

KDDL Limited

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Fax: +91 172 2548302, Website: www.kddl.com CIN-L33302HP1981PLC008123



Ref : KDDL/CS/2019-20/86

Date : 14th February, 2020

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra,
Mumbai - 400 051

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Trading Symbol : KDDL

Scrip Code : 532054

Subject: Outcome of the Board Meeting, pursuant to regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations)

Dear Sir/ Madam,

Please be informed that the Board of Directors of KDDL Limited ("the Company") at its meeting held on Friday, 14th February, 2020 has, inter alia, considered and approved the following business:

1. Unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended 31st December, 2019 and took on record Limited Review Report thereon (Copy is enclosed).
2. Reappointment of Mr. Yashovardhan Saboo, subject to the approval of shareholders in ensuing general meeting, as Chairman & Managing Director w.e.f 1st April, 2020 for a period of three years.

Other relevant details are given herein below pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to appointment of Key Managerial Personnel (Managing Director) :

Disclosure Requirements	Details
Reason for Change	The existing term of Mr. Yashovardhan Saboo, Chairman & Managing Director will expire on 31 st March, 2020. Hence, the Board of Directors has reappointed Mr. Saboo for a further period of three year w.e.f 1 st April, 2020.
Date of appointment & term of appointment	The reappointment will be effective from 1 st April, 2020 for a period of three years, subject to the approval of shareholders in ensuing general meeting.
Brief Profile	Mr. Yashovardhan Saboo is B.A. (Hons.) and MBA from IIM, Ahmedabad. He started his career in 1980 as Director of Groz-Beckert Saboo Limited, Chandigarh and was the Managing Director of the Company from 1991 to 1993. In 1983, he set up Kamla Dials and Devices Limited (now KDDL Limited) as Managing Director of the Company. In 2003, he set up Ethos. In 2006, he set up Precision Stamping division, EIGEN Engineering at Bangalore. He has been conferred with "UdyogRatna" Award from PHDCCI in 2005 for valuable contribution to the Economic development of Himachal Pradesh.
Disclosure of relationships between Directors	Mr. Yashovardhan Saboo is brother of Mr. Jai Vardhan Saboo, non-executive non-independent director.



3. Appointment of "Mas Services Limited" as Registrar & Share Transfer Agent of the Company and accordingly, discontinuation with the RTA services availed from "KFin Technologies Private Limited" hereafter. The Company will update the Exchange, as and when a Tripartite Agreement is signed between the parties in the due course.
4. The allotment of 11,250 Equity Shares of Rs. 10 each pursuant to exercise of stock options at an exercise price of Rs. 120 per stock option under KDDL Employee Stock Option Plan - 2011. Consequent to the said allotment, the paid up Equity Share Capital of the Company has increased to Rs. 11,65,01,080 consisting of 1,16,50,108 Equity Shares of Rs. 10 each.

The Board Meeting commenced at 14:30 p.m. and concluded at 19:30 p.m.

Please take the above information on record.

Thanking you,

Yours truly

For KDDL Limited



Brahm Prakash Kumar
Company Secretary

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
KDDL Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of KDDL Limited (the "Company") for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") read with SEBI Circular no. CIR/CFD/CMD1/80/2019 dated July 19, 2019 ("the Circular").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The comparative Ind AS financial information of the Company for the corresponding quarter end December 31, 2018 and year to date from April 01, 2018 to December 31, 2018, included in these standalone Ind AS financial results, were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended March 31, 2019, were audited by predecessor auditor who expressed an unmodified conclusion/opinion on those financial information on February 13, 2019 and May 28, 2019 respectively.



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6. The information for the comparative periods presented, has been restated to reflect rectification of segment information previously presented to conform to the presentation of the standalone financial statements for the respective periods. Refer to Note 6 to standalone financial results, which describes the nature and impact of such adjustments.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Anil Gupta

