

B S R & Co. LLP

Chartered Accountants

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Limited review report on the statement of unaudited standalone quarterly financial results of KDDL Limited pursuant to the Regulation 33 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **KDDL Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the financial results") of KDDL Limited ("the Company") for the quarter ended 30 June 2019 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



5. 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 applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022



Gaurav Mahajan

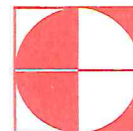
Partner

Membership No.: 507857

UDIN: 19507857AAAABJ7213

Place: Chandigarh

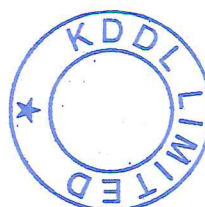
Date: 14 August 2019

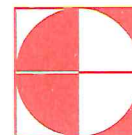


KDDL Limited
Statement of Unaudited Standalone Financial Results for the Quarter ended 30 June 2019

(₹ in Lakhs)

S. No.	Particulars	Quarter Ended			Year Ended
		30 June	31 March	30 June	31 March
		(Unaudited)	(Audited) Refer note 3	(Unaudited)	(Audited)
		2019	2019	2018	2019
1	Revenue from operations	4805	4460	4426	17520
2	Other income	90	91	58	387
3	Total Income (1+2)	4895	4551	4484	17907
4	Expenses				
	Cost of materials consumed	1292	999	1079	4450
	Changes in inventories of finished goods and work-in-progress	(43)	348	3	7
	Employee benefits expense	1411	1069	1275	4908
	Finance costs	210	211	141	628
	Depreciation and amortisation expense	296	197	190	776
	Other expenses	1314	1169	1246	4908
	Total Expenses	4480	3993	3934	15677
5	Profit before income tax (3-4)	415	558	550	2230
6	Income tax expense	127	139	166	655
7	Profit for the period (5-6)	288	419	384	1575
8	Other comprehensive income / (expense)				
	(i) a) Items that will not be reclassified to profit or loss	(15)	32	(12)	(59)
	b) Income tax relating to items that will not be reclassified to profit or loss	4	(10)	4	17
	(ii) a) Items that will be reclassified to profit or loss	-	-	-	-
	b) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
9	Total Comprehensive Income for the period (7+8)	277	441	376	1533
10	Earnings per share of ₹ 10 each (not annualized)				
	Basic (₹)	2.47	3.74	3.58	13.86
	Diluted (₹)	2.47	3.73	3.57	13.84
11	Paid-up equity share capital (Face value per share ₹ 10)	1163	1163	1122	1163
12	Reserve (excluding revaluation reserves)				15542
	See accompanying notes to the Unaudited Standalone Financial Results				





Notes:

1. As per Ind-AS 108, Operating Segments have been defined and presented based on the regular review by the Company's 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 and capital employed is as follows :

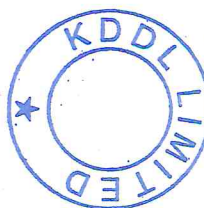
S.No.	Particulars	Quarter Ended			Year Ended
		30 June	31 March	30 June	31 March
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		2019	2019	2018	2019
1	Segment revenue				
	a) Precision and watch components	4579	4296	4230	16806
	b) Others	226	164	196	714
	Total	4805	4460	4426	17520
	Less: Inter segment revenue	-	-	-	-
	Total Revenue from operations	4805	4460	4426	17520
2	Segment results (profit before tax and interest from each segment)				
	a) Precision and watch components	851	658	857	3538
	b) Others	27	115	(1)	158
	Total	878	773	856	3696
	Less: i. Interest (net of interest income)	190	193	123	554
	ii. Other un-allocable expenditure (net of un-allocable income)	273	22	183	912
	Profit before tax	415	558	550	2230
3	Segment assets				
	a) Precision and watch components	16624	15651	15101	15651
	b) Others	356	330	348	330
	c) Unallocated	12288	10296	8466	10296
	Total Segment assets	29268	26277	23915	26277
4	Segment liabilities				
	a) Precision and watch components	2911	2615	2844	2615
	b) Others	83	89	101	89
	c) Unallocated (excluding borrowings and deferred tax liabilities)	818	758	927	758
	Total Segment liabilities	3812	3462	3872	3462
5	Capital employed (Segment assets less Segment liabilities)				
	a) Precision and watch components	13713	13036	12257	13036
	b) Others	273	241	247	241
	c) Unallocated	11470	9538	7539	9538
	Total Capital employed	25456	22815	20043	22815

