

**Favre-Leuba AG**

**Balance sheet**

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		6,98,483	59,167
Trade accounts receivable			
- due from third parties		83,514	8,21,220
- due from group companies			
Deposits			
Other short-term receivables			
- due from government authorities		1,87,748	1,80,801
- due from third parties		1,71,764	1,71,764
Inventories	2.1	47,20,644	48,50,949
Prepaid expenses and accrued income		8,293	27,997
<b>Total current assets</b>		<b>58,70,446</b>	<b>61,11,898</b>
<b>Non-current assets</b>			
Deposits		54,936	55,271
Investments	2.2	-	1,200
Property, plant and equipment	2.3	2,95,600	2,95,600
Intangible assets	2.4	6,32,020	6,32,020
<b>Total non-current assets</b>		<b>9,82,556</b>	<b>9,84,091</b>
<b>TOTAL ASSETS</b>		<b>68,53,002</b>	<b>70,95,989</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Short-term liabilities</b>			
Trade accounts payable			
- due to third parties		8,82,644	7,41,685
Other short-term liabilities			
- due to third parties		3,087	15,048
Accrued expenses and deferred income	2.5	2,29,088	2,14,246
<b>Total short-term liabilities</b>		<b>11,14,819</b>	<b>9,40,883</b>
<b>Long-term liabilities</b>			
Other long-term liabilities		1,00,833	46,00,833
<b>Total long-term liabilities</b>		<b>1,00,833</b>	<b>46,00,833</b>
<b>TOTAL LIABILITIES</b>		<b>12,15,652</b>	<b>55,41,716</b>
<b>Shareholder's equity</b>			
Share capital	2.6	2,02,18,970	1,87,18,970
Legal capital reserves			
- Reserves from capital contributions		2,19,24,407	1,86,24,407
Accumulated losses brought forward		-3,57,89,104	-3,45,41,567
Loss for the year		-7,16,924	-12,47,537
<b>TOTAL EQUITY</b>		<b>56,37,350</b>	<b>15,54,273</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>68,53,002</b>	<b>70,95,989</b>

The notes referred to above form an integral part of the financial statements.

**Place: Solothurn**

**Date:**

**Favre-Leuba AG**  
**Income statement**

Particulars	Notes	<i>Amount in CHF</i>	
		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Operating income</b>			
Revenue from sale of goods and services		1,24,516	2,32,286
<b>Total operating income</b>		<b>1,24,516</b>	<b>2,32,286</b>
<b>Operating expenses</b>			
Raw materials and supplies		1,49,565	1,11,403
Personnel expenses		2,69,855	10,43,017
Advertisement and promotion		5,714	13,234
Other operating expenses	2.7	3,91,195	3,03,516
Depreciation on non-current assets		-	-
<b>Total operating expenses</b>		<b>8,16,329</b>	<b>14,71,169</b>
<b>Operating result</b>		<b>-6,91,814</b>	<b>-12,38,883</b>
Financial expenses/(Income)		8,871	7,947
Prior period expenses/Extraordinary items	2.8	0	0
<b>Loss for the year before taxes</b>		<b>-7,00,685</b>	<b>-12,46,830</b>
Direct taxes		16,239	707
<b>Loss for the year</b>		<b>-7,16,924</b>	<b>-12,47,537</b>

**Place: Solothurn**

**Date:**

**1 Significant accounting policies and notes for the year ended 31 March 2023**

**a) General information**

These financial statements were prepared according to the principles of the Swiss Law on

**b) Use of estimates and judgements**

The preparation of financial statements in conformity of Swiss Law, requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. Such estimates and assumptions, are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**c) Revenue recognition**

**From sale of goods:** Revenue is recognised when risks and rewards associated with the ownership of the products are transferred to the customer and the recoverability of the receivables is reasonably assured.

In respect of sales to distributors, where recoverability of receivable is dependent on such distributor selling to retailers/ customers, revenue recognition is deferred till the distributor sells.