per Anil Gupta

Partner

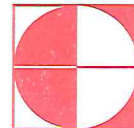
Membership No.: 87921

UDIN: 20087921AAAAAS122

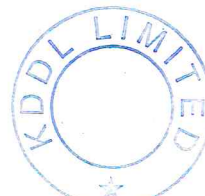
Place: Chandigarh

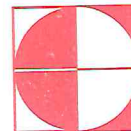
Date: February 14, 2020





KDDL Limited						
Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31 December 2019						
(₹ in Lakhs)						
S. No.	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		31 December	30 September	31 December	31 December	31 March
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		2019	2019	2018	2019	2019
1	Revenue from operations	4227	4935	4250	13985	17599
2	Other income	113	211	108	414	387
3	Total Income (1+2)	4340	5146	4358	14399	17986
4	Expenses					
	Cost of materials consumed	1094	1075	1183	3461	4450
	Changes in inventories of finished goods and work-in-progress	(112)	172	(235)	17	7
	Employee benefits expense	1413	1424	1309	4248	4908
	Finance costs	227	235	108	658	565
	Depreciation and amortisation expense	297	290	195	883	776
	Other expenses	1195	1345	1308	3886	5051
	Total Expenses	4114	4541	3868	13153	15757
5	Profit before income tax (3-4)	226	605	490	1246	2229
6	Income tax expense					
	- Current tax	61	174	110	340	600
	- Tax for earlier years	(19)	-	-	(19)	-
	- Deferred tax charge	7	13	55	42	55
	- Deferred tax for earlier years	19	-	-	19	-
7	Profit for the period/year (5-6)	158	418	325	864	1574
8	Other comprehensive income / (expense)					
	Items that will not be reclassified to profit or loss					
	Remeasurement of defined benefit liability / (asset)	(19)	(22)	(25)	(56)	(59)
	Income tax on remeasurement of defined benefit liability / (asset)	5	7	8	16	17
9	Total Comprehensive Income for the period/year (7+8)	144	403	308	824	1532
10	Earnings per share of ₹ 10 each (not annualized)					
	Basic (₹)	1.36	3.59	2.80	7.43	13.86
	Diluted (₹)	1.36	3.59	2.80	7.43	13.84
11	Paid-up equity share capital (Face value per share ₹ 10)	1164	1163	1163	1164	1163
12	Reserve (excluding revaluation reserves)					15542
	See accompanying notes to the Unaudited Standalone Financial Results					

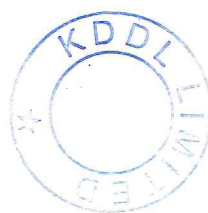


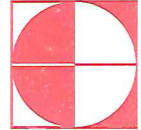


Note:
As per Ind-AS 108, Operating Segments have been defined and presented based on the regular review by the Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The accounting principles used in the preparation of the unaudited standalone financial results are consistently applied to record revenue and expenditure in individual segments. Accordingly, the unaudited standalone segment wise revenue, results, assets and liabilities are as follows:

S.No.	Particulars	(₹ in Lakhs)					
		Quarter Ended			Nine Months Ended		Year Ended
		31 December (Unaudited)	30 September (Unaudited)	31 December (Unaudited)	31 December (Unaudited)	31 December (Unaudited)	31 March (Audited)
		2019	2019	2018*	2019	2018*	2019*
1	Segment revenue						
	a) Precision and watch components	4058	4718	4098	13373	12571	16885
	b) Others	169	217	152	612	550	714
	Total	4227	4935	4250	13985	13121	17599
	Less: Inter segment revenue	-	-	-	-	-	-
	Total Revenue from operations	4227	4935	4250	13985	13121	17599
2	Segment results (profit before tax and interest from each segment)						
	a) Precision and watch components	698	911	822	2465	2864	3516
	b) Others	12	15	31	42	43	158
	Total	710	926	853	2507	2907	3674
	Less: i. Finance costs	227	235	108	658	372	565
	ii. Other un-allocable expenditure (net of un-allocable income)	257	85	255	603	863	880
	Profit before tax	226	606	490	1246	1672	2229
3	Segment assets						
	a) Precision and watch components	16934	16791	15863	16934	15863	15651
	b) Others	386	398	337	386	337	330
	c) Unallocated	12030	12283	9170	12030	9170	10296
	Total Segment assets	29350	29472	25370	29350	25370	26277
4	Segment liabilities						
	a) Precision and watch components	2967	3236	2831	2967	2831	2615
	b) Others	93	89	76	93	76	89
	c) Unallocated	9088	9099	6187	9088	6187	6859
	Total Segment liabilities	12148	12424	9094	12148	9094	9563

*Restated (Refer Note 6)



