KDDL Limited

Kamla Centre, SCO 88-89, Sector 8-C, Chandigarh - 160 009, INDIA. Tel: +91 172 2548223/24, 2544378/79
Fax: +91 172 2548302, Website:www.kddl.com ; CIN-L33302HP1981PLC008123

Ref: KDDL/CS/2023-24/54

Date: 7th September, 2023

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: Annual Report for the financial year 2022-2023 and Notice convening 43rd Annual General Meeting (AGM) of the Company

Dear Sir/ Madam,

Pursuant to regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed copy of Annual Report for the financial year 2022-23 and Notice convening 43rd Annual General Meeting (AGM) of the Company

Please take the above information on record.

Thanking you,

Yours truly

For KDDL Limited

Brahm Prakash Kumar
Digitally signed by Brahm Prakash Kumar
Date: 2023.09.07 21:35:28 +05'30'

Brahm Prakash Kumar
Company Secretary

KDDL Limited

PEOPLE.
PASSION.
PRECISION.
PROGRESSION.

Annual Report
2022-23

ACROSS THE PAGES

INVESTOR INFORMATION

Market Capitalisation as on 31st March, 2023	**BSE : Rs. 1296.31 Crores** **NSE : Rs. 1285.68 Crores**
CIN	**: L33302HP1981PLC008123**
BSE Code	**: 532054**
NSE Symbol	**: KDDL**
Dividend	**: Rs. 2 per share**
AGM Date	**: 29th September, 2023**
AGM Mode	**: Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")**

For more investor-related information, please visit:

https://www.kddl.com/financial-dashboard-yearly/

Or simply scan to view the online version of the report

Disclaimer: This document contains statements about expected future events and financials of KDDL Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this annual report.

PEOPLE. PASSION. PRECISION. PROGRESSION.

In a world driven by evolution and advancement, KDDL Limited shines as a beacon of innovation, embracing values that guide its every move.

People form the core of KDDL Limited and are the driving force behind the Company's achievements. From its dedicated employees to valued customers, KDDL recognises the pivotal role that its people play in the Company's success. The Company attracts and retains top talent through a process-driven approach to human resource management, fostering collaboration where diverse strengths contribute to a shared vision.

Passion infuses life into KDDL's operations and processes. It drives the Company's pursuit of excellence. Every watch designed, every customer interaction, and every business decision reflects the genuineness of KDDL's operations. It is also a testament to the Company's unyielding dedication for creating extraordinary experiences.

Precision is the hallmark of craftsmanship, and KDDL exemplifies this virtue in every way. The Company pays meticulous attention to detail and exacting standards that defines its approach to horology and beyond. Every stroke, tick, and assembly defines perfection. Precision engineering not only demands exceptional technical expertise, but also places a significant emphasis on stringent quality certifications and formidable entry barriers. Excelling in this field necessitates a mastery of intricate engineering techniques, where the minutest details can impact the final product's performance. Additionally, the industry mandates adherence to rigorous quality standards and certifications, ensuring that every product meets the highest levels of precision and reliability. The formidable entry barriers in terms of technological know-how, specialised equipment, and adherence to exacting industry standards, create a competitive landscape that only those with a commitment to precision and quality can successfully navigate. The Company is rapidly establishing itself as a formidable force in the realm of engineering, specialising in the production of top-tier precision stamped components and progressive tools.

Progression follows innovation and adaptability. It underscores the Company's forward-looking mindset and its commitment to continuous improvement. Progression is not just about moving forward but also about taking purposeful strides towards the broader vision of growth and evolution. KDDL remains resolute in amplifying its presence in the market and augmenting revenue through exports by harnessing its fundamental proficiencies. Moreover, the Company is dedicated to enhancing its communication approaches by creatively utilising digital marketing and social media platforms. The positive feedback and engagement from its clientele are encouraging and fuel the Company's determination to continue its endeavours with diligence and enthusiasm.

As KDDL explores the intricacies of 'People. Passion. Precision. Progression.' it is striving to create a legacy of excellence that resonates within the Company and beyond.

ABOUT THE COMPANY

KDDL IN A NUTSHELL

One of the prominent industry leaders specialising in the manufacture of watch and precision components namely watch dials, watch hands, indexes, appliques, precision stamped components and progressive tools. The watch components are used by the reputed customers and brands both in domestic and exports market, primarily in Switzerland - the hub of luxury and premium watch industry. The precision engineering business manufactures stamped components, progressive tools, moulds and sub-assemblies etc. This business caters to diverse industries such as electrical and electronics, automobiles, consumer durables, industrial applications, aerospace and defence applications, alternate and renewable energy segments.

Established in 1983 and headquartered in Chandigarh, KDDL ('The Company') boasts of the largest retail chain of luxury watches in India, offering an exquisite collection of luxury and premium timepieces. The Company retails 60+ premium and luxury watch brands in India. Customers can choose from over 7,000 premium, bridge to luxury, luxury and high luxury watches. It deals with more than 42 exclusive brands in the country. In addition to the premium and luxury watch retail, the Company also undertakes retail of certified pre-owned luxury watches since 2019.

VISION

To become a trusted global leader in manufacturing watch components and precision-engineered tools by adhering to the best quality, delivery and operations practices for ensuring customer satisfaction.

Key Strengths:

Established Market Position

KDDL has the distinction of being one of the foremost manufacturers and suppliers of watch components. The Company has a long track record of meeting stringent quality requirements from reputed watch manufacturers in India and Swiss customers and brands. The Company has strong relationships with renowned luxury watch manufacturers worldwide. Its expertise lies in catering to their customised requirements while adhering to the global standards of quality. By consistently delivering exceptional products, KDDL has become a trusted partner for luxury watch manufacturers. The Company not only meets the needs of its customers precisely but also offers unparalleled excellence.

Similarly in the precision engineering business, the Company has a continuous track record of serving the major MNCs in the diverse industrial segments with high quality, delivery, and performance levels. The Company is able to expand its presence in various segments by leveraging the internal strengths, capabilities, quality certifications through fast turnaround time and offering competitive products.

Quality to Precision

With the use of advanced technology, full-proof processes, and highly skilled manpower, KDDL has been able to maintain the highest levels of quality standards. The Company is attuned to the importance of staying abreast with the latest industry certifications. These critical certifications demonstrate its commitment to security and performance confidence.

MILESTONES

JOURNEY SINCE INCEPTION

1983

Started production of watch dials in Parwanoo, India, for Indian market

1990

KDDL's second factory became operational in Bengaluru, India

1995

Expanded and began exporting dials to Switzerland

1996

Began production of watch hands in Bengaluru, India

1998

Adopted the brand name TARATEC for export

2003

ETHOS started retailing of luxury watches with the first store in Chandigarh, India

2006
Established EIGEN precision stamping division in Bengaluru, India

2012
Established new hands factories in Bengaluru, India

2016
ETHOS becomes India's largest retailer of premium luxury watches

2018
EIGEN moves to new factory in Aerospace Industrial Park, Bengaluru, India

2019
ESTIMA – acquisition of watch hand factory in Grenchen, Switzerland

2020
Started watch index and appliques unit in Bengaluru, India

2022
Ethos's equity shares listed on BSE Limited and NSE Limited through IPO

BUSINESS STRUCTURE

WORLD OF KDDL

KDDL Limited

Subsidiaries

Part of KDDL

TARATEC

Watch Dials	Watch Hands	Indexes and Appliques
		

Manufacturing

EIGEN Engineering

Stamped Components and Progressive Tools

Manufacturing

Packaging Unit

Manufacturing

ETHOS

Premium and Luxury Watch Retail

Retail

ESTIMA

Watch Hands and Dials

Manufacturing

Subsidiaries

ETHOS Limited was initially incorporated as a public limited company as Kamla Retail Limited in 2007. ETHOS Limited is the largest retailer of premium and luxury watches in India with an extensive network of 50 stores authorised for more than 60 watch brands.

Mahen Distribution Limited (MDL) was incorporated as a public limited company, being a wholly owned subsidiary of KDDL Limited – a listed company. MDL is situated in Chandigarh. MDL's main business is distribution of watches and other luxury lifestyle products.

Pylania SA was incorporated as a company under Swiss laws. Pylania is situated in the Swiss Canton of Berne in the Jura mountains. Its main business is manufacturing watch components.

ESTIMA AG was founded in 1924 to supply watch hands for the emerging watch industry in Switzerland. It evolved as the most reliable and efficient source of Swiss-made watch hands. ESTIMA is now a wholly owned subsidiary of KDDL Limited.

Kamla International Holdings SA (KIH) was incorporated as a company and a wholly owned subsidiary of KDDL Limited. It is situated in Canton, Neuchatel, Switzerland. This is a special purpose vehicle (SPV) for making overseas investments.

Buyback Policy

KDDL's buyback process involved deploying an amount of Rs. 21 Crores, excluding transaction costs. The Company's share capital witnessed a reduction from Rs. 128.24 Million to Rs. 126.24 Million due to buyback of 1,99,947 equity shares at an average price of Rs. 1,050.28 per share.

PRODUCT PORTFOLIO

KDDL'S PRODUCT SUITE

Luxury Watch Retails

ETHOS: Luxury Watch Retails

Formerly known as 'Kamla Retail Limited', ETHOS is India's largest chain of luxury watch boutiques launched in 2003. It has more than 50 stores in India and over 50 premium luxury watch brands. The Company is India's largest luxury and premium watch retailer with leadership in an attractive luxury watch market. Leveraging our robust retail presence and industry domain, we have secured our market leadership in the certified pre-owned watch sector as well.

₹ 1,76,953
Average Sale Price

7,000+
Premium Watches SKU's

Associated With More than
60
Luxury Brands

Reasons to Buy a Watch from ETHOS

Authorised Retailer

ETHOS is an authorised retailer with over 50 luxury watch brands. Every watch that sold by the brand comes with a warranty and the ETHOS stamp of assurance.

Trust

ETHOS employs over 400 people and its ethics are an integral part of its DNA. With ETHOS, customers can be assured that their horological investment is a warranted and genuine piece.

Largest Selection

With more than 50 stores, over 50 premium luxury watch brands, and over 5,000 varied watches, ETHOS has one of the largest selections in every brand.

Knowledgeable Staff and Great Boutiques

Well-trained staff and great looking boutiques ensure that ETHOS makes shopping for watches an enjoyable and unforgettable experience.

Dedicated After-Sales Staff

ETHOS values watches as much as its customers. The Company's dedicated team and state-of-the-art facilities in multiple cities ensure that people's watches tick for generations.

Loyalty Programme

As a part of ETHOS' Club ECHO Loyalty Programme, customers get access to points that they can collect and redeem regularly. They also get invited to watch collector events, wine tasting sessions, gifts, rewards and more!

Manufacturing

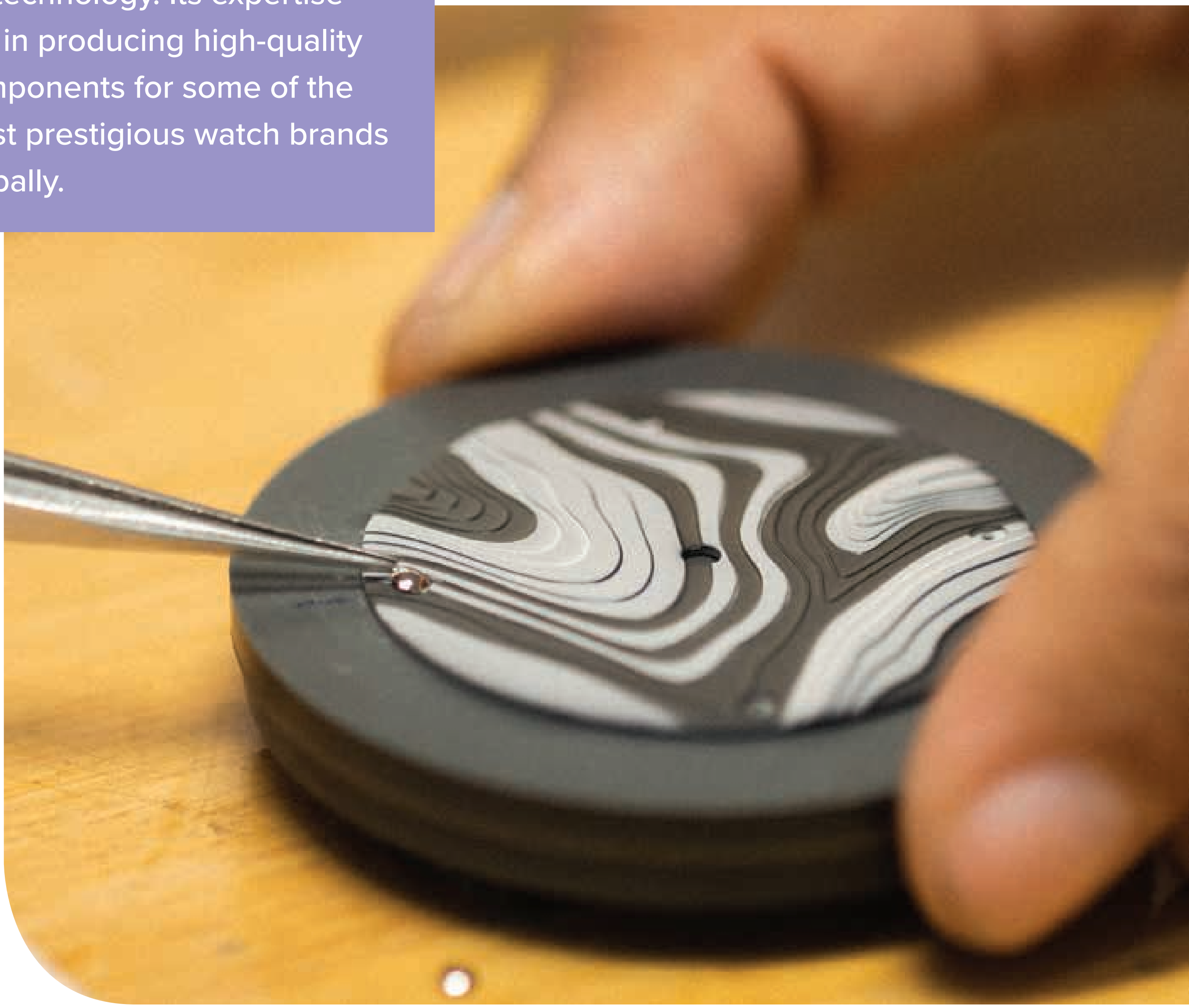
TARATEC: Watch Dials and Hands

Established in 1993, KDDL is a renowned manufacturer of premium watch dials and hands. The Company utilises advanced manufacturing processes and state-of-the-art technology. Its expertise lies in producing high-quality components for some of the most prestigious watch brands globally.

New Series of Dial – The World of High Precision

2022

We showcased our latest assortment, Terroir 2.0, which draws inspiration from the Earth. This collection serves as a continuation of our dials line introduced in 2021. Terroir 2.0 seamlessly integrates our proficient craftsmanship in dial production with boundless avenues for innovative design, all centred around a unifying theme: TERROIR, drawing its essence from the Earth itself.



Multi-Faceted & Mother of Pearl Watch Hands Collection

An innovation within Taratec's design and manufacturing realm, the introduction of Mother of Pearl (MOP) marks a significant stride. MOP stands as an entirely organic and sustainable substance. Whether pursuing a minimalist visual or opting for a more avant-garde and modern look, the mother of pearl serves as an exceptional enhancer of style.

Spice-Index Collection

Infusing a vibrant array of spice hues onto dials, complemented by meticulously applied coloured indices, imparts a captivating visual dimension. The design of multi-faceted hands draws inspiration from the intricate facets seen in diamonds. Just as the number and angles of facets in a diamond optimise its lustre, the multi-faceted structure of watch hands elevates the appearance and sheen, akin to the brilliance achieved through diamond cutting.