2. On 1 April 2019, the Company has adopted Ind AS 116 "leases", using the modified retrospective approach and has also elected not to apply the requirements of IndAS 116 to short term leases and to leases for which underlying asset is of low value. Accordingly, the comparatives have not been retrospectively adjusted and there is no impact on retained earnings as at 1 April 2019. The adoption of Ind AS 116 has resulted in recognizing a lease liability of Rs. 910.74 lakhs as at 1 April 2019 with a corresponding Right-of-Use Assets of Rs. 870.44 lakhs and Rs. 40.30 lakhs net investment in sub lease of Right to use assets. Further, an amount of Rs. 17.89 lakhs has been reclassified from non-current/current assets to Right-of-Use Assets for prepaid operating lease rentals and an amount of Rs. 560.80 lakhs, representing leasehold land classified as finance lease as per Ind AS 17, has been reclassified from property, plant and equipment to Right-of-Use Assets. Accordingly, the results for the period ended 30 June 2019 include Rs. 65.79 lakhs towards depreciation of Right to Use Assets and Rs. 28.01 lakhs as finance cost in relation to unwinding of discount on lease liability with a corresponding impact on rent expense which has reduced by Rs. 77.83 lakhs due to recognition of operating leases as Right-of-Use Assets and a corresponding lease liability. The net impact on profit after tax for the period is Rs. 11.32 lakhs and related impact on earnings/ (loss) per share is Rs. 0.10 per share (Basic and diluted).

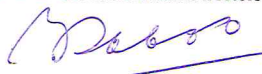
3. The figures for the quarter ended 31 March 2019 as reported in these unaudited standalone financial results are the balancing figures between the audited figures in respect of the full previous financial year and the published year to date figures upto the end of third quarter of the previous financial year. Also, the figures upto the end of third quarter of the previous financial year had only been reviewed and not subjected to audit.

4. The above unaudited standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14 August 2019. The unaudited standalone financial results for the current quarter have been subjected to limited review by the Statutory Auditors of the Company. The unmodified review report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details on unaudited standalone financial results, visit Investor Info section of the Company's website www.kddl.com and Financial Results at Corporates section of www.bseindia.com and www.nseindia.com.

Place: Chandigarh
 Date: 14 August 2019



For and on the behalf of Board of Directors


 Yashovardhan Saboo
 (Chairman and Managing Director)
 DIN-00012158

B S R & Co. LLP

Chartered Accountants

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Limited review report on the statement of unaudited consolidated quarterly financial results of KDDL Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **KDDL Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of KDDL Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net (loss) after tax and total comprehensive loss of its associate and joint venture for the quarter ended 30 June 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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. 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 issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - 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 Holdings SA and Pylania SA w.e.f 7 January 2019)
 - Cognition Digital LLP (Subsidiary of Ethos Limited)
 - Pasadena Retail Private Limited (Joint Venture of Ethos Limited w.e.f from 3 May 2019)
 - Kamla Tesio Dials Limited (Associate)
5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, 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 Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial information of two subsidiaries included in the Statement, whose interim financial information reflect total revenues of Rs. 22 lakhs, total net (loss) after tax of Rs. 21 lakhs and total comprehensive loss of Rs. 21 lakhs, for the quarter ended 30 June 2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net (loss) after tax of Rs. 1 lakhs and total comprehensive loss of Rs. 1 lakhs for the quarter ended 30 June 2019, as considered in the Statement, in respect of one joint venture, whose interim financial information have not been reviewed by us. These interim financial information have been reviewed by other auditors whose report has 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, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

8. The Statement includes the interim financial information of three subsidiaries which have not been reviewed/audited, whose interim financial information reflect total revenues of Rs. 180 lakhs, total net (loss) after tax of Rs. 41 lakhs and total comprehensive loss of Rs. 41 lakhs for the quarter ended 30 June 2019, as considered in the Statement. The Statement also includes the Group's share of net (loss) after tax of Rs. Nil and total comprehensive loss of Rs. Nil for the quarter ended 30 June 2019, as considered in the consolidated unaudited financial results, in respect of one associate, based on its interim financial information which has not been reviewed/audited. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022



Gaurav Mahajan

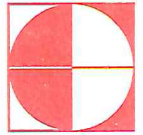
Partner

Membership No.: 507857

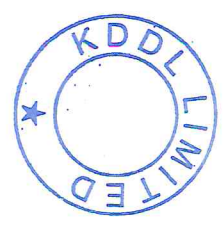
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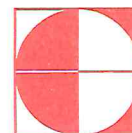
Place: Chandigarh