**Notes to standalone financial results:**

1. The above standalone unaudited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
2. The standalone unaudited financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 14, 2020 and have been reviewed by the Statutory Auditors of the Company.
3. The Company has adopted IND AS 116 "Leases" effective from April 01, 2019 (transition date), using the modified retrospective method has also elected not to apply the requirements of Ind AS 116 to short term leases and to leases for which underlying asset is of low value. The Company has recognised Right-of-use asset (ROU) at an amount equivalent to the lease liability of INR 870 lakhs, INR 40 lakhs net investment in sub lease of Right to use assets and reclassification of leasehold land amounting to INR 561 lakhs and current/non-current assets for INR 18 lakhs in the standalone unaudited financial results. Consequently, there has been no adjustment to the opening balance of retained earnings as at April 01, 2019 and thereafter. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

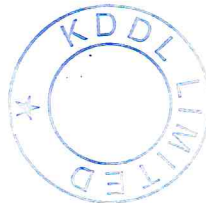
Accordingly, the results for the quarter ended December 31, 2019, September 30, 2019 and the nine months period ended December 31, 2019 include INR 65 lakhs, INR 65 lakhs and INR 199 lakhs respectively towards depreciation of Right to Use Assets and INR 23 lakhs, INR 27 lakhs and INR 78 lakhs respectively as finance cost in relation to unwinding of discount on lease liability with a corresponding impact on rent expense which has reduced by INR 71 lakhs, INR 79 lakhs and INR 226 lakhs respectively due to recognition of operating leases as Right-of-Use Assets and a corresponding lease liability. The net impact on profit before tax for the quarter ended December 31, 2019, September 30, 2019 and the nine months ended December 31, 2019 is INR 17 lakhs, INR 13 lakhs and INR 51 lakhs respectively and related impact on earnings/(loss) per share is INR (0.10), INR (0.09) and INR (0.31) respectively (Basic and diluted).

4. The Company is in the process of evaluating the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

5. During the nine months period ended December 31, 2019, the Company has invested INR 2,100 lakhs by way of preferential allotment of fully paid up 7,19,176 equity shares of INR 10 each of Ethos Limited (a subsidiary company) at a premium of INR 282 per share.

During the quarter ended December 31, 2019, Ethos Limited (a subsidiary company) has converted its 14% Cumulative Compulsorily Convertible Preference Shares into equity shares. Accordingly, 19,230 14% Cumulative Compulsorily Convertible Preference Shares of Ethos Limited (a subsidiary company) of INR 130 each were converted into 19,230 equity shares of INR 10 each.

Post the above allotment and conversion, consolidated shareholding of the Company (directly and indirectly through its other subsidiary, Mahen Distribution Limited) in Ethos Limited as at December 31, 2019 is 73.56%.





6. As at December 31, 2019, moving from capital employed based presentation to segment asset and liabilities presentation, the Company corrected presentation of total liabilities as part of segment disclosures by including borrowings and deferred tax liabilities as Unallocated Liabilities. This has resulted into increased unallocable segment liabilities by INR 5,587 lakhs and INR 6,101 lakhs as at December 31, 2018 and as at March 31, 2019 respectively.

7. The other income for quarter ended September 30, 2019 and nine months ended December 31, 2019 include interest on income tax refunds received for earlier years amounting to INR 90 lakhs.

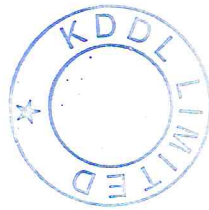
8. Pursuant to receipt of INR 6.30 lakhs towards exercise price of 5,250 vested stock options under "KDDL Employee Stock Option Plan - 2011", the Company has allotted 5,250 Equity Shares of INR 10 each on November 06, 2019 to the eligible employees. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased from INR 1,163 lakhs (excluding forfeited 1,74,280 equity shares) consisting of 1,16,33,608 equity shares of INR 10 each to INR 1,164 lakhs consisting of 1,16,38,858 Equity Shares of INR 10 each.

9. The Board of Directors had approved a scheme of Amalgamation of its subsidiary company namely Satva Jewellery and Design Limited with the Company under Section 230 to 233 of the Companies Act, 2013 ('Act') with proposed appointed date of April 01, 2017.

The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench has passed an order date October 15, 2019 directing both the Companies that the scheme should be considered as per the procedure laid down in Section 232 of the Act. Accordingly, the Board of Directors of the Company in its meeting held on December 03, 2019 approved to file a new scheme of amalgamation under Section 232 together with other applicable provision of the Act and the proposed appointed date is changed from April 01, 2017 to April 01, 2019.