**From service income:** Service income is recognised when service is completed.

**d) Property, plant and equipment**

Property, plant and equipment (PPE) is valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. PPE is depreciated using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

The antique watches for representation purpose only (so called "non depreciable assets") are valued at acquisition cost. There are no regular depreciation of these assets.

**e) Intangible assets**

The trade marks are valued at acquisition cost. The depreciation is recognised on a systematic basis over 10 years (straight line and indirect method).

**f) Inventories**

Inventories are recorded at acquisition or manufacturing costs: If the net realizable value at the balance sheet date is lower than acquisition or manufacturing costs, net realizable values are used. Acquisition costs are calculated using the weighted average cost method, manufacturing costs using standard costs.

**g) Leases**

Leasing and rental contracts are recognised based on legal ownership. Therefore, any leasing or rental expenses are recognised as expenses in the period they are incurred. However, the leased or rented objects themselves are not recognised in the balance sheet.

## 2. Disclosure on balance sheet and income statement items

### 2.1 Inventories

Particulars	As at	As at
	31 March 2023	31 March 2022
Finished Watches		
Others	49,00,774	50,31,079
	<b>49,00,774</b>	<b>50,31,079</b>
Less: Provision for non-moving inventory/ slow moving inventory	1,80,130	1,80,130
	<b>47,20,644</b>	<b>48,50,949</b>

### 2.2 Investments

#### Direct investments as at 31 March 2022

Company name :	Titan Watch Company Ltd.,
Domicile :	Hong Kong
Voting and capital rights in %:	100
Capital in CHF:	1,200

#### Direct investments as at 31 March 2023

Company name :	Titan Watch Company Ltd.,
Capital in CHF:	0

### 2.3 Property, plant and equipment's, net

Particulars	As at	As at
	31 March 2023	31 March 2022
Machinery, devices	49,118	49,118
Tools	1,07,960	1,07,960
Furniture, installations	36,458	36,458
IT, communications technology	25,863	25,863
Exhibition stand	1,991	1,991
Antique watches	74,209	74,209
	<b>2,95,600</b>	<b>2,95,600</b>

### 2.4 Intangible assets, net

Particulars	As at	As at
	31 March 2023	31 March 2022
Trade mark	6,32,019	6,32,019
Advertising film	1	1
	<b>6,32,020</b>	<b>6,32,020</b>

## 2. Disclosure on balance sheet and income statement items (continued)

### 2.5 Accrued expenses and deferred income

Particulars	As at	As at
	31 March 2023	31 March 2022
Accruals for advertising and PR	0	0
Deferred revenue	21,121	21,121
Other accrued expenses	2,07,967	1,93,125
	<u>2,29,088</u>	<u>2,14,246</u>

### 2.6 Equity

Particulars	As at	As at
	31 March 2023	31 March 2022
Share capital	2,02,18,970	1,87,18,970
Legal capital reserves		
- Reserves from capital contributions	2,19,24,407	1,86,24,407

## 2. Disclosure on balance sheet and income statement items (continued)

### 2.7 Other operating expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Premises' expenses	91,478	1,00,627
Repair and maintenance	-	-
Vehicles expenses	9,856	679
Insurances, duties, fees	76,360	27,611
Energy and waste disposal	2,282	3,672
Administrative expenses	31,250	39,365
IT expenses	99,534	92,558
Travel	174	10,135
Design and Development expenses	14,612	5,473
Office relocation expenses	-	-
Other expenses	14,247	23,395
	<b>3,39,792</b>	<b>3,03,516</b>

### 2.8 Prior period expenses

#### Particulars

Revenue from sale of goods and services  
Raw materials and supplies  
Personnel expenses  
Advertisement and promotion  
Other operating expenses  
Purchase of components

### 3.1 Ownership

Favre Leuba AG is a wholly-owned subsidiary of Titan Company Limited, India.

### 3.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

### 3.3 Leasing obligations

The maturity of leasing obligations which have a residual maturity of more than twelve months or which cannot be cancelled within the next twelve months is as follows:

#### Particulars

Up to 1 year  
1 - 5  
year

Place: Solothurn

Date: