to all the Public Shareholders of the Target Company (through electronic mode or physical mode), whose names appear on the register of members of the Target Company and to the beneficial owners of the Target Company in dematerialized form or physical form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.

8.12.4 In case of non-receipt of the LOF, such Public Shareholders of the Target Company may download the same from the website of SEBI at www.sebi.gov.in**,** the Target Company at https://timexindia.com, Registrar to the Offer at www.linkintime.co.in, Manager to the Offer at www.jmfl.com, and BSE at www.bseindia.com or obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

8.12.5 Alternatively, in case of non-receipt of the LOF, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all Shareholder(s), stating name, address, number of shares held, client identification number, depository participant name, depository participant identification number, number of shares tendered and other relevant documents as mentioned. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by the Stock Exchange before the closure of the Tendering Period.

8.13 Settlement Process

8.13.1 On the closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer, and the final list of accepted Equity Shares shall be provided to the Stock Exchange to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.

8.13.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.

8.13.3 For Equity Shares accepted under the Offer, the Clearing Corporation will make a direct funds payout to each respective eligible Public Shareholder to the bank account linked to its demat account. If a Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

8.13.4 In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards.

8.13.5 The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of the shares under the Offer.

8.13.6 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.

8.13.7 The direct credit of Equity Shares accepted in the Offer shall be given to the demat account of the Acquirer as indicated by the Buying Broker.

8.13.8 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer.

8.13.9 In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.

8.13.10 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Shareholders'/ unregistered owners' sole risk to the sole/ first Shareholder/ unregistered owner. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in an event the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.

8.13.11 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tended under the Offer.

8.13.12 If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.

8.13.13 Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Public Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

8.13.14 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Shareholders of the Target Company who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

8.14 <u>Note on Taxation / Compliance with tax requirements</u>

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED 13 APRIL 2015 AND CFD/DCR2/CIR/P/2016/131 DATED 9 DECEMBER 2016.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF ANY TAX ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THE SUMMARY OF INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN THE OPEN OFFER AS SET OUT BELOW, AND SUCH

SUMMARY SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

8.14.1 General:

a) This Open Offer will be executed on market and STT will be payable through stock exchange on Equity Shares tendered/accepted under this Open Offer.

b) In case of delay in receipt of any statutory approvals as may be required as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer and/or the PACs agreeing to pay interest to the Public Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time. In accordance with Regulation 18 (11A) of the SEBI (SAST) Regulations, if any waiver is not granted by SEBI, then the Acquirer shall pay interest to all such Shareholders whose Equity Shares have been accepted in the Open Offer, at the rate of 10 (Ten) percent per annum, in the event the Acquirer is unable to make payment to the Shareholders who have accepted Equity Shares in the Open Offer within the statutory period as prescribed.

c) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31.

d) A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act.

e) A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (*i.e.*, income which accrues or arises or deemed to accrue or arise in India) as also income received by such persons in India. In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

f) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act.

g) Further, the non-resident Shareholder can avail benefits of the Double Taxation Avoidance Agreement ("**DTAA**") between India and the respective country of which the said Shareholder is tax resident subject to satisfying relevant conditions including, but not limited to, those set out in limitation of benefits provisions present in the said DTAA (if any), non-applicability of General Anti-Avoidance Rule ("**GAAR**"), conditions under Multilateral Instruments ("**MLI**") as ratified by India with the respective country of which the said Shareholder is tax resident and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

h) The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the Shareholder and nature of the income earned, etc.

i) As per the provisions of the Income Tax Act, the Shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year.

j) The summary of income-tax implications on tendering of listed Equity Shares on recognised stock exchanges in India is set out below. All references to Equity Shares herein refer to listed Equity Shares unless stated otherwise.

8.14.2 Further Analysis

Classification of Shareholders: Shareholders can be classified under the following categories:

a) Resident Shareholders being:
   i. Individuals, Hindu Undivided Family (“**HUF**”), Association of Persons (“**AOP**”) and Body of Individuals (“**BOI**”)
   ii. Others (company, firms etc.).

b) Non-Resident Shareholders being:
   i. NRIs
   ii. FIIs / FPIs
   iii. Others:
      - Company
      - Other than company

8.14.3 Classification of Income: Shares can be classified under the following two categories

Shares can be classified under the following two categories:

(a) Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
(b) Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”).

In view of the amended definition of ‘capital asset’ provided in Section 2(14) of the IT Act, shares held by all FIIs (and their sub – account) or FPIs registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 are to be treated as ‘capital asset’.

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (*i.e.*, stock-in-trade). Shareholders should also refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (CBDT).

8.14.4 Shares held as investment: As per the provisions of the Income Tax Act, where the shares are held as investments (*i.e.*, capital asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Additionally, securities held by FIIs/FPIs are treated as capital assets under Section 2(14) of the IT Act (whether or not such asset is being held as a capital asset). Capital Gains in the hands of Shareholders will be computed as per provisions of Section 48 of the Income Tax Act.

8.14.5 Period of holding: Depending on the period for which the shares are held, the gains will be taxable as “short-term capital gain” or “long-term capital gain”:

a) In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“**STCG**”).

b) Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“**LTCG**”).

8.14.6 Tendering of Shares in the Offer through a Recognized Stock Exchange in India: Where a transaction for transfer of such equity shares (*i.e.*, acceptance under an open offer) is transacted through recognized stock exchanges and is chargeable to Securities Transaction Tax (“**STT**”), then the taxability will be as under (for all categories of Shareholders):

a) The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of equity shares on or after 1 April 2018. Section 112A of the Income Tax Act provides for taxation of income arising from the transfer of such shares, which is explained in the following paragraphs.

b) The gain accrued on such equity shares till 31 January 2018 has been exempted by providing that for the purpose of computing LTCG the cost of shares acquired before 1 February 2018 shall be the higher of the following:

   i. Actual cost of acquisition; or
   ii. Lower of: (A) fair market value, and (B) full value of consideration received or accruing as a result of the transfer of the shares.

   Fair market value has been defined to mean the highest price of the equity share quoted on any recognized stock exchange on 31 January 2018.

c) After taking into account the exemption provided above, LTCG arising from transfer of equity shares, exceeding Rs.100,000, will be taxable at 10% without allowing the benefit of indexation.

d) However, section 112A of the Income Tax Act shall not apply if such equity shares were acquired on or after 1 October 2004 and securities transaction tax ('STT under Chapter VII of the Finance (No. 2) Act, 2004') was not paid. In this regard, the Central Government has issued a notification no. 60/2018/F. No. 370142/9/2017-TPL dated 1st October, 2018, providing certain situations wherein section 112A of the Income Tax Act will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:

   i. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on recognised stock exchanges of India, was made through a preferential issue, subject to certain exceptions;

   ii. Where transaction for acquisition of existing listed equity share in a company was not entered through recognised stock exchanges of India, subject to certain exceptions;

   iii. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from recognised stock exchanges and ending on the date on which the company was again listed on recognised stock exchanges in accordance with the Securities Contracts (Regulation) Act, 1956 read with the SEBI Act and any rules made thereunder;

e) In terms of the said notification, STT need not have been paid on acquisition of shares (that are frequently traded) and still be eligible for claim of Section 112A benefit in the following situations:

   i. Acquisition by scheduled banks, reconstruction or securitisation companies or public financial institutions during their ordinary course of business;
   ii. Acquisitions approved by the Supreme Court, High Courts, National Company Law Tribunal, SEBI or RBI;
   iii. Acquisitions under employee stock option scheme or employee stock purchase scheme framed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;
   iv. Acquisition by any non-resident in accordance with foreign direct investment guidelines of the Government of India;
   v. Acquisition in accordance with SEBI (SAST) Regulation, 2011;
   vi. Acquisition from the Government;
   vii. Acquisition by an investment fund referred to in clause (a) to Explanation 1 to Section 115UB of the Income Tax Act or a venture capital fund referred to in clause (23FB) of Section 10 of the Income Tax Act or a Qualified Institutional Buyer; and
   viii. Acquisition by mode of transfer referred to in Section 47 or Section 50B or sub-section (3) of

Section 45 or subsection (4) of Section 45 of the Income Tax Act, if the previous owner or the transferor, as the case may be, of such shares has not acquired them by any mode referred to in clause (A) or clause (B) or clause (C) other than the transactions referred to in the proviso to clause (C) or clause (B).

f) Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20%. However, for a resident Shareholder, an option is available to pay tax on such LTCG under section 112 at either 20% with indexation or 10% without indexation. In the case of FIIs/FPIs, LTCG would be taxable at 10% (ten per cent.) (plus applicable surcharge and cess) in accordance with provisions of Section 115AD of the IT Act.

g) STCG arising from such transaction will be subject to tax @ 15% under Section 111A of the Income Tax Act.

h) Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112, 112A or 111A of the Income Tax Act. In addition to the above LTCG or STCG tax, applicable Surcharge, Health and Education Cess are leviable (Please refer to Paragraph for rate of surcharge and cess that follows).

i) Minimum alternate tax ("**MAT**") implications will get triggered in the hands of a resident corporate Shareholder unless the corporate Shareholder opts to be governed by the beneficial corporate income tax rate of 22% under section 115BAA of the Income Tax Act. Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. Likewise, for non-company Shareholders, applicability of the provisions of Alternate Minimum Tax will also have to be analysed depending upon the facts of each case.

j) Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions including, but not limited to, those set out in limitation of benefits provisions present in the said DTAA (if any), non-applicability of General Anti-Avoidance Rule ("**GAAR**"), conditions under Multilateral Instruments ("**MLI**") as ratified by India with the respective country of which the said Shareholder is tax resident and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

8.14.7 Shares held as Stock-in-Trade: If the shares are held as stock-in-trade by any of the Public Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head "Profits and Gains from Business or Profession".

a) **Resident Shareholders**

Profits of:

(A) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.

(B) Domestic companies will be generally taxed at the tax rates applicable for such company in accordance with the provisions of the Income Tax Act, including, but not necessarily limited to, the following cases:

- Domestic companies having total turnover or gross receipts during the previous year 2018- 19 not exceeding Rs. 400 crores will be taxable @ 25% (twenty-five per cent.) for annual year 2021-22.
- Domestic companies liable to pay tax under Section 115BAA of the IT Act will be taxable @ 22% (twenty-two per cent.) for annual year 2021-22.
- Domestic companies liable to pay tax under Section 115BAB of the IT Act will be taxable @ 15% (fifteen per cent.) for annual year 2021-22.

- Domestic companies having a turnover exceeding Rs. 400 crores will be taxable at the rate of 30% for annual year 2021-22 unless such companies choose to be covered under Section 115BAA.

Surcharge and cess are applicable in addition to the taxes described above.

(C) For persons other than stated in (A) and (B) above, profits will be taxable @ 30%. No benefit of indexation by virtue of period of holding will be available in any case.

b) Non Resident Shareholders

(A) Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant Shareholder country but subject to fulfilling relevant conditions (including, but not limited to, GAAR and MLI) and maintaining & providing necessary documents prescribed under the Income Tax Act.

(B) Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP and BOI, profits will be taxable at slab rates plus applicable surcharge and cess.
- For foreign companies, profits will be taxed in India @ 40% plus applicable surcharge and cess.
- For other non-resident Shareholders, such as foreign firms, profits will be taxed in India @ 30% plus applicable surcharge and cess.

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non Resident Shareholders.

8.14.8 Tax Deduction at Source

(a) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Acquirer is not required to deduct tax on the consideration payable to resident Shareholders pursuant to the said offer.

Interest – In respect of interest income, the obligation to deduct tax at source under the provisions of the IT Act is on the person responsible for paying such income. The final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer and the PACs depending on the settlement mechanism for such interest payments. It is important for the Public Shareholders to compute income on this transaction and immediately pay taxes in India, if applicable, in consultation with their custodians/authorized dealers/tax advisors appropriately. The Public Shareholders must file their tax return in India, inter-alia, considering gains arising pursuant to this Open Offer in consultation with their tax advisors. The Acquirer shall withhold applicable taxes under Section 194A on such interest payments.