Place: Chandigarh
Date: February 14, 2020



For and on behalf of Board of Directors

Yashovardhan Saboo
(Chairman and Managing Director)
DIN-00012158

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
KDDL Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of KDDL Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and joint venture for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") read with SEBI Circular no. CIR/CFD/CMD1/80/2019 dated July 19, 2019 ("the Circular").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, other accounting principles generally accepted in India and read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S. No.	Name of subsidiaries/ Associates/ Joint ventures	Relationship
1	Ethos Limited	Subsidiary
2	Mahen Distribution Limited	Subsidiary
3	Satva Jewellery and Design Limited	Subsidiary
4	Kamla International Holdings SA	Subsidiary
5	Pylania SA	Subsidiary
6	Estima AG	Subsidiary of Kamla International Holdings SA and Pylania SA
7	Kamla Tesio and Dials Limited	Associate
8	Cognition Digital LLP	Subsidiary of Ethos Limited
9	Pasadena Retail Private Limited	Joint Venture of Ethos Limited



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraphs 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder, other accounting principles generally accepted in India and the Circular, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. (a) The Ind AS consolidated financial statements of the Company for the year ended March 31, 2019 were audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 28, 2019. We draw attention to Note 10 to the consolidated financial results, which describes the impact of the errors in computation of capital reserve on acquisition of a subsidiary (Estima AG) acquired during the financial year ended March 31, 2019 in the Ind AS consolidated financial statements for the year ended March 31, 2019, the rectification whereof has resulted in the restatement of "Capital Reserve" and consequential impact in "Retained Earnings", "Legal Reserve", "Amalgamation Reserve", and "Revaluation Surplus" in the consolidated financial statements of the Company which led to a restatement of the Consolidated financial statements as at March 31, 2019. The above errors have resulted in decrease in the value of Capital Reserve by Rs.4,496 lakhs and consequential impact of increase in "Retained Earnings" by Rs.6,168 lakhs, decrease in "Legal Reserve" by Rs.122 lakhs, decrease in "Amalgamation Reserve" by Rs.911 lakhs, and decrease in "Revaluation Surplus" by Rs.639 lakhs. Further, there is no impact on the consolidated profit before tax for the year ended March 31, 2019. Our conclusion is not qualified in respect of this matter.
- (b) We draw attention to Note 12 to the consolidated financial results, which describes that as per management's assessment the recoverable amount of net assets of Estima AG is in excess of carrying amount thereof as at 31 December 2019. The auditors of Estima AG has also included a Emphasis of Matter in their review opinion on the financial information of Estima AG for the year to date from April 01, 2019 to December 31, 2019 and as at 31 December 2019. Our conclusion is not qualified in respect of this matter.
- (c) The information for the comparative periods presented, has been restated to reflect rectification of error in basic and diluted earnings per share and segment information, in the consolidated financial statements previously presented to conform to the presentation of the consolidated financial statements for the respective periods. Refer to Note 13 to consolidated financial statements, which describes the nature and impact of such adjustments.
7. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information of three subsidiaries included in the Group, whose results reflect total assets of Rs. 4959 lakhs as at December 31, 2019 and total revenues of Rs. 1081 lakhs and Rs.1775 lakhs, total net profit/(loss) after tax and total comprehensive income/(loss) of Rs. 96 lakhs and Rs. (390) lakhs, for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 respectively, as considered in the statement which have been reviewed by their respective other auditors. The accompanying Statement also includes the Group's share of net (loss) after tax and total comprehensive (loss) of Rs. (12) lakhs and Rs. (9) lakhs, for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019, respectively, as considered in the statement, in respect of one joint venture, whose interim financial information has been reviewed by its independent auditor. The independent auditor's report of these subsidiaries and joint venture have been furnished to us by the Management, and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on the report of such other auditors and the procedures performed by us as stated in paragraph 3 above.
- One of these subsidiaries is located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been reviewed by its auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of the auditor and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

8. The accompanying Statement of unaudited consolidated financial results include unaudited interim financial results and other unaudited financial information in respect of three subsidiaries, which have not been reviewed by their auditors, whose interim financial results reflect Group's share of total assets of Rs.2860 lakhs as at December 31, 2019, Group's share of total revenues of Rs.128 lakhs and Rs.644 lakhs, Group's share of total net (loss)/profit after tax and total comprehensive (loss)/ income of Rs. (44) lakhs and Rs. 81 lakhs, for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019, respectively, as considered in the statement. The Statement also includes the Group's share of net loss after tax and total comprehensive loss of Rs. Nil and Rs. Nil, for the quarter ended December 31, 2019 and for the year to date from April 01, 2019 to December 31, 2019, respectively, as considered in the statement, in respect of one associate, based on their interim financial results which have not been reviewed by any auditors.