2023

In June 2023, the Taratec team participated actively in the 21st edition of the EPHJ high-precision trade fair, hosted at Palexpo in Geneva. During this event, we proudly unveiled a range of new and innovative additions to our collections, while also providing comprehensive insights into our ongoing initiatives pertaining to sustainability and corporate responsibility. The occasion was also marked by a heartwarming acknowledgment of the invaluable contributions made by our longstanding team members, reflecting our unwavering commitment to both pushing the boundaries of excellence and acknowledging the dedication and expertise embodied by our team.

The expansion of the Terroir collection, which had previously received the prestigious 'Red Dot' award, was a prominent highlight. This extension entailed the introduction of novel watch dials, each bearing inspiration drawn from remarkable landmarks such as The Giant's Causeway, the City of Paris, Pamukkale, and Bolivia's Salar de Uyuni.

A noteworthy unveiling involved the introduction of titanium watch hands, crafted from one of the most lightweight and robust materials within the realm of watchmaking. Titanium's pronounced strength-to-weight ratio was a key asset. Despite being 45% lighter than brass, titanium showcased a remarkable 50% increase in strength when compared to brass, possessing a tensile strength of approximately 330 MPa in contrast to brass's 240 MPa.

In a gesture of homage to endangered wildlife species, we meticulously designed indexes that intricately captured the essence of these creatures. Through the incorporation of organic curves inspired by nature, our indexes came to life, offering a departure from the conventional flat surfaces often found in typical indexes. Each index was meticulously crafted to impeccably mirror its respective source of inspiration. Notably, these indexes were meticulously designed to encapsulate even the most intricate details of these animals, despite the inherently limited scale. Impressively, the indexes were engineered to faithfully represent details as minute as 20 microns.

Furthermore, we unveiled our forward-looking Sustainability Vision for 2030, outlining our commitment to becoming your foremost environmentally conscious watch component collaborator. Central to this vision is our pledge to curtail the Company's carbon emissions by 50% by the year 2030.

EIGEN: Precision Engineering

EIGEN, situated in Bengaluru, India, stands as an accredited and certified entity with a roster of prestigious qualifications including AS 9100 D, IATF 16949, ISO 9001:2015, ISO 45001:2018, and ISO 14001:2015 certifications. Our specialisation resides in the meticulous domain of precision press tool design, progressive tool development, and the manufacturing of intricate metal stamping components. Beyond this, our repertoire extends to encompass electroplating, including the application of barrel plating techniques for tin, nickel, copper, and silver. We also engage in sub-assemblies and provision of value-added services. Our operational footprint spans a diverse array of industries, including renewable energy, aerospace, automotive, electrical & electronics, consumer electronics, as well as other engineering sectors. Our reach extends across the Indian, European, and the US markets, underscoring our commitment to delivering excellence on a global scale.

EIGEN's Core Values

- Continuous Improvement
- Innovation, Adaptability, and Creativity
- Reliability, Flexibility, and Consistency
- Proposition and Responsive Development
- Quality, Persistence, and Valuable Service

Catering to Diversified Industries

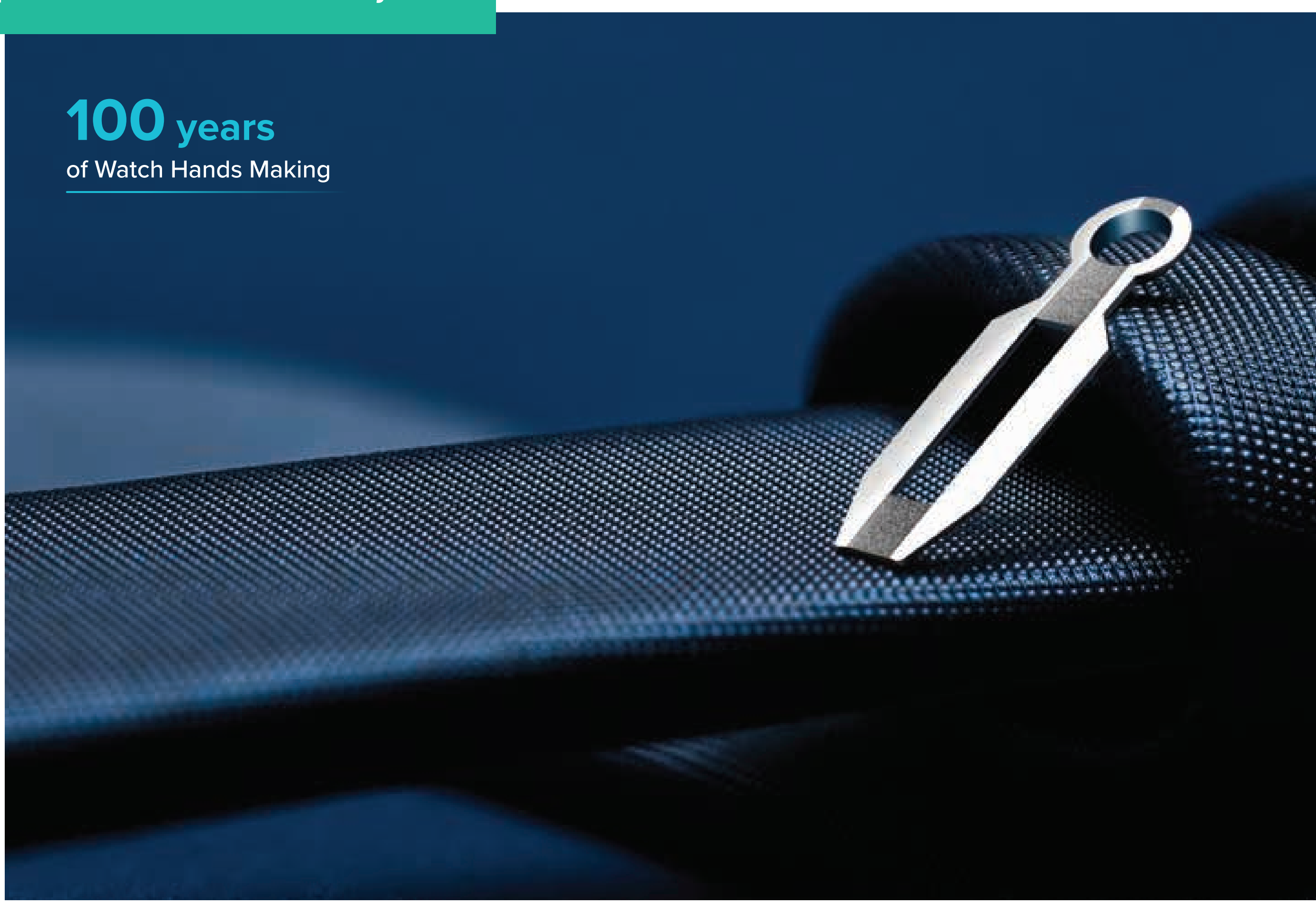
- Electrical and Electronics
- Aerospace
- Automotive and Ancillary
- Consumer Durables
- Industrial Engineering

ESTIMA: Swiss-Made Dials and Hands

Established in 1924 with a primary objective of catering to the burgeoning watch industry in Switzerland, the Company embarked on a journey that would shape its trajectory. By 1956, a state-of-the-art facility was erected in Grenchen, which continues to be its operational hub to this day.

From that pivotal moment onward, ESTIMA swiftly garnered a reputation as the premier purveyor of impeccably crafted watch hands through its commitment to unrivalled reliability and efficiency. Its distinctive forte lays in expedited delivery schedules, effortlessly managing both minor and substantial orders with equal finesse.

This distinctive capability played an instrumental role in propelling the remarkable expansion and global domination of Swiss watches. Following a transition in ownership and leadership subsequent to the divestiture of the previous owner, ESTIMA underwent a revitalisation phase. Substantial investments were channelled into upgrading manufacturing technologies, aligning the Company to the new benchmarks set by the Swiss-made standards and the evolving demands of the global market.

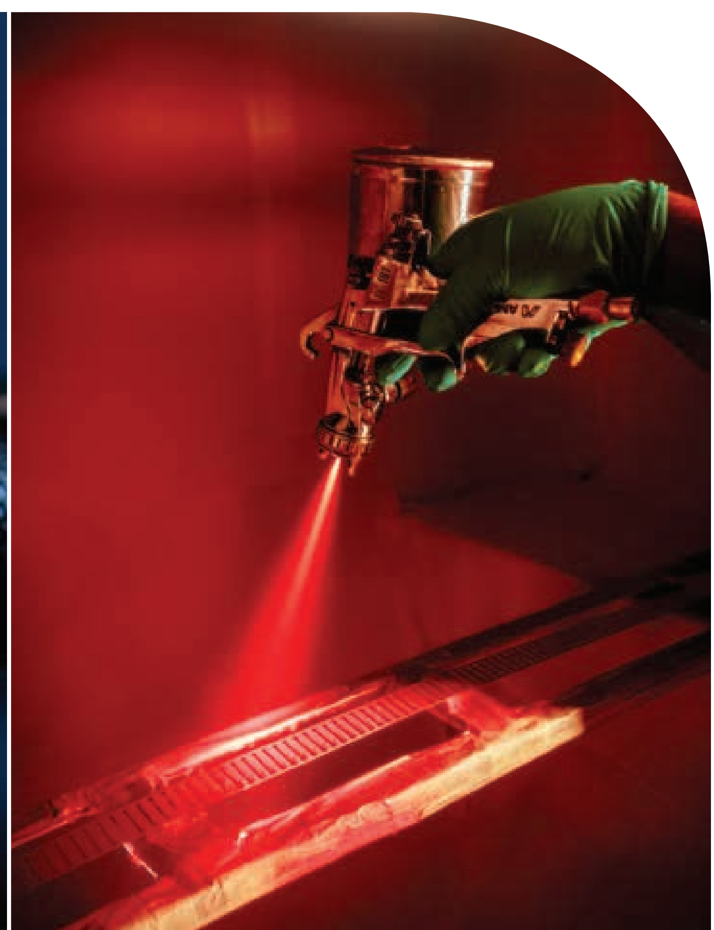


MANUFACTURING CAPABILITIES

OUR INTEGRATED MANUFACTURING CAPABILITIES

KDDL's manufacturing facility stands as a symbol of excellence, boasting state-of-the-art infrastructure and cutting-edge technology. With these resources, the Company consistently delivers watch dials and hands of the highest industry standards to clients worldwide. Leveraging its engineering expertise, the Company has successfully diversified its offerings to provide comprehensive solutions to customers, enabling it to enhance its market share in Swiss watch industry.

BUSINESS	MANUFACTURING FACILITY LOCATION
Watch Hands	Bengaluru *(Two Factories)*
Watch Dial	Parwanoo & Baddi (H.P), Derabassi *(Three Factories)*
Precision Engineering	Bengaluru *(One Factory)*
Ornamental Packaging	Parwanoo *(One Factory)*



MANAGEMENT MESSAGE

LETTER FROM THE MD

The Indian economy has witnessed a significant transformation in the last ten years. It has moved up from being the tenth-largest global economy to a prominent player, currently holding the fifth position. The GDP growth rate of 7.2% for 2022-23 surpassed that of major economies, remaining slightly above the average growth rate experienced in the decade preceding the Covid-19 pandemic.

Dear Stakeholders,

It gives me immense pleasure to present to you the 43rd Annual Report of KDDL Limited. This year has been remarkable for all of us here at KDDL Limited. We emerged more resilient and reinvigorated. Our confidence in our capabilities is reflected not only in our numbers but also in the trust that our clients have placed in us. I am grateful to our clients, partners, team members, and other stakeholders for their relentless collaboration.

Last year, we were able to steer effectively through the challenges posed by the unpredictable market conditions and achieve strong growth. We were able to align to our clients' vision, focus relentlessly on growth, and maintain a strong operational rigour. Our teams are determined to enable our clients succeed in their respective industries.

Envisioning the Whole

The Indian economy has witnessed a significant transformation in the last ten years. It has moved up from being the tenth-largest global economy to a prominent player, currently holding the fifth position. The GDP growth rate of 7.2% for 2022-23 surpassed that of major economies, remaining slightly above the average growth rate experienced in the decade preceding the Covid-19 pandemic.

"As India completed 75 years of independence and enters the 76th year, initiatives like 'Amritkaal' and 'Saptarishis' are likely to narrow economic disparities among the population. They are also likely to empower individuals living in the rural areas, foster technological agility within the nation, and decrease reliance on Governmental support. The Government's commitment to fostering inclusive development is evident through its initiatives aimed at reaching the remotest regions, enhancing infrastructure and investments, and unleashing latent opportunities. Furthermore, by championing sustainable and eco-friendly growth, harnessing the energy of the younger generation, and fortifying the financial sector, these actions will serve as pivotal forces propelling India towards a future brimming with promise and prosperity."

The Swiss watch industry is thriving by blending tradition and innovation, setting the stage for a promising future. According to the Deloitte Swiss Watch Industry Study 2022, the sector achieved record-breaking exports in 2022 with an 11.6% growth compared to the previous year. The market value, estimated at USD 30.5 Billion in 2022, is anticipated to surge to USD 34.1 Billion by 2023, exhibiting a remarkable compound annual growth rate (CAGR) surpassing 11%. This positive trajectory is set to continue, with the luxury watch sector's revenue predicted to ascend to USD 49.6 Billion by 2027, sustaining a CAGR of over 9%.

Performance Reflecting Growth

Manufacturing Business

This year, we crossed major milestones in terms of our revenue and profitability, exceeding Rs. 300 Crores. Throughout the year, our Company witnessed a substantial 40.7% growth in net sales compared to the previous year, with every business segment following a robust upward trajectory. Notably, the export revenue surged by an impressive 56.8%, outpacing the domestic revenue growth of 15.5%. This growth in export revenue builds upon an already enhanced foundation, as evident from the 50.3% growth recorded in the previous year.

The major source of revenue for the Company is from the watch components business and this business witnessed revenue growth of 27.7%, contributed by the domestic and exports revenue growth of 15% and 35.3% respectively. This revenue growth is over and above an already enhanced levels of revenue growth of 56.5%, recorded in the previous year. Another significant source of revenue came from our precision engineering 'EIGEN' stamping and tooling business. In the ongoing year, this segment marked a notable improvement of 51.9%, outpacing the growth rate of 34.0% achieved in the preceding year. During the year, the Company has also announced the setting up of a green field project for the manufacture of top-quality steel bracelets near Bengaluru, Karnataka. This plant will cater exclusively to the mid and high-end Swiss and European watch market. This plant is intended to be set up with a capacity of 100 K steel bracelets p.a. and is expected to commence production in the second half of 2023-24.

Retail Business

Additionally, our strategic expansion efforts resulted in the successful opening of six new stores, bringing the total count to 54. We also adeptly enhanced our digital competencies to match the spurt in digital-led sales and evolving consumer preferences. About 31% of our total billings were sourced from digital-led business, which underscores the increasing willingness of customers to engage in luxury watch online. Ethos, a significant

contender in the luxury and premium sectors, is well-positioned to capitalise on this shifting trend. The luxury and high-luxury watch segments yield elevated profit margins, making a robust contribution to our overall profitability.

We also achieved a commendable profit before tax amounting to Rs. 806.77 Million. This shows a significant increase in comparison to the preceding year's profit before tax of Rs. 315.26 Million. It further translates to an impressive overall growth rate of 255.9% over the previous fiscal.

Highlights of the Year

During the year under review, the esteemed National Company Law Tribunal, Chandigarh Bench, through its order dated 23rd November 2022, granted approval to the Amalgamation Scheme involving 'Satva Jewellery and Design Limited' (SJDL), a wholly owned subsidiary of our Company, with 'KDDL Limited' (KDDL), the holding Company. This strategic move is a step towards harmonising and consolidating the operations, assets, and interests of the two entities under the KDDL umbrella. This will further help in facilitating a more streamlined and efficient corporate structure.

We have a healthy order book position, which is anticipated to sustain its vigour due to the favourable economic landscape and rising consumption trends. KDDL's partnerships with key industrial leaders for precision technologies and ventures across diverse market sectors are projected to contribute to the steady augmentation of both revenue and profitability.

Caring for the Society

Our CSR activities, environmental initiatives, and ethical corporate governance are focussed on delivering our environmental, social and governance (ESG) responsibilities. I am proud of the progress we have made so far in providing sustainable solutions for our communities in the areas of healthcare, education, and community development. However, we still have a long road ahead to ensure a better and brighter future for our next generations. As we enter another year of business, we are thrilled to embark on this journey with our people, families, and the communities we serve.

The Future

The future is brimming with possibilities. The year ahead holds the promise of innovation, expansion, and further consolidation of our position as a market leader. Our vision is to continually push the boundaries of excellence, diversify our offerings, and cement our presence across markets.

Our overall strategy revolves around increasing exports of watch components and accelerating the growth of precision engineering business. We aim to capture additional business from existing and new customers, especially in the chosen market segments, by increased marketing efforts, both digitally and physically. Continuous improvement of internal efficiencies, reducing turnaround time, adding new capabilities are key focus areas to enhance our operations. These strategies outlined underscore our commitment to innovation, sustainability, and value creation for our stakeholders.

We extend our heartfelt gratitude to our shareholders, investors, partners, and most importantly, our dedicated workforce who have made this journey possible.

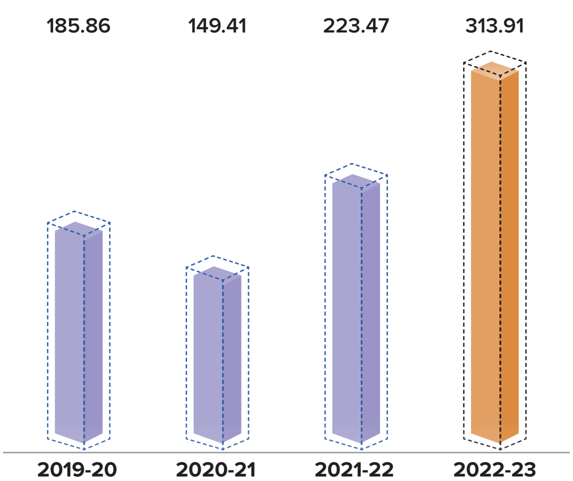
Warm regards,
Yashovardhan Saboo,
Chairman & Managing Director

FINANCIAL HIGHLIGHTS

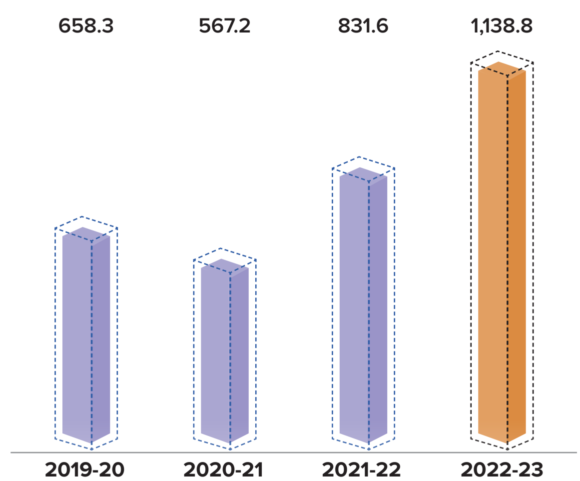
CREATING VALUE THROUGH OUR ROBUST FINANCIAL PERFORMANCE

Revenue

Standalone
(in Rs. Crores)

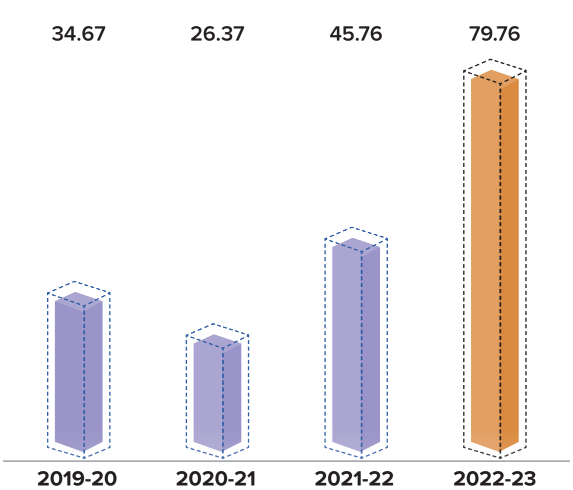


Consolidated
(in Rs. Crores)

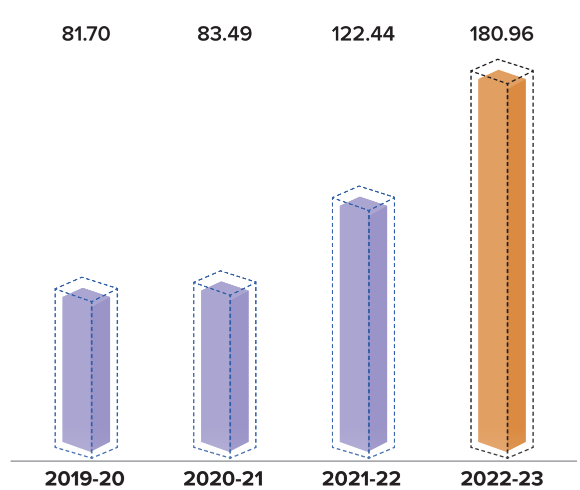


EBITDA

Standalone
(in Rs. Crores)

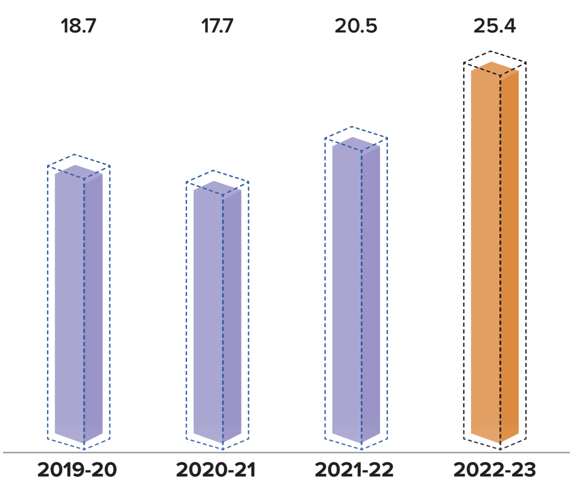


Consolidated
(in Rs. Crores)

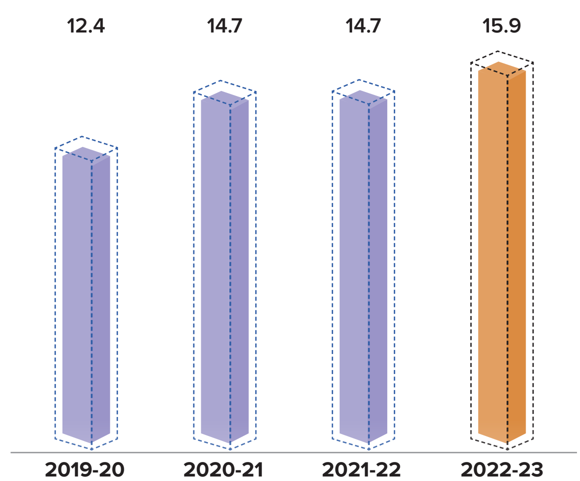


EBITDA Margin

Standalone
(in %)

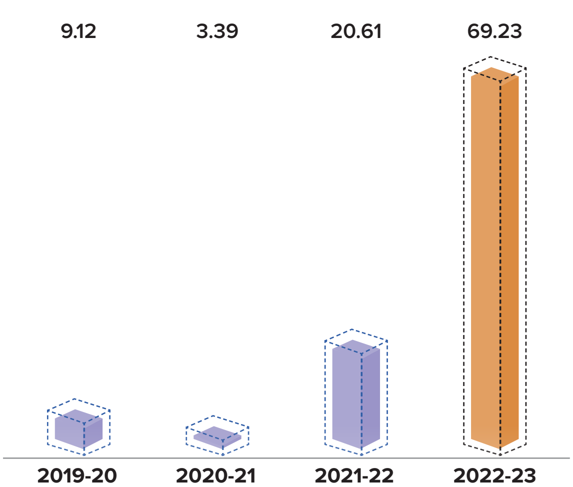


Consolidated
(in %)

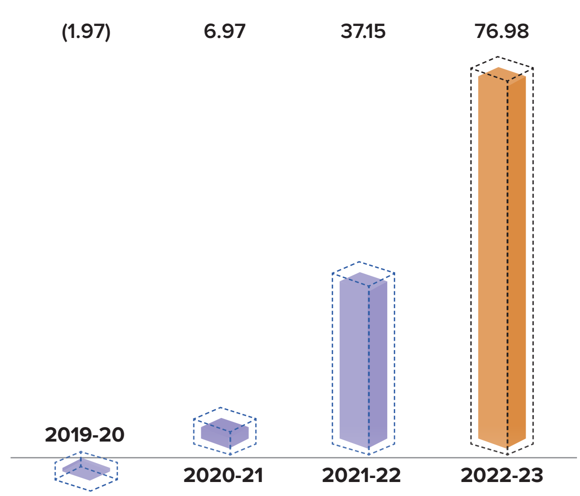


PAT

Standalone
(in Rs. Crores)

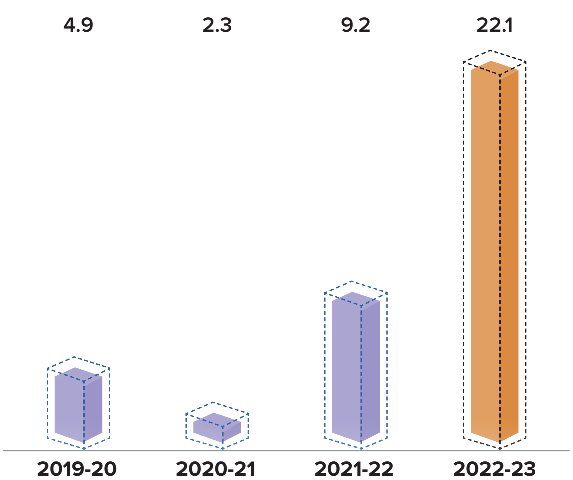


Consolidated
(in Rs. Crores)

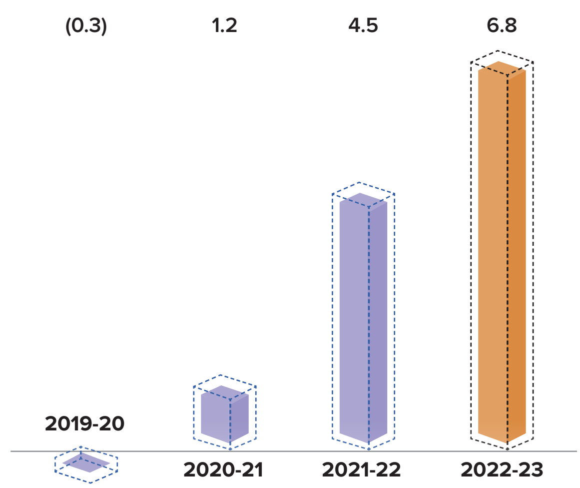


PAT Margin

Standalone
(in %)

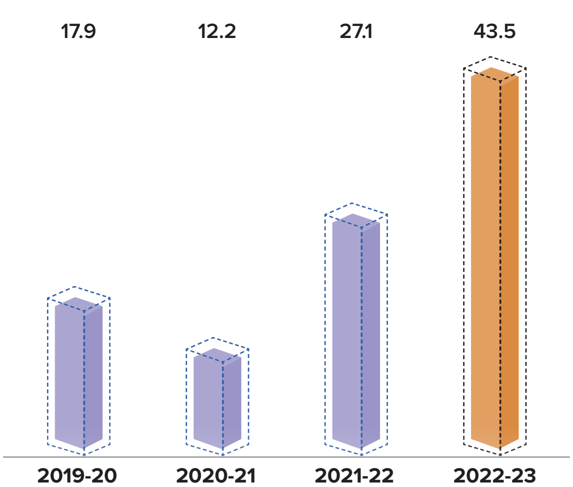


Consolidated
(in %)

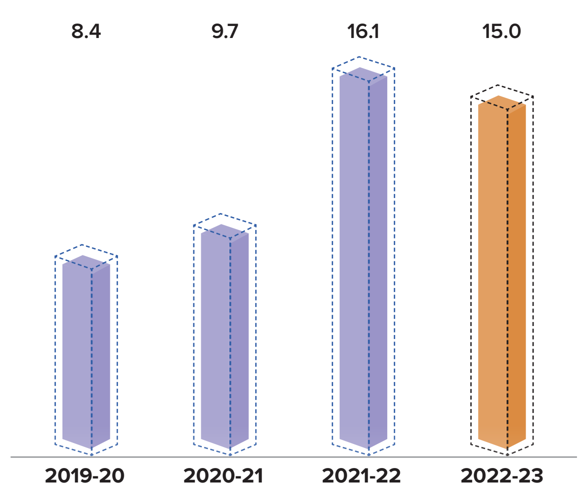


ROCE

Standalone
(in %)



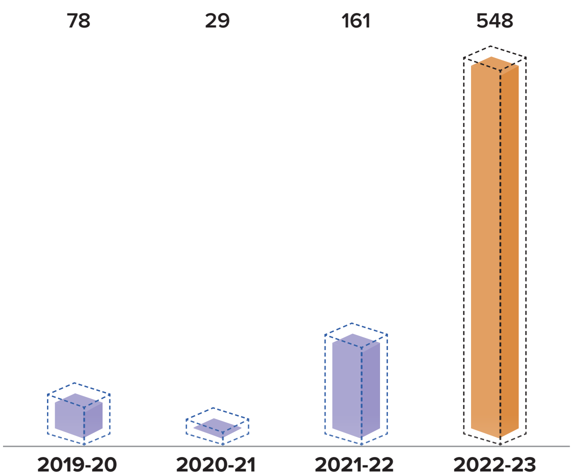
Consolidated
(in %)



ROE

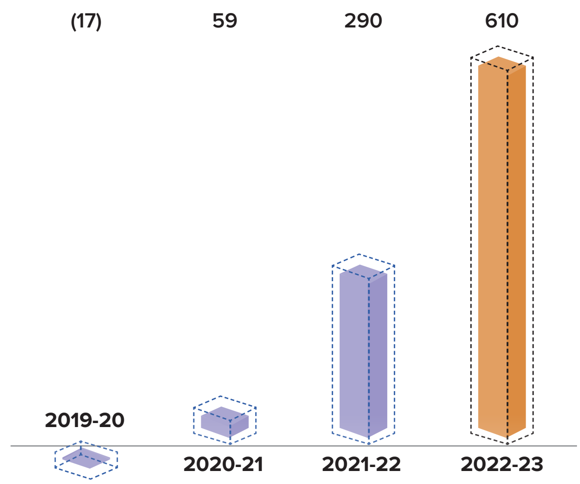
Standalone

(in %)



Consolidated

(in %)



CORPORATE SOCIAL RESPONSIBILITY

KDDL'S RESPONSIBILITY

KDDL emphasises on sustainability and is fully dedicated to incorporating sustainable practices throughout its business operations. The Company firmly believes in minimising its environmental footprint and actively contributing to the betterment of society.

As a responsible corporate entity, KDDL strives to drive positive change by integrating social and environmental considerations into every aspect of its business practices. The Company's primary areas of focus include environment, education, healthcare, and community development. Through a range of initiatives, it aims to make a meaningful difference in these sectors.

By adopting various strategies, KDDL also aims to protect and preserve the environment, empower individuals through education, enhance access to quality healthcare, and foster the overall development of communities. The Company's commitment to these causes underscores its dedication to being a force for positive impact and creating a better future for all.

The Million-Tree Project

KDDL has made a commitment to undertake the plantation and preservation of 1 Million trees in deforested regions over a period of 10 years. Since the inception of this endeavour, the Company has successfully planted 1,30,594 trees. During the initial phase of this initiative, KDDL has forged a partnership with the esteemed Isha Foundation, specifically in their commendable project titled 'Cauvery Calling'. Currently, the Company is extending its association with SayTrees Environmental Trust and SankalpTaru Foundation with a grant aid of Rs. 9,00,000 and Rs. 6,75,000 respectively for 2023-24.

Skill Development for Slum Children

KDDL recognises education as a fundamental necessity for every individual. The Company is dedicated to delivering high-quality educational opportunities that provide a solid foundation, thereby contributing to the holistic advancement of the society. As part of its commitment, the Company has established a partnership with a non-governmental organisation called 'YTTS' that actively engages in educational and skill development initiatives for underprivileged children residing in slums. This collaboration extends beyond regular school hours, providing these children with access to computer training and stitching programmes, while also promoting women's empowerment.

Gift of Life through Organ Donation

Organ donation is one of the most significant contributions to humanity, as it not only saves lives but also grants individuals a second chance in life. KDDL has been actively involved in supporting the cause of organ donation through its association with the MOHAN Foundation. The primary objective of this collaboration is to raise awareness about the importance of organ donation, which has the potential to save numerous lives. The Company remains steadfast in its commitment to this noble cause and will persistently offer support to similar initiatives in the future.

Creating and Ensuring a Brighter Future

The phrase 'Knowledge is useless until used in the right direction', encapsulates the essence of KDDL's philosophy. In line with this belief, the Company has partnered with 'Catalysts for Social Action' (CSA), an organisation dedicated to fostering career awareness, providing career counselling, offering job-oriented skill training, facilitating higher education opportunities, promoting computer literacy, and creating placement prospects that lead to happy, healthy, and independent lives. KDDL believes that providing training and channelling these skills in the right direction paves the way for a brighter future for every child.

BOARD OF DIRECTORS

Mr. Yashovardhan Saboo

Chairman and Managing Director

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 the precision stamping division, EIGEN Engineering, at Bengaluru. He has been conferred with 'UdyogRatna' award from PHDCCI in 2005 for valuable contribution to the economic development of Himachal Pradesh.

Mr. Sanjeev Kumar Masown

Whole Time Director and Chief Financial Officer

Mr. Sanjeev Kumar Masown is an Executive Director of our Company since 2016, in addition to his role as Chief Financial Officer (CFO) since 2011. He is a qualified CMA and Fellow Member of the Institute of Cost Accountants of India and a commerce postgraduate. He is a certified Six Sigma Green Belt holder. He has more than 30 years of experience in handling various leadership roles in different manufacturing companies (Both listed and unlisted).

He is directly leading our strategic and fast-growing precision engineering business segment 'Eigen'. His leadership qualities, business acumen, strong commercial background, relationship management, out-of-the-box thinking, people-centric approach and strategic initiatives are acting as catalysts in the growth and development of the Company and enhancing value for the shareholders.

Mr. Anil Khanna

Independent Director

Mr. Anil Khanna is a Director of our Company since 2004. He is a Bachelor of Arts (Economics, Mathematics), Chartered Accountant and FCA DISA. He is in practice and has over 37 years of post-qualification experience. He is a Certified Arbitrator by the Institute of Chartered Accountants of India and is also certified as Business Counsellor by Entrepreneur Development Institute (EDI), Ahmedabad. He has successfully completed the certificate course on Forensic Accounting and Fraud Detection conducted by the Digital Accounting and Assurance Board (DAAB) of the Institute of Chartered Accountants of India.

Mrs. Ranjana Agarwal

Independent Director

Mrs. Ranjana Agarwal is a Director of our company since 2013. She is a Bachelor of Economics (Hons.) and a Fellow Member of the Institute of Chartered Accountants of India. She is also on the board of many reputed listed companies and chairs a number of key committees. She founded Vaish & Associates, Chartered Accountants in 1985 and has more than 35 years of experience in audit, tax, succession planning, business valuations and more recently ESG consulting. She was also a partner in Deloitte Haskins & Sells until 2000. She is the recipient of the Indira Gandhi Priyadarshini Award for professional excellence and entrepreneurship and was National President of FICCI FLO. She is also involved with a number of NGOs working in the field of education and health.

Mr. Sanjiv Sachar

Independent Director

Mr. Sanjiv Sachar retired on 31st October 2016 as the Senior Partner of Egon Zehnder, the world's largest privately held executive search firm. Sanjiv set up the Egon Zehnder practice in India in 1995 and has played a key role in establishing the firm as a market leader in the executive search space across various industry segments. For five years Sanjiv was the India Country Head. In addition, he was a core member of the Firm's Global Financial Services and Industrial Practice and led the CFO practice in India. In 1985, Sanjiv co-founded a chartered accountancy and management consulting firm, Sachar Vasudeva & Associates. He also co-founded an executive search firm, Direct Impact. Sanjiv started his corporate career in the finance function with SRF Nippondenso (now known as Denso), one of the world's largest manufacturers of starter motors. Post qualifying as a Chartered Accountant in 1982, Sanjiv started his career with the management consulting division of A F Ferguson (now part of Deloitte).

Sanjiv was Government of India's nominee for five years on the first Board constituted of Indian Institute of Management, Rohtak. In addition, he was a member of the Strategic Advisory Committee of the Board on HR for Bank of Baroda. He was an Independent Director on the Board of HDFC Bank for five years (2018-2023). He is currently an Independent Director on the Board of Info Edge (India) Limited and KDDL Chandigarh (holding company of Ethos Watches). In addition, Sanjiv is a partner in the Delhi Chapter of Social Venture Partners, a global philanthropic network. Sanjiv has a Bachelor's degree in Economics (Hons.) from Hindu College, Delhi University (1978) and is a Fellow Member of the Institute of Chartered Accountants of India (1982).

Mr. Praveen Gupta

Independent Director

Mr. Praveen Gupta is a Director of the Company since 2014. He is a B.Tech (Electrical Engineering) from IIT, Kanpur and an MBA from IIM, Ahmedabad. He has 41 years of experience at senior levels in global and large Indian auto component and industrial products companies. In these leadership roles, he has successfully managed rapid growth and industrial turnarounds. He currently advises and supports organisations to improve upon their business performance and ESG initiatives, as also supports incubation and entrepreneurial activity for start-ups.

Mr. Nagarajan Subramanian

Independent Director

He graduated in mechanical engineering (Madras University, 1978) and did Post-graduate Diploma in Management from IIM, Ahmedabad (1980). He has worked in various positions in sales and marketing, business development and strategic planning with three blue-chip companies (Voltas Limited, Titan Industries Limited, and Walt Disney India Private Limited). He set up the highly successful Retail chain 'World of Titan' and made it an Indian benchmark for successful franchising of a retail concept.

He left Walt Disney India Private Limited as the Country Director for Disney Consumer Products in 1995 and set up En theos consulting to advise lifestyle retail businesses in scaling up profitably. He also represented Warner Bros Consumer Products as their India representative for over 10 years, leveraging the skillsets in retailing, franchising, and licensing. Some of the marquee clients include Mattel Toys Limited, Ethos Limited, Fossil India Private Limited, Triumph International, Warner Bros. Consumer Products, Baggit India Private Limited, just to name a few. He is a life-time member of Centre for Independent Directors (IICA).

Mrs. Neelima Tripathi

Independent Director

Mrs. Neelima Tripathi is a Bachelor of Economics (Hons.) from Sri Ram College of Commerce, qualified Chartered Accountant and Law Graduate. She is registered with the Bar Council of Delhi and a practising Senior Advocate. She has over 30 years of experience in handling civil suits, commercial courts matters, arbitration, writ petitions, corporate transactions, real estate advisory, criminal matters, constitutional issues, appearances at tribunal and courts. She has also taught as Adjunct Professor at Jindal Global Law University, written several articles and is also engaged with two NGOs working for women empowerment.

Mrs. Anuradha Saboo

Non-Executive Director

Mrs. Anuradha Saboo is a graduate with a bachelor's degree in Science from Bombay University. For several years, she headed the packaging division of KDDL Limited; during this tenure, she enrolled several export customers. Thereafter, when the ETHOS retail chain was established under KDDL, her responsibilities changed to take charge of the functions of marketing, training, and customer experience at ETHOS, which she managed for several years. She has excellent insight into the world of luxury and Swiss watches. She has a working knowledge of both French and German languages, which has been very useful in the business of the Company. She has continued to assist the Chairman and Managing Director, Mr. Yashovardhan Saboo, during his international visits and events for international partners in Europe and India.

Mr. Jai Vardhan Saboo

Non-Executive Director

Mr. Jai Vardhan Saboo is a Promoter Director of our Company since 2017. He serves as the Chief Executive Officer of Harmonia Holdings Group LLC, a leading systems integrator and information technology services company in the United States. Mr. Saboo also has various other business interests in the US and is an active angel investor in startups around the world. He is an active philanthropist and serves on the national board for Pratham USA. He has over 30 years of international business experience in multiple industries and is an alumnus of the Kellogg School of Management at Northwestern University and the Wharton School at the University of Pennsylvania.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Yashovardhan Saboo
Chairman and Managing Director

Mr. Sanjeev Kumar Masown
Whole Time Director and Chief Financial Officer

Mr. Anil Khanna
Independent Director

Mrs. Ranjana Agarwal
Independent Director

Mr. Sanjiv Sachar
Independent Director

Mr. Praveen Gupta
Independent Director

Mr. Nagarajan Subramanian*
Independent Director

Mrs. Neelima Tripathi*
Independent Director

Mr. Jai Vardhan Saboo
Non-Executive Director

Mr. Vishal Satinder Sood#
Nominee Director

Mrs. Anuradha Saboo##
Non-Executive Director

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Brahm Prakash Kumar

BANKERS

Bank of India
IDBI Bank Limited
Yes Bank
State Bank of India

**Appointed w.e.f. 28th July, 2022*
 # Resigned w.e.f. 30th June, 2022
Appointed w.e.f. 12th August, 2023

AUDITORS

M/s S.R. Batliboi & Co. LLP
Chartered Accountants

CORPORATE OFFICE

Kamla Centre, S.C.O. 88-89, Sector 8-C, Madhya Marg,
Chandigarh – 160 009

REGISTERED OFFICE

Plot No. 3, Sector - III,
Parwanoo-173220(H.P.)

DIALS UNITS

UNIT – I

Plot No. 3, Sector III,
Parwanoo – 173 220 (H.P.)

UNIT – II

Haibatpur Road, Saddomajra,
Near Gulmohar City,
Derabassi – 140 507 (Punjab)

UNIT – III

Village Dhana, Bagbania, P.O.
Manpura, Tehsil Baddi,
Dis. Solan – 173 205 (H.P.)

HANDS UNIT

UNIT – I

Plot No. 296-297, 5th Main,
4th Phase, Peenya Industrial Area,
Bengaluru – 560 058 (Karnataka)

UNIT – II

408, 1st & 2nd Floor, 11th Cross, 4th Main
4th Phase, Peenya Industrial Area,
Bengaluru – 560 058 (Karnataka)

PACKAGING UNIT

Plot No. 9, Sector V,
Parwanoo – 173 220 (H.P.)

EIGEN UNIT

Unit No. 55-A, Hunachur Village,
Jala Hobli, Yelahanka Taluk,
Bengaluru North,
Near Kiadb Aerospace Park,
Bengaluru, Karnataka – 562 149

BRACELET DIVISION

Plot No. 29-A7, Dobaspet Industrial Area,
Phase-4, Honnenahalli Village,
Sompura Hobli,
Nelamangala Taluk,
Bengaluru – 562 111

CIN

L33302HP1981PLC008123

CONTACT DETAILS

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Mail: investor.complaints@kddl.com
Website: www.kddl.com

MD&A:

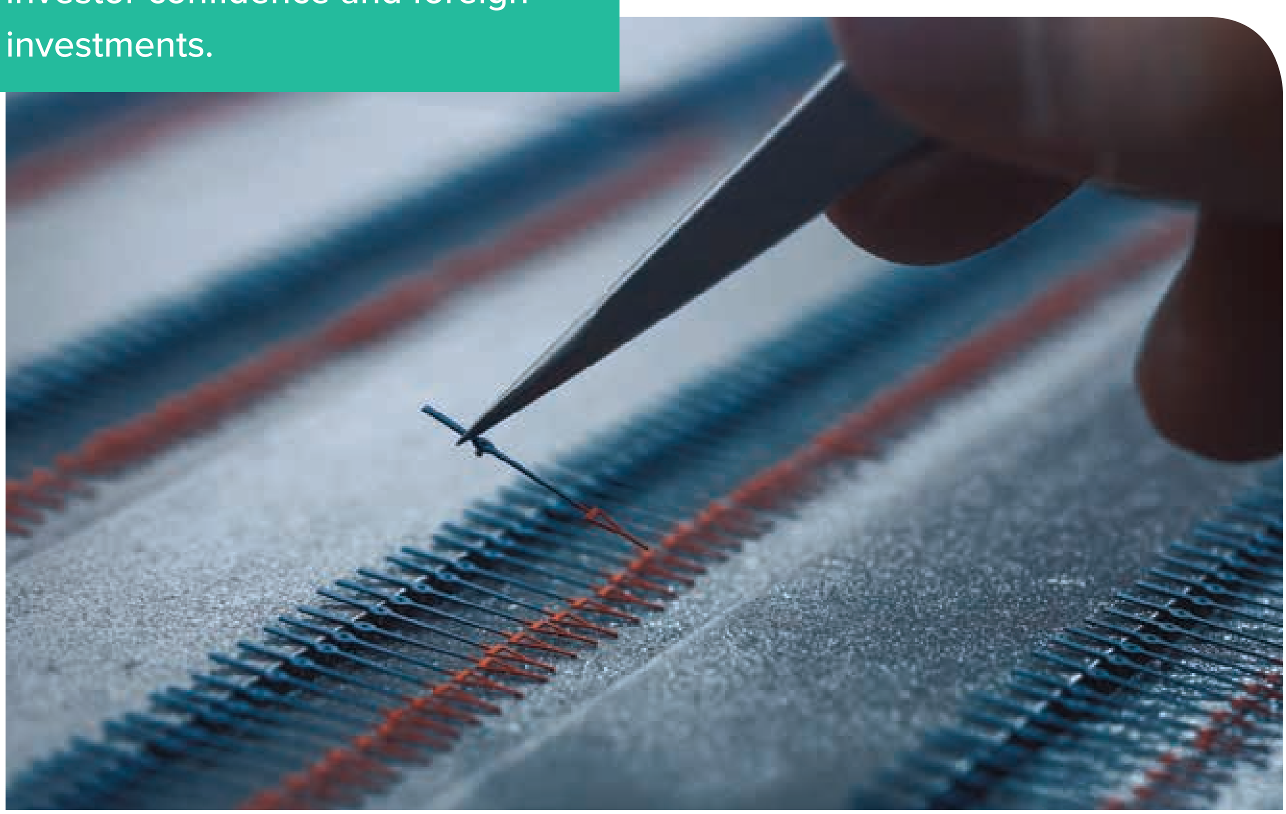
An Overview of the Economy and Business Events

GLOBAL ECONOMY

The global economy has shown signs of improvement in the early months of 2023, with energy prices easing from their peak levels. Consequently, the International Monetary Fund (IMF) has revised its global growth forecast to 2.8% for 2023, which is 0.2% higher than its previous estimate in October 2022. Advanced economies are expected grow at a rate of 1.3% in 2023, while emerging market economies are projected to grow by 3.9%, bolstered by enhanced investor confidence and foreign investments.

However, the macroeconomic landscape remains challenging for the foreseeable future. Escalating living costs and rising interest rates will continue to dampen private consumption and investment, hindering global growth prospects. Moreover, inflation has been on the rise since economies reopened following the Covid-19 pandemic. The ongoing Russia-Ukraine conflict has intensified the situation, leading to significant price increases for several commodities exported from the region. These factors are expected to contribute to a global inflation rate of 6.6% in 2023, which is projected to decline to 4.3% in 2024.

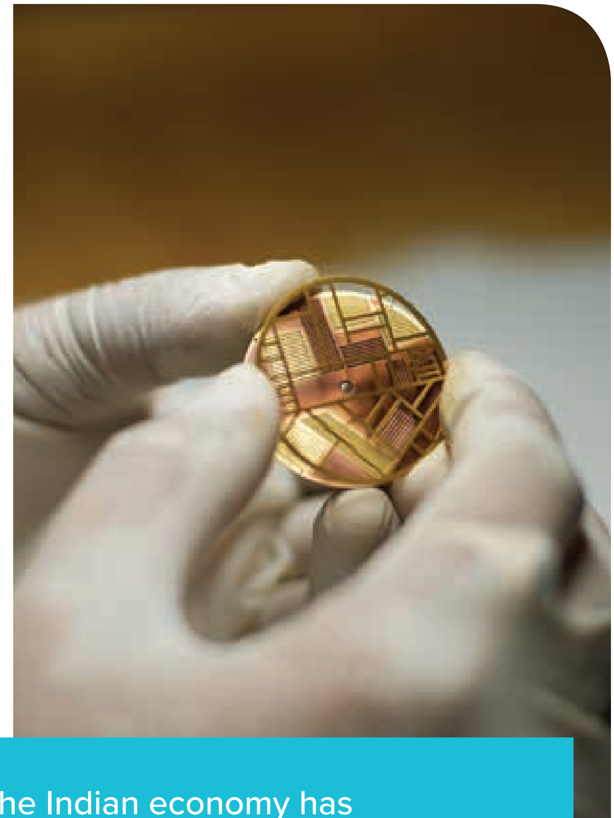
Despite these challenges, it is important to acknowledge that the global economy remains on a path towards recovery, with the IMF forecasting a modest uptick in growth for the year ahead. The rising confidence among investors and foreign investments in emerging markets serve as a testament to the underlying resilience of the global economy. Nonetheless, policy makers and market participants need to remain vigilant and adaptable to ever-changing macroeconomic conditions to ensure sustainable long-term growth.



Global Economic Growth (% Change)

	Year-on-Year		
	ESTIMATE	PROJECTIONS	
	2022	2023	2024
World	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
Emerging Markets and Developing Economies	4.0	3.9	4.2

(Source - https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023)



INDIAN ECONOMY

In comparison to other developing nations, the Indian economy has demonstrated remarkable resilience, boosted by strong macroeconomic fundamentals that position it favourably in the face of challenging external conditions. Growth projections suggest that India's growth rate for 2022-23 is 6.9%. One of the key drivers of this positive growth outlook is the economy's ability to rebound from adversity, as evident by the resurgence of private consumption, which has overtaken export incentives to become the primary catalyst for growth. The successful vaccination campaign undertaken by the Indian Government, resulting in comprehensive immunisation, has played a crucial role in this recovery. Private consumption has spurred production activity, leading to increased capacity utilisation across various sectors.

However, the economic landscape has become more complicated due to persistent inflationary pressures, further compounded by the ongoing Russia-Ukraine conflict. In India, Consumer Price Inflation (CPI) reached a peak of 7.8% in April 2022 before easing to around 5.7% by December 2022. This trend was primarily due to the conflict and lower crop yields resulting from excessive heat in certain regions. To address the price surge, the Government has taken measures, such as reducing excise duties on fuel, and the Reserve Bank of India (RBI) has implemented three interest rate hikes. Despite these efforts, the RBI expects inflation to remain elevated during 2022-23 due to ongoing global geopolitical challenges.

Despite the challenges posed by global uncertainties, the International Monetary Fund (IMF) forecasts that India's gross domestic product (GDP) will grow by 5.9% in 2023-24, and by an average growth rate of 6.1% over the next five years. To ensure sustainable growth, a strong rebound in investments is necessary. Therefore, the Government is working on developing better infrastructure and establishing India as a global investment hub.

(Source - India economic outlook | Deloitte Insights Indian Economy Continues to Show Resilience Amid Global Uncertainties (worldbank.org))

SWISS WATCH INDUSTRY

With a promising outlook for the future, the Swiss watch industry is poised for success by blending its finest aspects of tradition and innovation. Renowned for its unmatched artistry in crafting timepieces with grand complications, including mechanical or quartz multi-function chronometers, gold watches, and high-tech ceramic designer watches, demonstrating the industry's exceptional craftsmanship and commitment to pushing the boundaries of innovation. This diverse range of products makes them unique, catering to various customer segments, including sports watches, fashion watches, elegant and classic timepieces, and even miniature clocks with striking mechanisms.

The industry has experienced another successful year, achieving record-breaking exports in 2022 with a growth rate of 11.6% compared to the previous year. Additionally, the industry is poised for continued growth, with the Swiss watch market expected to reach USD 4.01 Billion by 2027 at a CAGR of 2.90%. In 2023, the Swiss watch industry will share a positive outlook with the luxury sector, benefitting from the ever-expanding circle of affluent customers. The increase in sales value and decrease in sales volume can be attributed to the rise of international tourism, particularly from wealthy Chinese visitors. Although smartwatches may pose a challenge to the demand for quartz digital watches, they also play a positive role in teaching younger generations to wear wristwatches, indicating a promising trend for the industry.

(Source - The Deloitte Swiss Watch Industry Study 2022 State of the Industry – Swiss Watchmaking in 2022 | SJX Watches (watchesbysjx.com))

PRODUCTS

The Swiss watch industry exports 95% of its production to across five continents. Asia is the largest market, accounting for 53% of the exports by value, followed by Europe at 31% and America at 14%. Hong Kong, USA, and China holds the top three positions as key markets for the Swiss watch industry.

The Swiss watch industry, comprising Rolex, Audemars Piguet, Patek Philippe, and Richard Mille are the top four brands, exhibiting strong growth for several years. Cartier, Omega, Longines, and IWC form the second tier of prominent contenders. Collectively, the five most important brands hold a 53% market share, while 13 brands have 75% and 25 brands represent 90% of the market. This figures are notable, considering that the entire watch market consists of around 350 brands.

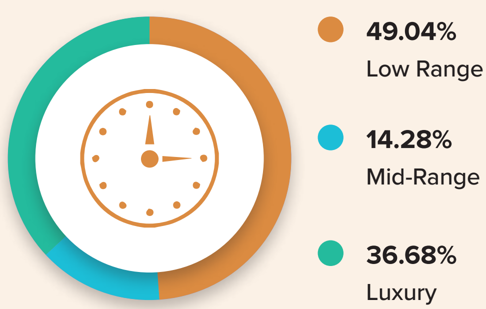
Watch Market

Revenue in USD Billion by price range globally 2016-2027 (from 2023-2027, these are projections)

Price Range	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	CAGR (%) (2022-2027)
Low Range	47.55	48.96	50.54	52.30	43.71	45.48	47.44	49.60	52.00	54.64	57.56	60.79	**5.08**
Mid-Range	14.83	15.06	15.34	15.66	12.91	13.25	13.62	14.04	14.51	15.02	15.59	16.22	**3.55**
Luxury	34.86	36.04	37.36	38.81	32.57	34.02	35.63	37.40	39.36	41.52	43.91	46.55	**5.49**
Total	**97.24**	**100.06**	**103.25**	**106.77**	**89.19**	**92.75**	**96.69**	**101.05**	**105.86**	**111.18**	**117.06**	**123.55**	**5.02**

Watch Market

Market Share (%), By Price Range, Global, 2021



(Source: Mordor Interlligence)

Watches by Price Range

The global watch market can be categorised into three price segments:

Low-Range Watches

(Up to USD 500)

Mid-Range Watches

(Price range of USD 501 - 1,000)

Luxury Watches

(Price above USD 1,001)

Low-Range Watches

With a value of USD 45.48 Billion in 2021, the low-range watch segment is anticipated to experience significant growth and reach USD 60.79 Billion by 2027, with a projected CAGR of 5.08%. This segment is highly responsive to adapting new designs and represents an attractive market for start-ups seeking to create affordable watches that cater to a wider audience, especially in developing regions. By specifically targeting urban clusters, these watches combine societal status and urban sophistication, while being budget-friendly.

Mid-Range Watches

The mid-range watch segment, valued at USD 13.25 Billion in 2021, is predicted to reach USD 16.22 Billion by 2027, registering a CAGR of 3.55% during the forecast period of 2022-27. This segment is appealing to consumers in search of timepieces that provide both a sense of opulence and advanced technological features. The target market for this segment comprises individuals belonging to the upper-middle-class population.

Luxury Watches

The high-end watch segment with a valuation of USD 34.02 Billion in 2021, is expected to grow and reach USD 46.55 Billion by 2027, with a projected CAGR of 5.49%. The market is primarily driven by emerging fashion trends among the elite class, along with a fusion of traditional and contemporary watch designs. Additionally, the rising popularity of vintage watches that incorporate advanced technology is further fuelling the segment's growth.

(Source – Global Watch Market (2022-27) Mordor Intelligence)

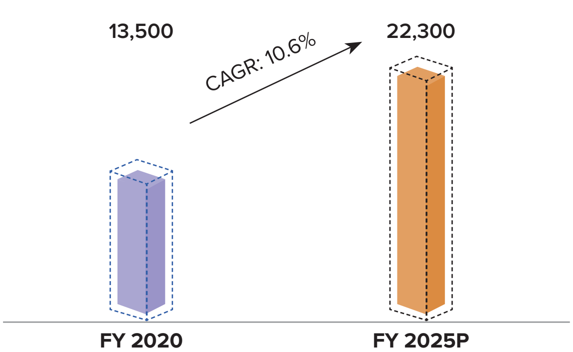
INDIAN WATCH INDUSTRY

Over the past decade, the Indian watch industry has undergone a significant transformation, experiencing a shift in perception from being nothing but a time-telling device to a fashion accessory. This trend has been driven by the growing brand awareness among millennial consumers, celebrity endorsements, and aggressive marketing strategies employed by watch brands. The Indian watch market has evolved, expanding its focus beyond men, catering to a diverse consumer base, including women, and offering unisex watches. With the rise of female participation in the workforce, the demand for women's watches has increased significantly. Recognising the potential for growth, major brands have invested in expanding their product portfolio to solidify their position in the market.

The Indian watch market, with a valuation of approximately INR 13,500 Crores in the 2019-2020, is projected to experience a compound annual growth rate (CAGR) of 10.6%. This growth trajectory is expected to propel the market to reach around INR 22,300 Crores by 2024-25. Several factors contribute to this upward trend, including a rise in discretionary spending on watches, the emergence of more organised purchasing channels such as multi-brand outlets (MBOs) and online marketplaces, as well as specialised retailers. Additionally, the increasing adoption of smartwatches in the mid to premium category and the implementation of omnichannel strategies further drive the market's expansion.

The Indian watch market is categorised into different segments based on product type and price. Product type-wise, watches are classified as 'Traditional watches' encompassing both analogue and digital watches, as well as 'smartwatches'. As traditional watches have traditionally been the primary choice for consumers across various price points, genders, and age groups. The premium and luxury segment predominantly features traditional watches, which are sought after for their quality, heritage, and brand reputation. As it holds a significant market share of approximately 76%, smartwatches capture 24% of the market and are anticipated to exhibit a faster growth rate. This growth can be attributed to consumer demand, increasing awareness about fitness and health, technological advancements that enable smartwatch integration with other devices, and notably, the entry of multiple brands in the mass to mid-range smartwatch segment. This expansion provides consumers with the opportunity to explore smartwatches without venturing into the premium segment.

Indian Watch Market
(Rs. in Crores)



Share of Traditional and Smart Watchs-FY 2023

(Source - : Technopak Research & Analysis))

PRICE SEGMENTATION OF THE INDIAN MARKET

The wristwatch segment dominates the Indian watch industry, accounting for approximately 80% of its market share. Projections indicate that by 2024, the value of wrist watches in India will reach INR 192.74 Billion, exhibiting a compound annual growth rate (CAGR) of 13.21% during the forecast period from 2019 to 2024.

Despite the global financial crisis, there has been a significant rise in the number of Ultra High Net Worth Individuals (UHNWIs) during 2022, as reported by the Wealth Report Outlook 2023. This growth can be attributed to changes in lifestyle and increasing disposable incomes, which have resulted in substantial savings by the masses. In 2020, the number of Ultra High Net Worth Individuals (UHNWIs) in India was recorded at 6,884, and this figure is projected to experience a significant growth of 63%, reaching 11,198 by 2025. The wealth held by UHNWIs is expected to continue increasing in 2023 as India maintains its path towards sustained growth. According to Knight Frank, 14% of UHNWIs purchased residential properties in 2022, and it is anticipated that 10% will do so in 2023.

As the global population is projected to surpass eight Billion by 2023, the number of High Net Worth Individuals (HNWIs) is expected to exceed 30.1 Million. The total wealth of the population is projected to reach USD 82.2 Trillion, with approximately USD 20.9 Trillion in newly generated wealth over the next five years. The Asia-Pacific region is anticipated to witness the highest growth in HNWIs, with a compound annual growth rate (CAGR) of 7.6% from 2018 to 2023, surpassing the rates of 5.9% in the United States and 5% in Europe, the Middle East, and Africa (EMEA).

During 2022-23, UHNWIs in India experienced a gradual increase in their wealth, a trend that is expected to continue in the upcoming fiscal year. Despite an anticipated global economic slowdown, the wealth held by UHNWIs in India is projected to grow in 2023 as the country emerges as a promising market for expansion. Investments in art, watches, and luxury handbags remain highly favoured among UHNWIs in 2023, with 53% expressing their likelihood to make purchases in these categories.

(Source - https://www.digitaljournal.com/pr/wrist-watch-market-analysis-size-share-growth-trends-and-forecast-2021-2030
https://www.privatebankerinternational.com/news/8-million-millionaires-world2023/
https://www.outlookindia.com/business/wealth-of-ultra-wealthy-to-continue-to-rise-in-2023-knight-frank-news-254054)

GROWTH OF E-COMMERCE ENABLEMENT

The Indian watch industry is experiencing rapid growth in e-commerce, with online sales expected to account for a significant proportion of the market in the coming years. This progress can be attributed to the increasing number of internet users in the country and the convenience and affordability of online shopping.

Consumers now have the convenience to easily compare prices, features, and designs of various watch brands and make informed purchasing decisions online. Major watch brands are also recognising the potential of e-commerce and are partnering with leading online platforms to expand their market reach and offer customers with a seamless shopping experience. The emergence of online marketplaces and exclusive brand stores has led to increased competition and product innovation, driving growth in the Indian watch industry.

OUTLOOK

The Indian watch market exhibits a promising outlook with projected substantial growth anticipated within the forecast period of 2023-27. This growth is attributed to factors such as the widespread availability and affordability of various watch brands, which have cemented their status as popular fashion statements among consumers. Notably, there is a growing demand for watches in the lower and mid-price ranges as consumers seek products that offer both value and quality.

In the realm of premium & luxury watches, the market dynamics are distinct, with organised players dominating the sector. Conversely, the unorganised market comprises standalone players. Among the organised players, the majority of Premium and Bridge to Luxury watches are sold through organized channels, whereas Luxury watches are exclusively distributed via the organized market. As a result, the organised segment accounts for a significant 92% share of the market for premium & luxury watches. The rise of organised players in the luxury watch business has yielded multiple benefits, including increased customer trust and enhanced availability and acceptability of luxury watches in India. Organised players are known for providing superior after-sales services, such as repairs and refurbishments, often accompanied by additional warranty and guarantee offerings. These services positively influence the purchasing decisions of customers, further contributing to the market's growth and development.

BUSINESS OVERVIEW

KDDL Limited (formerly known as Kamla Dials and Devices Limited) is a renowned company that operates in India and Switzerland. Established in 1981, and with its headquarter located in Chandigarh, KDDL is a prominent player in the manufacturing and trading of watches and their components, specialising in the production of intricate watch hands, dials, and other components. The Company has earned its reputation for its precision and quality. Additionally, KDDL also delivers top-notch precision stamped components and progressive tools for various sectors, including electrical, electronics, and automobile.