The Resident Shareholders undertake to indemnify the Acquirer and the PACs if any tax demand is raised on the Acquirer and/or the PACs on account of income arising to the Resident Shareholders pursuant to this Offer. The Resident Shareholders also undertake to provide the Acquirer and the PACs, on demand, the relevant details in respect of the taxability/non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid, etc.

(b) In case of Non-resident Shareholders

(i) In case of FIIs / FPIs: Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs and FPIs. Thus, no withholding of tax is required in case of consideration payable to FIIs and FPIs subject to the FIIs and FPIs providing the required documentation and information.

Interest – In respect of interest income, the obligation to deduct tax at source under the provisions of the IT Act is on the person responsible for paying such income. The final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer and the PACs depending on the settlement mechanism for such interest payments. It is important for the FII/FPIs to compute income on this transaction and immediately pay taxes in India, if applicable, in consultation with their custodians/authorized dealers/tax advisors appropriately. The Shareholders must file their tax return in India, inter alia, considering gains arising pursuant to this Open Offer in consultation with their tax advisors.

The FIIs/FPIs undertake to indemnify the Acquirer and the PACs if any tax demand is raised on the Acquirer and/or the PACs on account of income arising to the FIIs/FPIs pursuant to this Offer. The FIIs/FPIs also undertake to provide the Acquirer and the PACs, on demand, the relevant details in respect of the taxability/non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid, etc.

(ii) In case of other non-resident Shareholders (other than FIIs / FPIs) holding Equity Shares of the Target Company: Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income Tax Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Shareholders provide a specific mandate in this regard.

Since the Offer is through the stock exchange, the responsibility of discharging the tax due on the gains (if any) is primarily on the non-resident Shareholder. The non- resident Shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident Shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

The non-resident Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident Shareholders pursuant to this Offer. The non-resident Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc.

Further, the Acquirer shall withhold applicable taxes on interest payments, if any.

8.14.9 Submission of PAN and other details

All Public Shareholders are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes. In absence of PAN for non-resident Public Shareholders, as per Notification No. 53 /2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details:

(a) Name, email id, contact number;

(b) Address in the country of residence;

(c) Tax Residency Certificate from the government of the country of residence, if the law of such country provides for issuance of such certificate; and

(d) Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.

If PAN, or in case of non-resident Public Shareholders not having a PAN, the aforesaid details are not furnished, the Acquirer will deduct tax as per Section 206AA of the Income Tax Act

8.14.10 Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

(a) Surcharge

(i) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but does not exceed Rs. 10 crore.

(ii) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs.1 crore but does not exceed Rs. 10 crore.

(iii) In case of domestic companies liable to pay tax under Section 115BAA or Section 115BAB: Surcharge @ 10% is leviable.

(iv) In case of individuals, HUF, AOP, BOI:

- Surcharge @10% is leviable where the total income exceeds Rs. 50 lacs but does not exceed Rs.1 crore,
- @15% where the total income exceeds Rs.1 crore but does not exceed Rs. 2crore,
- @25% where the total income exceeds Rs. 2 crore but does not exceed Rs. 5 crore and
- @37% where the total income exceeds Rs. 5 crore

However, for the purpose of income chargeable under Section 111A, 112A and 115AD (for income chargeable to tax under the head "Capital Gains"), the surcharge rate shall not exceed 15% (fifteen per cent.).

(v) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

(b) Cess

Health and Education Cess @ 4% is currently leviable in all cases.

Taxes once withheld will not be refunded by the Acquirer and/or the PACs under any circumstances. The tax deducted under this Open Offer may not be the final liability of the Public Shareholders and shall in no way discharges the obligation of Public Shareholders to appropriately disclose the amount received pursuant to this Open Offer to the income tax authorities. All Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PACs to the Open Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment for filing the return of income. The Acquirer shall deduct tax (if required) as per the information provided and representation made by the Shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholders, such

Shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority, at the cost of such Shareholder.

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.

APPLICABILITY OF OTHER RELEVANT LAWS IN INDIA (SUCH AS STAMP DUTY, ETC.) SHALL DEPEND ON FACTS OF EACH CASE AND SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN ADVISORS FOR THE SAME.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Public Shareholders at the office of the Manager to the Offer at JM Financial Limited, 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India, between 10.30 a.m. and 5.00 p.m. on any Working Day (except Saturdays, Sundays and public holidays) during the Tendering Period.

In light of SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020 read with SEBI Circular SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020, copies of the following documents will be available for inspection to the Public Shareholders electronically during the Tendering Period. The Public Shareholders interested to inspect any of the following documents can send an email from their registered email ids (including shareholding details and authority letter in the event the Public Shareholder is a corporate body) with a subject line "Documents for Inspection – Timex Group India Limited Open Offer", to the Manager of the Offer at timex.openoffer@jmfl.com and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents.

9.1 Copies of certificate of incorporation and constitutional documents of the Acquirer and the PACs;

9.2 Certificate dated November 23, 2020 from R. Mehta & Associates, Chartered Accountants, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;

9.3 Certificate dated December 28, 2020 from R. Mehta & Associates, Chartered Accountants certifying the Offer Price computation with interest;

9.4 Certificate dated November 23, 2020 from R. Mehta & Associates, Chartered Accountants certifying the Offer Price computation without interest

9.5 Copies of audited annual reports of the Target Company for the financial years ending March 31, 2020, March 31, 2019 and March 31, 2018 and limited reviewed six month financial results for the period September 30, 2020;

9.6 Copies of the audited consolidated financial statements as of and for the years ending December 31, 2019, 2018 and 2017, prepared in accordance with U.S. generally accepted accounting principles, audited by PAC 3's auditor KPMG LLP, in accordance with auditing standards generally accepted in the United States of America .

9.7 Copy of the interim unaudited consolidated financial statements as of and for the nine months ended September 30, 2020, prepared in accordance with U.S. generally accepted accounting principles, reviewed by PAC 3's auditor KPMG LLP in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information.

9.8 Copy of the Escrow Agreement dated December 21, 2020 entered into by and among the Acquirer, Escrow Agent and Manager to the Offer;

9.9 Copy of Registrar Agreement dated December 30, 2020 between Link Intime India Private Limited and Timex Group Luxury Watches B.V.;

9.10 Copy of the SPA dated November 18, 2020, Copy of the NPA dated November 18, 2020, and Copy of the Shareholders' Agreement dated December 21, 2020;

9.11 A letter dated December 22, 2020 from JP Morgan and Chase Bank N.A. confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Offer;

9.12 Copy of PA dated November 23, 2020, published copy of the Detailed Public Statement dated December 28, 2020, dispatch advertisement and issue opening public announcement to be made;

9.13 A copy of the recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors published in the newspapers; and

9.14 A copy of the observation letter no. [●] from SEBI dated [●].

10. DECLARATION BY THE ACQUIRER AND THE PACs

10.1 For the purpose of disclosures in the Draft Letter of Offer relating to the Target Company, the Acquirer and the PACs have relied on the information provided by the Target Company or as available in the public domain and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer, PACs and their respective directors/general partner, severally and jointly accept full responsibility for the information contained in this Draft Letter of Offer that relates to such party and the Offer (other than such information as has been obtained from public sources or provided or confirmed by the Target Company).

10.2 The Acquirer and the PACs will be severally and jointly responsible ensuring compliance as laid down in the SEBI (SAST) Regulations.

10.3 The persons signing the Draft Letter of Offer have been duly and legally authorized by the Acquirer or the PACs, as applicable, to sign the Draft Letter of Offer.

For and on behalf of the Acquirer and the PACs

Timex Group Luxury Watches B.V. (Acquirer)

BP Horological Investors, L.L.C. (PAC 1)

BP Horological Holdings, L.L.C. (PAC 2)

Tanager Group B.V. (PAC 3)

Place: Mumbai
Date: January 4, 2021