Two of these subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has not been reviewed by its auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India.

These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries and associates, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

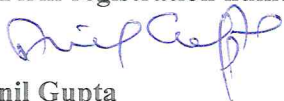
Our conclusion on the Statement in respect of matters stated in para 7 and 8 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

9. The comparative Ind AS financial information of the Group, its subsidiaries and associate for the comparative Ind AS financial information of the Group and its subsidiaries and associate for the corresponding quarter ended December 31, 2018 and year to date from April 01, 2018 to December 31, 2018, included in these consolidated Ind AS financial results, were reviewed by the predecessor auditor who expressed an unmodified conclusion on those consolidated financial information on February 13, 2019. Also, the Ind AS consolidated financial statements of the Group, its subsidiaries and its associate for the year ended March 31, 2019, were audited by predecessor auditor who expressed an unmodified opinion on those consolidated financial information on May 28, 2019.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Anil Gupta

Partner

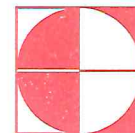
Membership No.: 87921

UDIN: 20087721AAAAAT5

Place: Chandigarh

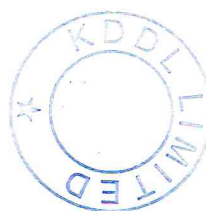
Date: February 14, 2020

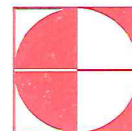




KDDL LIMITED							
Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended 31 December 2019							
(₹ in Lakhs)							
S. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31 December	30 September	31 December	31 December	31 December	31 March
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		2019	2019	2018	2019	2018	2019
1	Revenue from operations	20373	15841	17160	51501	47462	62501
2	Other income	282	201	140	561	404	296
3	Total income (1+2)	20655	16042	17300	52062	47866	62797
4	Expenses						
	Cost of materials consumed	1142	1097	1217	3606	3514	4456
	Purchases of stock-in-trade	10662	8922	9620	29053	26480	34942
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	673	(1027)	(871)	(2704)	(2147)	(3305)
	Employee benefits expenses	2569	2608	2108	7753	6165	8639
	Finance costs	791	733	303	2157	1018	1423
	Depreciation and amortisation expense	1263	1237	336	3586	981	1313
	Other expenses	2729	2430	2650	7591	8361	11287
	Total expenses	19829	16000	15363	51042	44372	58755
5	Profit before share of equity accounted investees and income tax (3-4)	826	42	1937	1020	3494	4042
6	Share of profit/(loss) of equity accounted investees (net of income tax, if any)	(12)	4	-	(9)	-	-
7	Profit before income tax (5-6)	814	46	1937	1011	3494	4042
8	Income tax expense						
	- Current tax	388	260	710	772	1195	1617
	- Current tax for earlier years	5	-	(2)	5	(30)	(30)
	- Deferred tax charge/(credit)	(12)	(85)	33	(75)	86	(63)
	- Deferred tax for earlier years	(6)	-	-	(6)	-	-
9	Profit for the period/year (7-8)	440	(129)	1196	316	2243	2518
10	Other comprehensive income / (expense)						
	(i) Items that will not be reclassified to profit or loss						
	a) Remeasurement of defined benefit liability / (asset)	(31)	(30)	(22)	(83)	(83)	(88)
	b) Income tax on remeasurement of defined benefit liability / (asset)	9	7	7	23	24	28
	(ii) Items that will be reclassified to profit or loss						
	a) Exchange differences on translation of foreign operations	15	14	(57)	82	23	(23)
11	Total Comprehensive income for the period/year (9+10)	433	(138)	1124	338	2207	2435
	Profit/(loss) attributable to:						
	Owners of the company	318	(67)	966	277	1965	2214
	Non-controlling interest	122	(62)	230	39	278	304
	Other Comprehensive Income/(expense) attributable to:						
	Owners of the company	(9)	(9)	(66)	20	(42)	(79)
	Non-controlling interest	2	0	(6)	2	6	(4)
	Total Comprehensive Income/(expense) attributable to:						
	Owners of the company	309	(76)	900	297	1923	2135
	Non-controlling interest	124	(62)	224	41	284	300
12	Earnings per share of ₹ 10 each (not annualised)						
	Basic (₹)	2.73	(0.57)	8.34	2.39	17.44	19.49
	Diluted (₹)	2.73	(0.57)	8.32	2.38	17.42	19.46
13	Paid-up equity share capital (Face value per share ₹10)	1164	1163	1163	1164	1163	1163
14	Reserves* (excluding revaluation reserves)						17912
	See accompanying notes to the Consolidated Unaudited Financial Results						