Date: 14 August 2019



KDDL LIMITED					
Statement of Unaudited Consolidated Financial Results for the Quarter ended 30 June 2019					
(₹ in Lakhs)					
S. No.	Particulars	Quarter Ended			Year Ended
		30 June	31 March	30 June	31 March
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		2019	2019	2018	2019
Refer note 5					
1	Revenue from operations	15269	15021	14615	62422
2	Other income	78	39	104	296
3	Total income (1+2)	15347	15060	14719	62718
4	Expenses	8486	8246	8489	36093
	Cost of materials consumed	1367	942	1057	4456
	Purchases of stock-in-trade	9469	8462	8211	34942
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2350)	(1158)	(779)	(3305)
	Employee benefits expense	2576	2474	2000	8639
	Finance costs	646	423	367	1486
	Depreciation and amortisation expense	1086	332	322	1313
	Other expenses	2401	3037	2791	11145
	Total expenses	15195	14512	13969	58676
5	Profit before share of equity accounted investees and income tax (3-4)	152	548	750	4042
6	Share of loss of equity accounted investees (net of income tax, if any)	(1)	-	-	-
7	Profit before income tax (5-6)	151	548	750	4042
8	Income tax expense	145	273	250	1524
9	Profit for the period (7-8)	6	275	500	2518
10	Other comprehensive income / (expense)				
	(i) a) Items that will not be reclassified to profit or loss	(22)	(5)	(10)	(88)
	b) Income tax relating to items that will not be reclassified to profit or loss	7	4	4	28
	(ii) a) Items that will be reclassified to profit or loss	53	(46)	6	(23)
	b) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
11	Total Comprehensive income for the period (9+10)	44	228	500	2435
	Profit/(loss) attributable to:				
	Owners of the company	26	249	464	2214
	Non-controlling interest	(20)	26	36	304
	Other Comprehensive Income/(expense) attributable to:				
	Owners of the company	37	(37)	(1)	(79)
	Non-controlling interest	1	(10)	1	(4)
	Total Comprehensive Income/(expense) attributable to:				
	Owners of the company	63	212	463	2135
	Non-controlling interest	(19)	16	37	300
12	Earnings per share of ₹ 10 each (not annualised)				
	Basic (₹)	0.21	2.36	4.55	22.16
	Diluted (₹)	0.21	2.36	4.54	22.13
13	Paid-up equity share capital (Face value per share ₹10)	1163	1163	1122	1163
14	Reserve (excluding revaluation reserves)				17156
	See accompanying notes to the Consolidated Unaudited Financial Results				





Notes :

1. As per Ind-AS 108, Operating Segments have been defined and presented based on the regular review by the Company's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. Pursuant to the above, the Company had identified "Marketing support and other services" as an additional operating segment in quarter ended 31 December 2018. 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 unaudited consolidated segment wise revenue, results and capital employed is as follows :

(₹ in Lakhs)

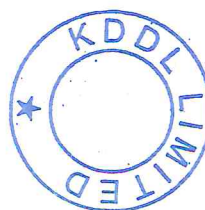
S.No.	Particulars	Quarter Ended			Year Ended
		30 June	31 March	30 June	31 March
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		2019	2019	2018	2019
1	Segment revenue				
	a) Precision and watch components	5008	4791	4457	17765
	b) Watch and accessories	10206	10482	10390	45804
	c) Marketing support and other services	-	125	-	872
	d) Others	226	165	195	714
	Total	15440	15563	15042	65155
	Less: Inter segment revenue	(171)	(542)	(427)	(2733)
	Revenue from operations	15269	15021	14615	62422
2	Segment results (profit/(loss) before tax and interest from each segment)				
	a) Precision and watch components	585	175	695	2575
	b) Watch and accessories	459	753	572	3195
	c) Marketing support and other services	(26)	(117)	-	343
	d) Others	16	128	(6)	149
	Total	1034	939	1261	6262
	Less: (i) Interest (net of interest income)	610	368	328	1307
	(ii) Other un-allocable expenditure (net of un-allocable income)	273	23	183	913
	Profit before tax	151	548	750	4042
3	Segment Assets				
	a) Precision and watch components	20307	18930	16433	18930
	b) Watch and accessories	39610	28857	25753	28857
	c) Marketing support and other services	214	190	-	190
	d) Others	605	790	567	790
	e) Unallocated (excluding deferred tax assets)	2892	2402	1814	2402
	Total Segment assets	63628	51169	44567	51169
4	Segment liabilities				
	a) Precision and watch components	3503	3071	3071	3071
	b) Watch and accessories	10176	8406	10260	8406
	c) Marketing support and other services	106	107	-	107
	d) Others	120	127	164	127
	e) Unallocated (excluding borrowings and deferred tax liabilities)	818	756	932	756
	Total Segment liabilities	14723	12467	14427	12467
5	Capital employed (Segment assets less Segment liabilities)				
	a) Precision and watch components	16804	15859	13362	15859
	b) Watch and accessories	29434	20451	15493	20451
	c) Marketing support and other services	108	83	-	83
	d) Others	485	663	403	663
	e) Unallocated	2074	1646	882	1646
	Total Capital employed	48905	38702	30140	38702

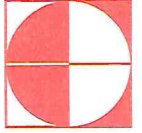
2. On 03 May 2019, Ethos Limited has entered into Joint Venture arrangement with Pasadena Retail Private Limited by acquiring 500,000 fully paid up equity shares of Rs.10 each, from the promoter Mr. Yashovardhan Saboo.

3. During the quarter ended 30 June 2019, Ethos Limited has, received share application money amounting to Rs.500 lakhs for issue of 171,232 fully paid equity shares of Rs.10 each at a premium of Rs 282 per share to Holding company, against which allotment of shares has been made subsequent to 30 June 2019.

Further, Ethos Limited has, subsequent to 30 June 2019, raised funds aggregating to Rs. 600 lakhs by way of preferential allotment of 205,480 fully paid up equity shares of Rs. 10 each at a premium of Rs 282 per share to Holding company.

Post the above allotment, the consolidated shareholding of the Company (directly or indirectly through its subsidiary, Mahen Distribution Limited) will increase from 72.99% to 73.56% on a fully diluted basis.





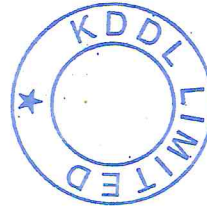
4. On 1 April 2019, the Group has adopted Ind AS 116 "leases", using the modified retrospective approach and has also elected not to apply the requirements of Ind AS 116 to short term leases and to leases for which underlying asset is of low value. Accordingly, the comparatives have not been retrospectively adjusted and there is no impact on retained earnings as at 1 April 2019. The adoption of Ind AS 116 has resulted in recognizing a lease liability of Rs. 8,859.41 lakhs as at 1 April 2019 with a corresponding Right-of-Use Assets of Rs. 8,856.80 lakhs and Rs. 2.61 lakhs net investment in sub lease of Right to use assets. Further, an amount of Rs. 257.73 has been reclassified from non-current/current assets to Right-of-Use Assets for prepaid operating lease rentals and an amount of Rs. 560.80 lakhs, representing leasehold land classified as finance lease as per Ind AS 17, has been reclassified from property, plant and equipment to Right-of-Use Assets. Accordingly, the results for the period ended 30 June 2019 include Rs. 703.64 towards depreciation of Right to Use Assets and Rs. 237.85 as finance cost in relation to unwinding of discount on lease liability with a corresponding impact on rent expense which has reduced by Rs. 774.32 lakh\$ due to recognition of operating leases as Right-of-Use Assets and a corresponding lease liability. The net impact on profit after tax for the period is Rs. 118.49 lakhs and related impact on earnings/ (loss) per share is Rs. 1.02 per share (Basic and diluted).

5. The figures for the quarter ended 31 March 2019 as reported in these unaudited consolidated financial results are the balancing figures between the audited figures in respect of the full previous financial year and the published year to date figures upto the end of third quarter of the previous financial year. Also, the figures upto the end of third quarter of the previous financial year had only been reviewed and not subjected to audit.


6. The above unaudited consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14 August 2019. The unaudited consolidated financial results for the current quarter have been subjected to limited review by the Statutory Auditors of the Company. The unmodified review report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details on unaudited consolidated financial results, visit Investor Info section of the Company's website www.kddl.com and Financial Results at Corporates section of www.bseindia.com and www.nseindia.com.



Place: Chandigarh
Date: 14 August 2019



For and on the behalf of Board of Directors


Yashovardhan Saboo
(Chairman and Managing Director)
DIN-00012158