*restated (refer note 10)





Notes to Consolidated financial results:

1. The financial results of following entities have been consolidated with the financial results of KDDL Limited (the Holding Company), hereinafter referred to as "the Group" or "Holding Company":

Ethos Limited (Subsidiary)
Pylania SA (Subsidiary)
Satva Jewellery and Design Limited (Subsidiary)
Mahen Distribution Limited (Subsidiary)
Kamla International Holdings SA (Subsidiary)
Estima AG (Subsidiary of Kamla International Holding SA and Pylania SA w.e.f. January 07, 2019)
Cognition Digital LLP (Subsidiary of Ethos Limited)
Pasadena Retail Private Limited (Joint Venture of Ethos Limited w.e.f May 03, 2019)
Kamla Tesio Dials Limited (Associate)

2. The above Consolidated unaudited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

3. The Consolidated unaudited financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 14, 2020 and have been reviewed by the Statutory Auditors of the Company.

4. The Group has adopted IND AS 116 Leases" effective from April 1, 2019 (transition date), using the modified retrospective method has also elected not to apply the requirements of Ind AS 116 to short term leases and to leases for which underlying asset is of low value. The Group has recognised Right-of-use asset (ROU) at an amount equivalent to the lease liability of Rs. 12872 lakhs and reclassification of leasehold land and current/non-current assets for Rs 1086 lakhs in the consolidated unaudited financial results. Consequently, there has been no adjustment to the opening balance of retained earnings as at 1 April 2019 and thereafter. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

Accordingly, the results for the quarter ended December 31, 2019, September 30, 2019 and the nine months period December 31, 2019 include Rs. 811 lakhs, Rs. 782 lakhs and Rs. 2295 lakhs respectively towards depreciation of Right to Use Assets and Rs 326 lakhs, Rs. 294 lakhs and Rs. 857 lakhs respectively as finance cost in relation to unwinding of discount on lease liability with a corresponding impact on rent expense which has reduced by Rs. 955 lakhs, Rs. 809 and Rs. 2556 lakhs respectively due to recognition of operating leases as Right-of-Use Assets and a corresponding lease liability. The net impact on profit before tax for the quarter ended December 31, 2019, September 30, 2019 and nine months ended December 31, 2019 is Rs 182 lakhs, Rs. 267 lakhs and Rs. 596 lakhs respectively and related impact on earnings per share is Re 0.87, Rs. 1.27 and Rs 2.86 per share respectively (Basic and diluted).

The Joint venture of the Group, Pasadena Retail Private Limited has adopted IND AS 116 "Leases" and the proportionate impact, which is not material, included on account of consolidation of Joint Venture

5. Some of the subsidiaries have elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the deferred tax assets (net) as at March 31, 2019 and the estimate of tax expense for the current financial year have been re-measured basis the rate prescribed in the said Section. The resultant impact is being recognized over the current and the remaining quarters of the current financial year. The Holding Company is in the process of evaluating the above option.

6. During the nine months period ended December 31, 2019, the holding company had invested Rs.2,100 lakhs by way of preferential allotment of fully paid up 719,176 equity shares of Rs.10 each in Ethos Limited at securities premium of Rs.282 per share.

During the quarter ended December 31, 2019, Ethos Limited has converted 576,923 14% Cumulative Compulsorily Convertible Preference Shares of Rs. 130 each into 576,923 equity shares of Rs. 10 each at securities premium of Rs. 120 per share. Out of the above, 19,230 preference shares of Rs. 130 each were converted into 19,230 equity shares of Rs. 10 each at securities premium of Rs. 120 per share were held by the holding company. Post the above allotments and conversion, consolidated shareholding of the holding company (directly and indirectly through its subsidiary, Mahen Distribution Limited) in the Ethos limited as at December 31, 2019 is 73.56%.

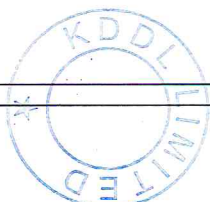
7. On 03 May 2019, the Ethos Limited entered into Joint Venture arrangement with Pasadena Retail Private Limited by acquiring 500,000 fully paid up equity shares of Rs.10 each, from its promoter Mr. Yashvardhan Saboo. Subsequent to the period ended December 31, 2019, the Company has invested an amount of Rs. 50 lakhs towards Rights Issue subscription of 500,000 fully paid up equity shares of Rs.10 each of its Joint Venture arrangement with Pasadena Retail Private Limited on January 10, 2020.

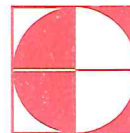
8. As per Ind-AS 108, Operating Segments have been defined and presented based on the regular review by the Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The accounting principles used in the preparation of the unaudited consolidated financial results are consistently applied to record revenue and expenditure in individual segments. Accordingly, the consolidated unaudited segment wise revenue, results, assets and liabilities is as follows:

(₹ in Lakhs)

S.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31 December	30 September	31 December	31 December	31 December	31 March
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		2019	2019	2018*	2019	2018*	2019*
1	Segment revenue						
	a) Precision and watch components	4307	4946	4097	14112	12836	18879
	b) Watch and accessories	15898	10678	13387	36782	35322	44295
	c) Marketing support and other services	589	148	681	737	747	872
	d) Others	169	217	151	612	549	714
	Total	20963	15989	18316	52243	49454	64760
	Less: Inter segment revenue	(590)	(148)	(1156)	(742)	(1992)	(2259)
	Revenue from operations	20373	15841	17160	51501	47462	62501
2	Segment results (profit/(loss) before tax and finance cost from each segment)						
	a) Precision and watch components	512	642	669	1754	2370	2530
	b) Watch and accessories	902	120	1320	1481	2442	3195
	c) Marketing support and other services	400	105	447	479	460	343
	d) Others	18	17	16	21	21	149
	Total	1832	884	2452	3735	5293	6217
	Less: (i) Finance costs	791	733	303	2157	1018	1423
	(ii) Other un-allocable expenditure (net of un-allocable income)	227	103	212	567	781	752
	Profit before tax	814	46	1937	1011	3494	4042
3	Segment Assets						
	a) Precision and watch components	20395	20457	17240	20395	17240	19338
	b) Watch and accessories	43413	44510	26652	43413	26652	28689
	c) Marketing support and other services	288	160	241	288	241	190
	d) Others	524	538	841	524	841	790
	e) Unallocated	2792	3067	2838	2792	2838	2878
	Total Segment assets	67412	68732	47812	67412	47812	51886
4	Segment liabilities						
	a) Precision and watch components	3293	3445	3054	3293	3054	3078
	b) Watch and accessories	10643	10768	8148	10643	8148	8068
	c) Marketing support and other services	209	108	234	209	234	107
	d) Others	97	114	106	97	106	116
	e) Unallocated	29659	31248	13368	29659	13368	17019
	Total Segment liabilities	43901	45683	24910	43901	24910	28388

*restated (refer note 13)





9. Pursuant to receipt of INR 6.30 lakhs towards exercise price of 5,250 vested stock options under "KDDL Employee Stock Option Plan - 2011", the Holding Company has allotted 5,250 Equity Shares of INR 10 each on November 06, 2019 to the eligible employees. Consequent to the said allotment, the paid-up equity share capital of the Holding Company stands increased from INR 1,163 lakhs (excluding forfeited 1,74,280 equity shares) consisting of 1,16,33,608 equity shares of INR 10 each to INR 1,16,38,858 Equity Shares of INR 10 each.

10. During the year ended March 31, 2019, the Group has acquired 100% stake of Estima AG at fair value through its subsidiaries Kamla International Holding (KIH) (acquired 70% in Estima AG) and Pylania S.A. (Pylania) (acquired 30% in Estima). The calculation of Capital Reserve for the purpose of consolidation is being recomputed, considering the values at the time of date of acquisition due to calculation error at the time of Consolidation of the financial statements of the aforesaid subsidiary company for the year ended on March 31, 2019.

The above errors correction has resulted in decrease in the value of Capital Reserve by INR 4496 lakhs and consequential impact of increase in "Retained Earnings" by INR 6168 lakhs, decrease in "Legal Reserve" by INR 122 lakhs, decrease in "Amalgamation Reserve" by INR 911 lakhs, and decrease in "Revaluation Surplus" by INR 639 lakhs. There is no impact on the consolidated profit before tax for the year ended March 31, 2019.

11. The other income for quarter ended September 30, 2019 and nine months ended December 31, 2019 include interest on income tax refunds received for earlier years amounting to INR 90 lakhs. Other Income during the current quarter and nine months period ended December 31, 2019 includes an amount of Rs. 68 Lakhs due to reduction/adjustment of Loans payable to Outsider as per the Share Purchase Agreement, in one of the overseas subsidiary.

12. In view of the acquisition date being less than a year, the recoverable amount of net assets of Estima AG is assessed as higher than carrying amount thereof as at December 31, 2019.

13. a) As at December 31, 2019, the Group corrected a computation error in Basic and Diluted Earnings Per Share (EPS) for all previous periods presented, to the extent applicable, resulting in a decrease of Basic and Diluted EPS by Rs. 1.99, Rs.2.46 and Rs.2.67 respectively for the quarter ended December 31, 2018, for the nine months period ended December 31, 2018 and for the year ended March 31, 2019 respectively,

b) As at December 31, 2019, the Group has made certain adjustments in segment disclosures including but not limited to past errors or moving from capital employed based presentation to segment asset and liabilities presentation (such as certain inter segment items, finance income, tax balances and borrowings, interest accrued on borrowings and lease liability in total liabilities) without any impact on segment results. Consequential material changes in various line items are tabulated below:

Particulars	(₹ in Lakhs)		
	Quarter ended	Nine Months Ended	Year Ended
	31 December	31 December	31 March
	(Unaudited)	(Unaudited)	(Audited)
	2018	2018	2019
Segment revenue			
Precision and watch components	(35)	(138)	1,114
Watch and accessories	-	-	(1,509)
Inter segment revenue	59	199	474
Finance costs	20	79	116
Other un-allocable expenditure (net of un-allocable income)	(39)	(109)	(161)
Segment Assets			
Precision and watch components	102	102	408
Watch and accessories	(295)	(295)	(168)
Unallocated	715	715	476
Segment Liabilities			
Precision and watch components	7	7	7
Watch and accessories	(549)	(549)	(338)
Others	(8)	(8)	(11)
Unallocated	12,765	12,765	16,263

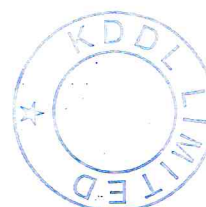
14. Regarding service tax matter pending with CESTAT, Chandigarh, one of the subsidiary Company namely Ethos Limited has assessed legal position in the matter pursuant to judgement of Hon'ble Delhi High Court in the case of Lally Automobiles Pvt. Ltd. Versus Commissioner cited as 2018 (17) G.S.T.L. 422 (Del.) which is further upheld by the Hon'ble Supreme Court vide order dated 01.04.2019 in favour of revenue.

Accordingly, Ethos Limited has opted Sabka Vishwas (Legacy Dispute Resolution) Scheme during the current quarter. As per the scheme, keeping in view of the amount involved, 50% of the disputed amount was required to be deposited to avail immunity from interest & penalty. Since Ethos Limited had already reversed CENVAT credit of Rs. 170 Lakhs out of Rs. 242 Lakhs, therefore Rs. 170 Lakhs appearing in the books of accounts as Claim Recoverable has been written off. Accordingly profits in the current quarter has reduced by Rs.170 Lakhs. For rest of the amount of Rs. 72 Lakhs, relief has been allowed as per the Discharge Certificate.

15. The Board of Directors had approved a scheme of Amalgamation of its subsidiary company namely Satva Jewellery and Design Limited with the Company under Section 230 to 233 of the Companies Act, 2013 ("Act") with proposed appointed date of April 01, 2017.

The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench has passed an order dated October 15, 2019 directing both the Companies that the scheme should be considered as per the procedure laid down in Section 232 of the Act. Accordingly, the Board of Directors of the Company in its meeting held on December 03, 2019 approved to file a new scheme of amalgamation under Section 232 together with other applicable provision of the Act and the proposed appointed date has been changed from April 01, 2017 to April 01, 2019.

Place: Chandigarh
Date: 14 February 2020



For and on the behalf of Board of Director

(Signature)

Yashwardhan Saboo
(Chairman and Managing Director)
DIN-00012158