KDDL, through its subsidiary, Ethos Limited, runs the largest organised retail chain for luxury Swiss watches in India. The Company generates major revenue streams from manufacturing watch components, progressive tools, precision engineering components, and sub-assemblies.

The Company's financial overview and performance across different business segments are noteworthy.

Revenue & Profitability

KDDL set new records in revenue and profitability, surpassing an overall revenue of over Rs. 300 Crores. During the year, the Company's net sales witnessed decent growth of 40.7% compared to the previous year, with all business segments experiencing a high growth trajectory. The impact of the Covid-19 pandemic has faded, and normalised market conditions have resulted in improved economic activities. This favourable situation has facilitated KDDL to consolidate its market position and expand its reach and market share through continuous alignment with customer demands and delivering high-quality service.

The trend of quarterly revenues, EBIDTA, and profitability during 2022-23 and the previous year 2021-22 are as follows:

Rs. in Crores	2021-22			2022-23		
BUSINESS	DOMESTIC	EXPORT	TOTAL	DOMESTIC	EXPORT	TOTAL
Watch Component	47.6	102.8	150.4	54.9	152.8	207.7
Precision Engineering	22.4	21.8	44.2	24.6	42.6	67.2
Ornamental Packaging	9.8	-	9.8	12.7	-	12.7
Total	79.8	124.6	204.5	92.2	195.4	287.6

KDDL's overall turnover in the domestic market improved by 15.5% compared to a growth of 48.6% recorded the previous year. Additionally, the Company's export turnover was higher by 56.8% compared to the 50.3% growth recorded in last year. These turnover growth percentages of KDDL were registered on an already significantly higher base, demonstrating the effectiveness of its initiatives for operational excellence, market positioning and expansion, product offering, alignment with customers, and market realities.

Compared to the previous year, KDDL's majority of the business segments witnessed strong growth. The turnover of the Company's primary revenue contributor, the watch component segment increased by 38.1% over the previous financial year 2021-22. The watch component business's share in the overall revenue of KDDL's declined marginally from 73.6% in 2021-22 to 72.2% in 2022-23. The growth in export revenue of 48.6% was higher than domestic revenue growth of 15.3%, since during 2020-21, domestic revenue had grown decently by 79.1%. In addition, the export growth is on an already improved base, with growth recorded in the previous year (2021-22) of 42%. This clearly reflects that the Company has a strong presence and relationship with important Swiss customers and gained their confidence to serve with improved capabilities. KDDL's revenue from exports was higher by 48.6% compared to the previous year (2021-22), whereas the overall Swiss watch market had improved by only 11.4%. The revenue growth trend clearly establishes the fact that, post-Covid-19 pandemic situation, the Company is gaining market share both in domestic and export markets and strengthening its position as an established supplier of quality products in a challenging and demanding market environment.

EIGEN, the precision engineering business, which is KDDL's second-highest revenue generator, also witnessed an improvement of 51.9% in revenue compared to the previous year's growth of 34%. The growth in revenue was majorly from the export markets, whereas domestic market revenue improved marginally compared to the previous year's levels. The market sentiments were healthy and encouraging, as the manufacturing activity in major revenue segments was on an improving trend. The aerospace segment has gradually recovered, and KDDL expects this segment to reach normal levels in the next two quarters.

The revenue from the export market continues to increase rapidly and during the year 2022-23, the exports revenue was higher by 95% compared to the previous year. This revenue growth is in addition to the substantial increase of 106.7% recorded in 2021-22. Even during the previous years (including the Covid-19 pandemic period). This increase in exports' revenue is primarily due to KDDL's major focus on capturing new segments and customers from electrical vehicles, solar industry, automotive, and electrical segments.

KDDL's order book is healthy and is likely to maintain its strength, benefitting from the improvement in economic conditions and consumption increase. The Company's collaborations with some of the major industrial players on emerging technologies and projects in different market segments are expected to help in consistent growth of revenue and profitability.

The ornamental packaging manufacturing businesses of KDDL, catering mainly to the domestic market, also witnessed a strong improvement in demand and revenue improved by 29.3% compared to a growth of 109% recorded in the previous year. There were no orders from the exports market. The Company continues to approach high-value premium quality customers, both in the domestic and export market.

KDDL's overall strategy revolves around increasing exports of watch components and accelerating the growth of precision engineering business. The Company aims to capture additional business from existing and new customers, especially in the chosen market segments, by increased marketing efforts, both digitally and physically. Continuous improvement of internal efficiencies, reducing turnaround time, adding new capabilities are key focusses of KDDL to enhance its operations.

The trend of quarterly revenues, EBIDTA and profitability during the financial year 2022-23 and the previous year 2021-22 are as follows:

2022-23	QTR-1	QTR-2	QTR-3	QTR-4	TOTAL (RS. IN CRORES)
Revenue	69.04	74.90	76.13	84.73	303.50
EBIDTA	16.80	19.07	20.95	22.88	78.18
EBIDTA (%)	24.3	25.5	27.5	27.0	25.8
Cash Profit	15.00	17.19	18.72	20.28	71.19
Exceptional Income /(Expense)	10.65	20.12	-	-	30.77
Profit Before Tax	**22.57**	**34.17**	**15.53**	**16.96**	**89.24**

2021-22	QTR-1	QTR-2	QTR-3	QTR-4	TOTAL (RS. IN CRORES)
Revenue	46.24	52.97	56.80	61.95	217.96
EBIDTA	8.68	10.31	12.75	14.94	46.68
EBIDTA (%)	18.80	19.5	22.4	24.1	21.4
Cash Profit	6.80	8.54	10.79	13.01	39.14
Profit Before Tax	**3.90**	**5.65**	**7.82**	**10.03**	**27.40**

Prospects

Throughout the year, the domestic watch market has demonstrated a strong and stable performance, indicating a positive growth trajectory. Major domestic players in the industry are showing optimistic trends, while the order position is healthy and improving. It is evident that these players are clearly determined to shift their manufacturing focus from China to domestic sourcing, driven by their confidence in the ongoing trend and the expectation of robust demand in the domestic market for the foreseeable future.

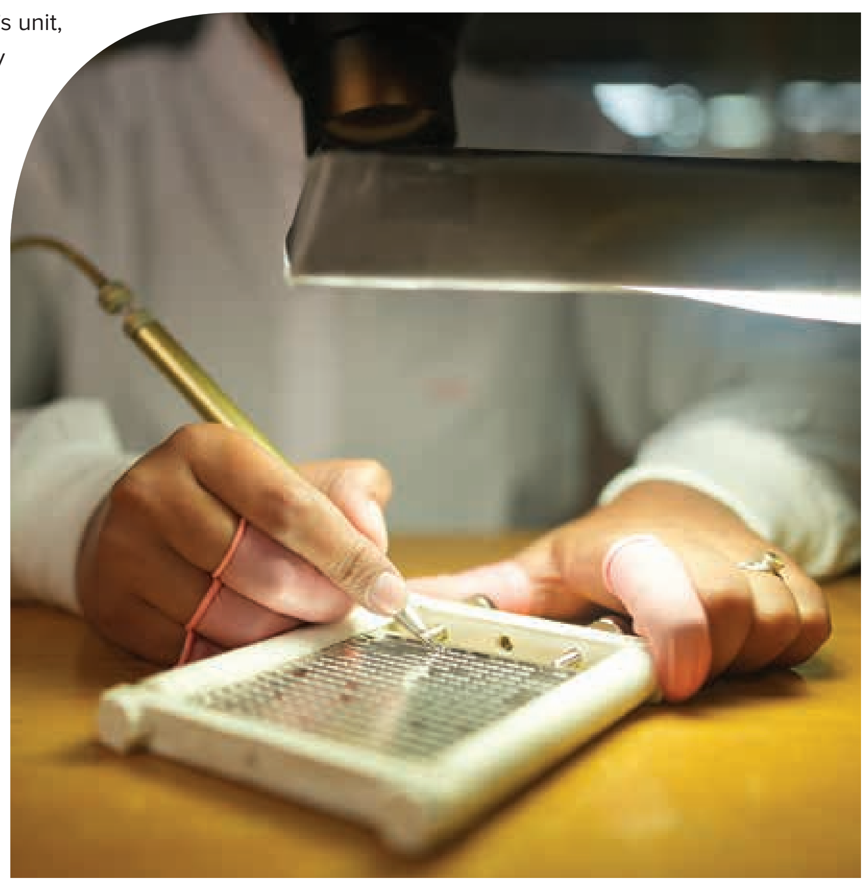
In response to the increasing demands of the domestic market, KDDL is aligning and enhancing its capacity and capabilities accordingly. The Company's primary focus remains improving productivity and ensuring the prompt delivery of premium watch components.

There has been a notable recovery in the Swiss market with promising growth. Analysing the data from the first three months of 2023 and comparing it to the same period in 2022, there has been an 11.8% increase in watch exports. The total value of Swiss watch exports between January and March 2023 reached CHF 6484.1 Million, surpassing the recorded figure of CHF 5800.8 Million in 2022 and reflecting the growth mentioned above.

The downward trend witnessed in the lower price market segment has ceased, and growth is now evident across almost all price point segments. KDDL has a positive outlook for maintaining this trend. The Company's product portfolio has been aligned with market trends, and it is strategically advancing up the value chain by enhancing its design capabilities, reducing response time, and ensuring superior quality standards. In addition, it has expanded its capacity to meet the growing demand in the export market segment and have focussed on strengthening its capabilities to address its Swiss customers' more complex feature requirements.

KDDL is dedicated to improving its communication strategies, leveraging digital marketing and social media platforms in innovative ways. The feedback and response from its customers have been encouraging, and the Company is committed to sustaining these initiatives with utmost diligence and enthusiasm.

In the precision engineering business, KDDL's unit, EIGEN, is focussed on enhancing revenue by expanding KDDL's market presence through improvement of core capabilities, increased value addition, and vigorous marketing efforts. The primary objective of EIGEN is to increase the Company's share of business in high-value-added and complex parts and components, as well as venture into segments characterised by long gestation periods and formidable entry barriers. KDDL have achieved success in entering the supply chain for new and emerging segments in the overseas markets, particularly in the field of alternate energy, including electric vehicles and solar energy.



Furthermore, KDDL is experiencing a healthy order position and a steady inflow of Requests for Quotation (RFQs) from the automotive and electrical segments. Additionally, the Company is witnessing a recovery in the aerospace segment, and it expects this sector to continue its strong rebound and demand. As a result, the product portfolio and the composition of different segments are anticipated to undergo significant changes. Sectors such as alternate energy and the airlines industry are likely to exhibit higher growth rates in comparison to other segments.

Currently, KDDL is experiencing a steady influx of RFQs from export markets too, particularly in the automotive and electrical segments. This trend is a direct result of the adoption of 'China plus one' strategy by major global players. While domestic customers are also displaying growth, their demands are relatively modest. In contrast, export customers have higher requirements and price expectations, posing a challenge for players in the domestic market. To address this, KDDL remains focussed on expanding market share and revenue from export customers by leveraging its core capabilities.

The Company firmly believes that the Atma Nirbhar Bharat initiative, will present additional opportunities for EIGEN in the years ahead with its increased defence allocations and emphasis on domestic sourcing.

KDDL's effort in cost optimisation, productivity improvement, increased capacity utilisation, and favourable product portfolio initiatives has led to a lower cost structure, as evidenced by improved EBIDTA and PBT. This positive performance is further reflected in the Company's quarterly financial results. KDDL remains confident in its initiatives to enhance market share through capacity additions, entry into new segments, acquisition of new customers, integration of complex features, and normalisation of market conditions, contributing to its continued profitability and strength.

Key Financial Ratios

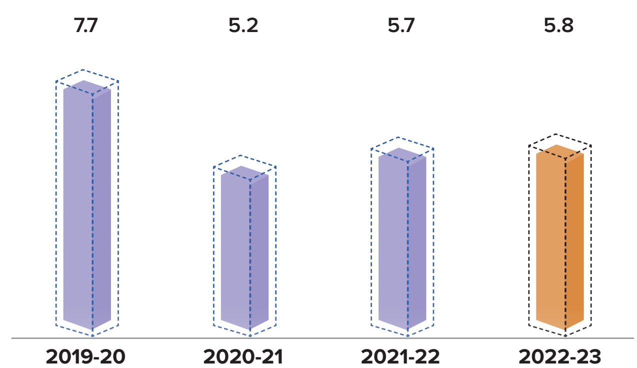
During the year, market conditions were good and economic activity improved, which led to a record performance by KDDL in all its business units. This resulted in a healthy financial performance for the Company, with improved margins, strong liquidity, and all critical financial parameters and ratios witnessed an improving trend on a quarter-by-quarter basis.

The operational earnings before interest, depreciation, taxes, and appropriations improved from Rs. 460 Million to Rs. 804 Million, demonstrating an increase of 75% over the previous year. The operating EBIDTA earnings after eliminating the exceptional and one time income / expense transactions, abnormal costs, and CSR expenditure increased from 20.7% to 25.6%. The increase in EBIDTA percentage was due to growth in revenue, a change in the revenue mix of the different business segments, especially the increase in export revenue, and controlled costs.

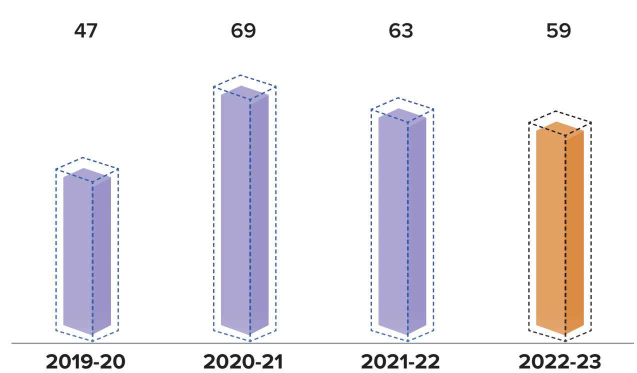
Debtors' Turnover and Average Collection Period

Throughout the year, there was a noteworthy enhancement in the average debtor's turnover ratio, which increased from 5.7 times to 5.8 times. The average collection period, decreased from 63 days to 62 days. It is important to note that KDDL's ratio is directly influenced by the revenue distribution across various business segments, as certain segments entail longer credit periods.

Debtors' Turnover (No. of Time)



Debtors' Average Collection on Period
(No. of Days)



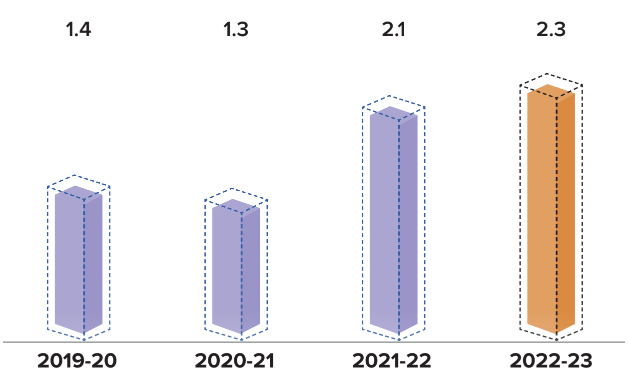
Inventory Turnover and Average Inventory Holding Period

Over the course of the year, there was a slight increase in inventory turnover, rising from 2.1 times to 2.3 times. The average period for holding inventory decreased from 5.7 months to 5.3 months.

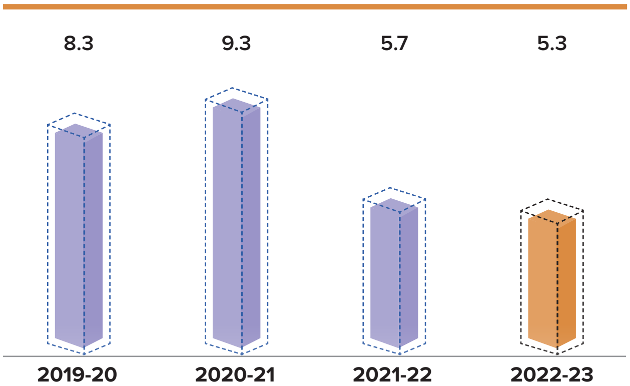
The enhancement in inventory turnover and reduction in holding periods can be attributed to the implementation of stringent initiatives in sourcing procedures, rescheduling, and reassessment of minimum order quantities (MOQs). Additionally, there has been an increased emphasis on domestic sourcing, utilisation of existing inventory, and improved turnaround time in KDDL's operations.

Due to the nature of KDDL's business, there is a need for higher inventory holding requirements because of smaller lot quantities and the MOQ requirements by most suppliers. Moreover, the diverse features and complexities involved in the Company's products necessitate the storage of different materials and inputs to meet customer demands.

Inventory Turnover Ratio (No. of Time)



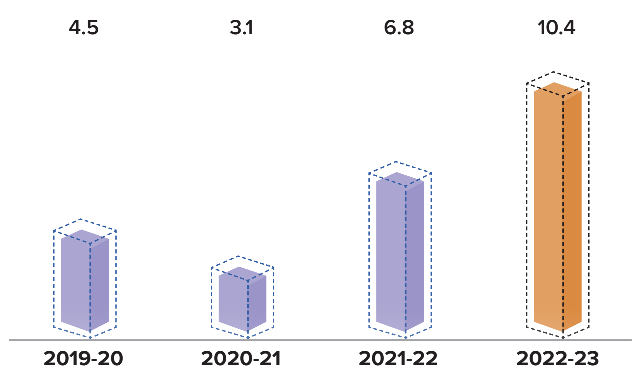
Inventory Holding Period
(No. of Month)



Interest Coverage Ratio

Through the year, there was a significant improvement in KDDL's interest coverage ratio, measured against the normalised profit, which increased from 6.8 to 10.4. This enhancement can be attributed to improved profitability and the Company's business scale expansion. As a result, its liquidity position remained robust, allowing for the timely and efficient servicing of its financial obligations.

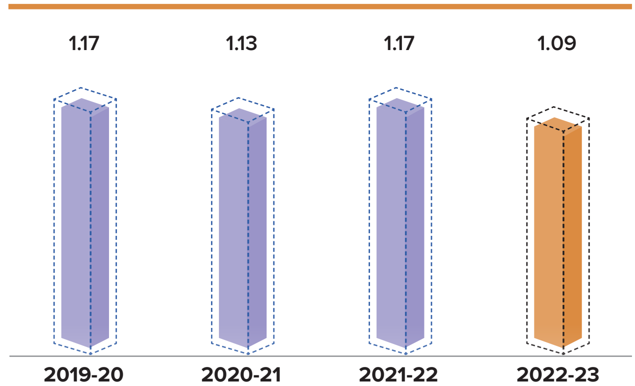
Interest Coverage Ratio
(No. of Time)



Current Ratio

KDDL experienced a slight reduction in its current ratio, from 1.17 to 1.09 times. This positive development can be attributed to the Company's enhanced financial performance and improved liquidity. Furthermore, after excluding the current maturities of non-current borrowings, the current ratio experienced a slight decline from 1.60 to 1.27 times. Despite this decrease, the current ratio continues to demonstrate strength and conforms to both banking regulations and the prevailing trends within the industry. These figures collectively suggest a sound financial position for the organisation.

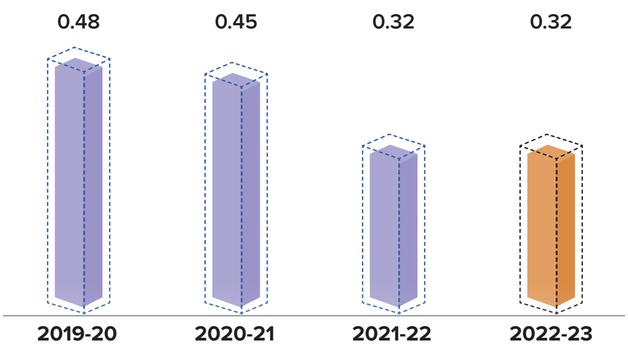
Current Ratio
(No. of Time)



Debt-to-Equity Ratio

KDDL has successfully managed to decrease its secured debt, including working capital bank borrowings, resulting in a reduction of the secured debt-to-equity ratio from 0.20 to 0.17. Additionally, the total debt-to-equity ratio retained at 0.32 to 0.32 as a direct consequence of the Company's restricted borrowing practices. It is worth noting that its debt-equity ratio remains notably robust when compared to prevailing industry norms.

Debt-to-Equity Ratio (No. of Time)

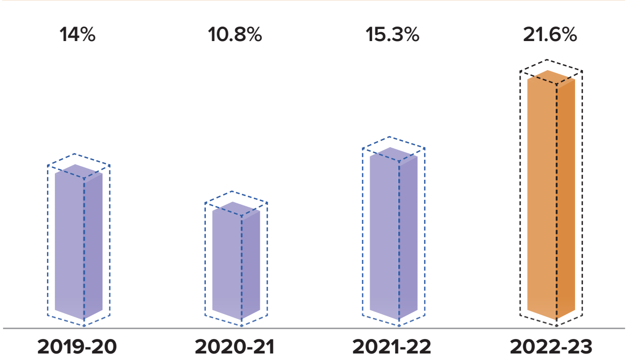


Operating Profit Margin

KDDL experienced a notable increase in its normalised operating profit margin, rising significantly from 15.3% to 21.6%. This improvement can be attributed to all business units operating with enhanced efficiencies, due to a healthy order position and favourable market conditions. Consequently, the Company witnessed robust growth in both revenue and profitability. Notably, the financial performance and overall situation showed continuous improvement throughout each quarter of the year. Additionally, KDDL's gross margin demonstrated improvement, reaching 76% compared to the previous year's 74%.

KDDL's financial performance ratios demonstrate a positive trend, as evidenced by the improvement in its EBIDTA from 21.0% in the previous year to 27.1%.

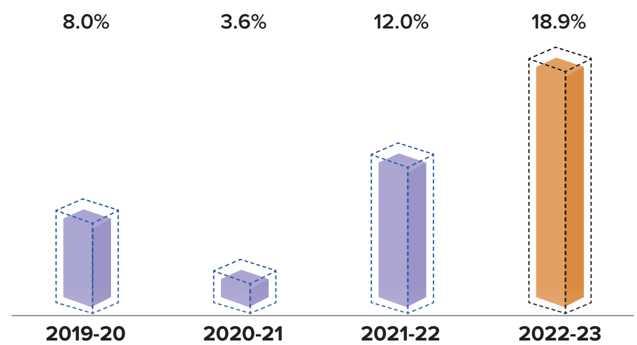
Operating Profit Margin (%)



Net Profit Margin

KDDL witnessed a significant improvement in its normalised net profit before tax, excluding abnormal and exceptional non-operational items, as well as CSR-related expenses. The percentage increased notably from 12% to 18.9%.

Net Profit Margin (%)

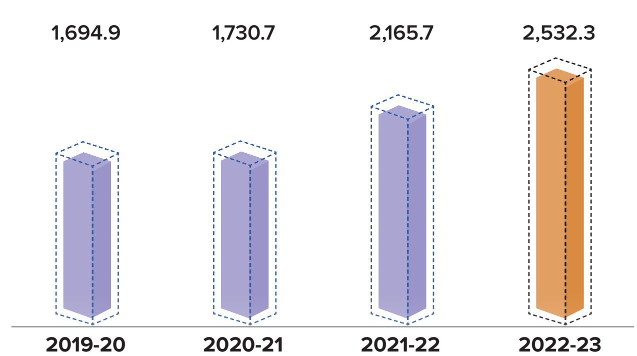


Shareholders' Funds

KDDL's reserves improved from Rs. 2,037 Million as of 31st March, 2022 to Rs. 2,406 Million as of 31st March, 2023, on account of retained earnings from the profitability of the Company.

The share capital of KDDL decreased from Rs. 128.24 Million to Rs. 126.24 Million. This decline was a result of the Company's buyback of 1,99,947 equity shares at an average price of Rs. 1,050.28 (Rupees One Thousand and Fifty and Paisa Twenty-Eight) per equity share. KDDL deployed an amount of Rs. 21 Crores (Rupees Twenty-one Crores) for the buyback, excluding transaction costs.

Shareholders' Funds (Rs. in Million)



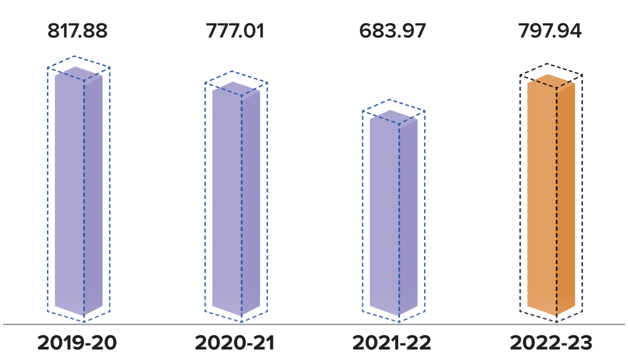
Loan Funds and Cost of Debt

The interest cost as a percentage of total revenue decreased from 2.5% to 2% in 2022-23. The interest cost as a percentage of total revenue declined primarily due to a sharp improvement in the Company's revenue, operational profitability, and healthy liquidity position. The prevailing interest rates in the market during the year were hardening, but the Company restricted the high-cost borrowings and increased the utilisation levels of alternate options for economical borrowings related to exports. The overall level of unsecured debt by way of deposits from members is on the rise and the mix of unsecured debt versus other secured debt impacts the overall interest cost of KDDL. The Company's liquidity position remained strong due to high profitability during the year.

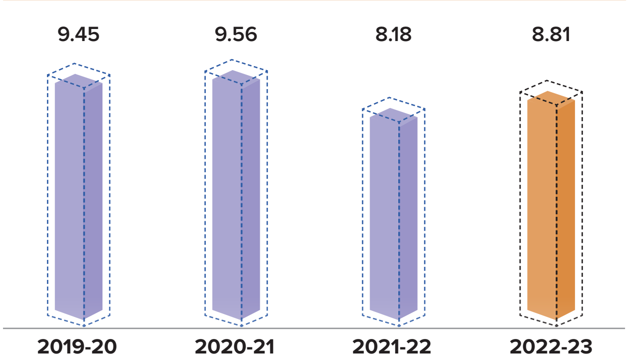
The overall simple average cost of debt increased from 8.2% in the previous year to 8.8% during the year, due to the increase in unsecured borrowings and the hardening of interest rates across the board by all lenders.

KDDL continues to focus on and explore alternate means of financing to reduce the effective cost of borrowing. The Company remains committed to managing and restricting its overall borrowing to improve its leverage position.

Loan Funds (Rs. in Million)



Cost of Debt (%)

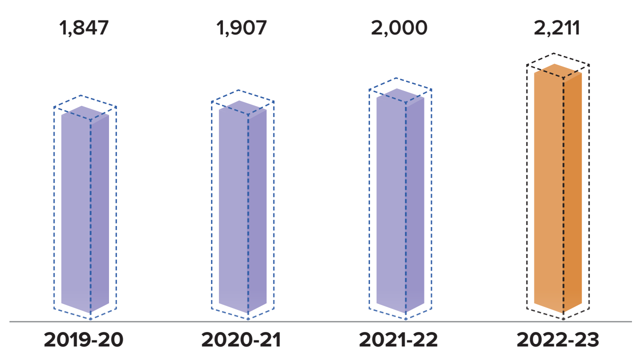


Fixed Assets

Gross fixed assets (both tangible and intangible) of KDDL, including capital work in progress during the year 2022-23 increased from Rs. 2,163 Million to Rs. 2,429 Million. The value of tangible fixed assets increased from Rs. 2,000 Million to Rs. 2,211 Million, whereas the gross of intangible assets increased from Rs. 442 Million to Rs. 466 Million. The value of right to use assets and investment property was reduced from Rs. 944 Million and Rs. 12 Million to Rs. 777 Million and Rs. Nil respectively. The value of capital work in progress increased from 229 Million to Rs. 940 Million, respectively.

During the year, the capital expenditure of KDDL was for enhancing the capacity in all the manufacturing facilities and for the setting up of the new bracelet manufacturing plant in Bangalore.

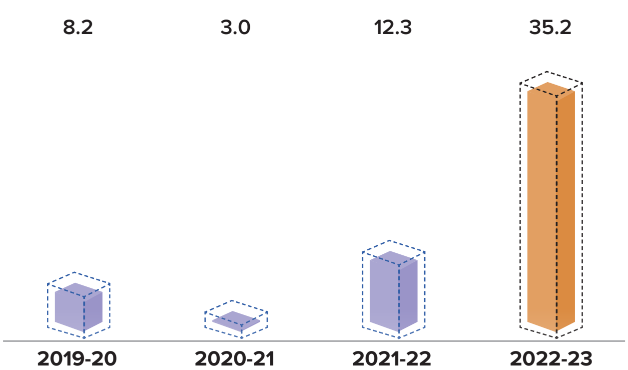
Tangible Assets (Rs. in Million)



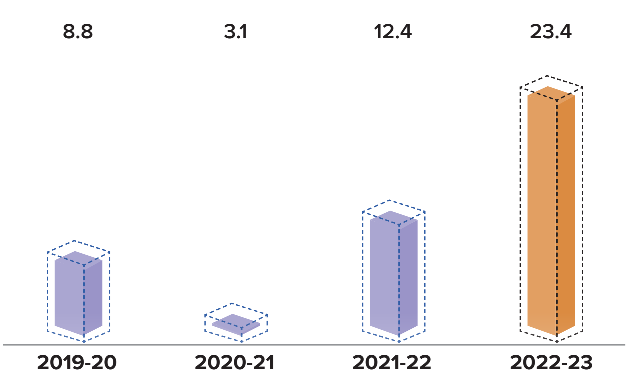
Return on Networth

Return on networth (overall) of the Company improved from 12.3% to 35.2% during the year due to strong performance and profitability. The normal operations return on networth also improved from 12.4% to 23.4%. The return on networth is healthy compared to all other similar type and size of the companies.

Return on Networth (Overall) (%)



Return on Networth (Operational) (%)



SUBSIDIARY COMPANIES

Ethos Limited

The financial year 2022-23 has proven to be exceptionally successful for Ethos Limited, witnessing substantial growth in both revenue and profitability. This achievement can be attributed to its focussed marketing efforts, robust digital initiatives, and a successful festive season that attracted customers to its stores, offering an enhanced shopping experience.

Through the year, Ethos Limited opened six new stores, while simultaneously closing two underperforming stores. As a result, Ethos Limited's total store count increased from 50 to 54. Furthermore, it expanded its presence into three new cities—Indore, Bhopal, and Siliguri, increasing its reach to a total of 20 cities, compared to 17 cities in the previous year.

On a standalone basis, Ethos Limited's revenue from operations and other income for FY 2022-23 exhibited an impressive growth rate of 36.05%, amounting to Rs. 80,373.04 Lacs. Similarly, on a consolidated basis, it achieved a growth rate of 36.1%, reaching Rs. 80,309.41 Lacs.

In terms of net profit after tax (PAT), Ethos Limited's standalone performance for FY 2022-23 was remarkable, with Rs. 5,979.60 Lacs compared to the previous year's net profit of Rs. 2,336.30 Lacs. On a consolidated basis, its net profit after tax (PAT) for FY 2022-23 amounted to Rs. 6029.82 Lacs, a significant rise from Rs. 2,338.80 Lacs in the previous year.

Ethos Limited has successfully harnessed its digital capabilities to cater to consumer demand, recognising

the growing importance of online lead sales. With digital channel accounting for 31% of its billings, Ethos Limited acknowledges that a significant number of customers now prefer to research and decide to buy luxury watches using digital platforms. Moving forward, it will continue to innovate and allocate resources to digital marketing, ensuring sustained engagement with its customer base. Ethos is poised to benefit from this evolving trend as a predominantly luxury and premium product focussed player. The luxury and high luxury watch segments also offer better profit margins, contributing to its overall profitability.

Overall, Ethos Limited's remarkable performance in FY 2022-23, driven by its strategic initiatives and digital prowess, positions it well for sustained growth and success.

Pylania SA

Throughout 2022-23, Pylania SA maintained its multiple business revenue streams, encompassing partial manufacturing of watch components, trading of watch components and accessories, as well as consultancy and advisory services.

There was a substantial revenue improvement for Pylania SA, with figures rising from CHF 2,668 K to CHF 4,519 K, marking an impressive growth rate of 69% compared to the previous year. Furthermore, it continued to provide valuable guidance and managerial advisory services to its customers.

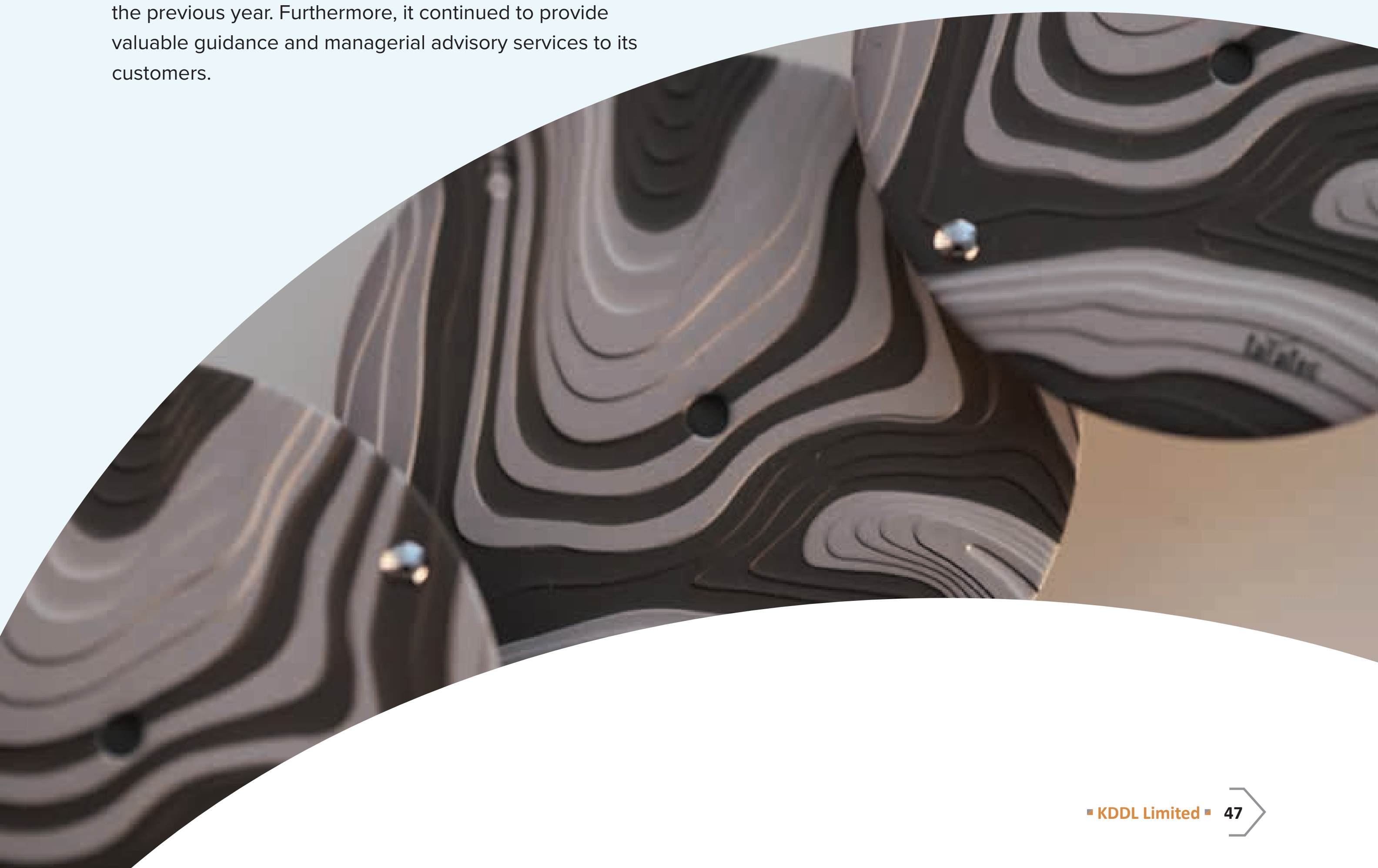
The management of Pylania SA remains committed to exploring opportunities that will enhance revenue and expand the scale of the business. Simultaneously, they are closely monitoring costs to improve its financial position and bolster liquidity.

In terms of operating profit, Pylania SA achieved CHF 510 K, displaying a remarkable growth rate of 85%, compared to the profit of CHF 276 K recorded in the 2021-22 period.

During the year, Pylania SA extended additional loans, including subordinate loans, totalling CHF 690 K to Estima AG.

Estima AG

During the fiscal year 2022-23, Estima AG achieved a revenue of CHF 3,017 K. This represents a growth of 18% compared to the previous 12-month period ending in March 2022, which recorded a revenue of CHF 2,556 K. However, the operating loss after tax escalated from CHF 759 K to CHF 1,809 K. This increase can be attributed to the substantial rise in workforce expenses, resulting from Estima AG's expansion plans, coupled with the absence of Government support for employee engagement in the post-Covid-19 normalised market environment.



Estima AG experienced a decrease in its gross margin, declining from 69% to 51%, due to an unfavourable product mix and abnormal wastages in new features and capabilities, which put pressure on the gross margin. Additionally, other costs, such as energy costs, escalated due to global fuel and energy price increases, while interest costs rose resulting from the additional funding required to manage the operational losses incurred throughout the year.

Nevertheless, Estima AG remains dedicated to enhancing the team's capabilities and the unit's capacity to cater to high-end brands. By incorporating additional features and improving quality levels and service standards, it aims to capture new customers. The management considers the losses incurred during the year to be exceptional. Encouragingly, Estima AG has secured a better order position and has made headway with esteemed high-end customers for new features. The market demands, coupled with the confidence shown by reputable customers and the management's initiatives, such as acquiring selective machinery and equipment for higher-quality and complex features, recruiting competent team members for crucial roles, and benefitting from technical support and guidance from the parent company, are anticipated to facilitate a swift and robust recovery.

Estima AG's strategy and action plan to revive itself, drive growth, and foster development are on a promising direction. It maintains a confident outlook that the forthcoming quarters will witness substantial revenue growth and improved profitability.

Satva Jewellery and Design Limited

During 2022-23, Satva Jewellery successfully merged with KDDL Limited in accordance with the directive of the National Company Law Tribunal (NCLT), Chandigarh bench. The merger became effective on 1st April, 2019. As per the NCLT's order and the approved merger scheme, the financial statements of KDDL Limited have been reclassified and adjusted, starting from 2019-20. Consequently, the figures for the previous year (2021-22), which were previously audited and reported, might have undergone changes.

Kamla International Holdings SA (KIH)

KIH is a wholly-owned subsidiary of KDDL, operating as a special-purpose vehicle for strategic investments in the overseas market. Over the years, it has successfully increased its equity from CHF 1.6 Million to 2.6 Million. Notably, KIH acquired 3,000 equity shares (15%) of Pylania SA, a subsidiary of KDDL Limited, from its existing shareholder. This acquisition resulted in KIH's equity shareholding rising from 47.5% to 62.5%, thereby making Pylania SA a wholly-owned subsidiary of KDDL.

Furthermore, KIH and Pylania are actively increasing their equity and making investments in Estima AG with the aim of enhancing and expanding its equity from CHF 80,000 to CHF 1 Million. KIH provided an additional loan amounting to CHF 966K to Estima AG during the year. KIH contributed CHF 500K as equity to Estima.

Kamla Tesio Dials Limited (KTDL)

Kamla Tesio Dials Limited (KTDL) is a 100% subsidiary of KDDL Limited and is primarily engaged in the manufacturing of watch dials through job contracts for the parent company. During the year, KTDL had a revenue of Rs. 131 Lacs and reported a profit of Rs. 9 Lacs. In the year prior to 2021-22, it had reported revenue of Rs. 18 Lacs and loss before tax of Rs. 64 Lacs.

Mahen Distribution Limited

Mahen Distribution Limited (MDL) is a wholly-owned subsidiary of KDDL Limited, primarily offering workforce recruitment, engagement, employment, staffing, and managerial services. In 2022-23, the Company generated revenues amounting to Rs. 278 Lacs, while reporting a pre-tax loss of Rs. 20 Lacs. MDL also holds a 9.77% equity stake in Ethos Limited. During the year, it participated in the Ethos IPO's offer for sale (OFS) and sold 14,008 shares for a total consideration of Rs. 123 Lacs, resulting in a gain of Rs. 90 Lacs from this OFS.

RISKS, THREATS & CONCERNS

KDDL acknowledges that risks are an inherent part of any business and must be managed effectively to minimise their impact on performance and projections. Through this approach, the Company safeguards and enhances shareholder value. Its risk management framework recognises two broad categories of risks: universal risks relevant to most businesses and industry-specific risks.

KDDL's Risk Management Policy includes various measures, such as risk identification, assessment, reporting, and mitigation procedures. The policy is subject to continuous updates to align with the dynamic operating environment of it and is regularly reviewed by the Board of Directors to ensure its ongoing effectiveness and relevance. Additionally, the Company promotes a risk-aware culture among its employees, encouraging early identification and proactive management of potential risks.

Risks of General Nature

KDDL faces various risks in the macroeconomic environment, such as political and legal changes, alterations in tax structures, and amendments in commercial rules and regulations. To address such risks, the Company remains vigilant and proactive in anticipating and mitigating them to the best extent possible.

It is exposed to risks from both man-made and natural disasters, including explosions, earthquakes, storms, and civil disturbances. To manage these risks, KDDL incorporates best industry practices in designing structures, prioritises safety as a guiding principle, while designing technical and business processes, and obtains appropriate insurance coverage.

Another set of risks that KDDL encounters are market-driven risks, such as sudden declines in GDP and growth rates, overall market conditions in India and abroad, and sudden changes in market preferences. To mitigate such risks, the Company maintains a flexible and cost-effective working structure that enables it to adjust its operations in affected areas based on dynamic market conditions.

Specific Risks

KDDL has identified the following specific risks that require detailed attention given the current business circumstances:

	RISK	MITIGATION
Risks due to Decline in Overall Demand for Watches	KDDL anticipates steady growth in the demand for watches in India over the next 8-10 years. However, the Company is aware of the declining popularity of watches as time-keeping instruments. It has observed a growing trend of watches being viewed more as fashion accessories, activity monitoring devices, and communication devices.	To mitigate the risks associated with this shift, KDDL is taking a proactive approach to position itself for improved service aligned with the evolving needs of the market. This involves upgrading the Company's internal capabilities and processes to meet market expectations and move up the value chain.
Risks Pertaining to Over Dependence on Few Companies	KDDL has established a strong and mutually beneficial partnership with several prominent leaders in the watch industry, both in India and Switzerland. As a result, a significant portion of the Company's business is closely interconnected with these groups, creating a dependence on the partners.	While KDDL values its enduring relationship with these renowned brands and companies, it acknowledges the importance of diversifying its customer and brand partner base. This diversification is necessary to mitigate any inherent risks associated with over-dependence on specific partners. Therefore, the Company is actively focussed on expanding its clientele and extending its presence into new fields and segments.
Risks related to Over Dependence on One Business	KDDL recognises the need to reduce its overdependence on the watch segment and is implementing a structural shift towards increasing revenue from other manufacturing business streams.	To mitigate these risks, KDDL is actively directing its efforts towards the expansion of the precision engineering components business and acquiring new capabilities. By diversifying its business and incorporating new avenues for growth, the Company aims to achieve a more balanced and sustainable revenue portfolio.
Foreign Exchange Risks	KDDL's manufacturing turnover is heavily reliant on exports, with around 67% of revenue generated from Swiss Franc and US Dollar denominated exports. As the value of these currencies can experience significant fluctuations, the Company faces potential short and medium-term challenges. A decline in the value of these currencies would significantly impact its export earnings in terms of INR and consequently its profitability.	To manage this risk, KDDL has implemented several measures. These measures include currency hedging to the extent feasible and considering the natural hedge the Company receives from exporting and importing in the same currency. Additionally, it seeks to balance its imports and exports to further mitigate these risks. By adopting a proactive approach, KDDL aims to ensure its long-term financial stability and success.
Risk related to Personnel	As the business continues to expand, KDDL recognises that the skills and abilities of its employees and management team are crucial to its success. However, the current competitive job market poses a challenge for retaining key personnel, especially in the manufacturing and retail sectors.	To mitigate this risk, KDDL has implemented robust HR policies for recruitment and retention. Additionally, the remuneration and rewards policy is regularly reviewed at the highest management level. By taking a proactive approach to these issues, the Company aims to prevent the loss of valuable talent, ensuring continued growth and success.

HUMAN RESOURCE MANAGEMENT

KDDL values its team highly, recognising their skills and capabilities as its most valuable- asset. The Company strives to attract and retain top talent by implementing a process-driven approach to Human Resource Management. This approach includes investing in employee training and development through methods, such as succession planning, job rotation, on-the-job training, and extensive workshops and programmes. Additionally, KDDL engages external consultants and advisors to improve and enrich its human capital, adapting to emerging business requirements.

The Company's Talent Management process aims to nurture talent throughout the organisation's hierarchy. Considering future needs and the establishment of a leadership pipeline, the Company has hired several professionals in different functions. Whenever necessary, new personnel are recruited to build capabilities in new domains and bridge any gaps. It prioritises developing internal talent through a robust identification process and designing a detailed development plan for each identified individual.

To maintain employee morale, foster teamwork and camaraderie, and recognise individual and team contributions, KDDL provides the necessary support, guidance, and motivation. The Company further acknowledges and rewards individual and team achievements through recognition and reward programmes implemented across the Group. As of the year under review, the total workforce of the Company, inclusive of regular and contractual staff, was **2,160.**

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

KDDL places a strong emphasis on cultivating a culture of internal control. For the purpose of achieving this, the Company has established comprehensive internal systems, controls, and policies for all major processes. This ensures the reliability of financial reporting, timely feedback on operational and strategic goals, compliance with policies, procedures, laws, and regulations, safeguarding of assets, and economical and efficient resource utilisation.

The implemented control systems help in ensuring compliance with the SEBI Listing Regulations. Additionally, the Company has well-documented Standard Operating Procedures (SOPs) for various processes, which are periodically reviewed and updated according to business needs.

The internal auditor is responsible for continuously monitoring the effectiveness of internal controls and compliance with SOPs. Their primary objective is to provide the Audit Committee and Board of Directors with independent, objective, and reasonable assurance regarding the organisation's risk management, control, and governance processes.

The Audit Committee approves the Internal Audit scope and guidelines, while internal auditors develop an annual audit plan that is risk-based, incorporating input from major stakeholders and previous audit reports.

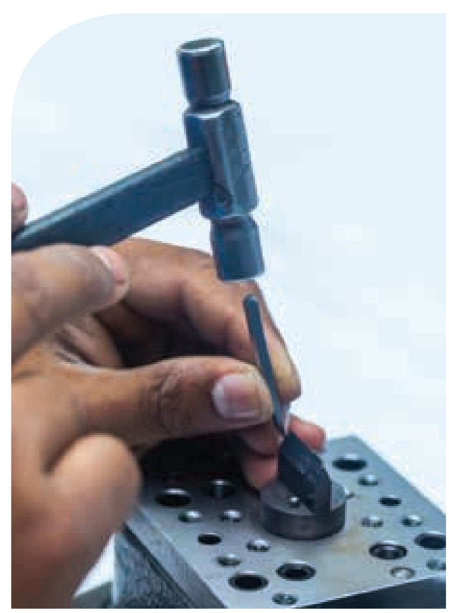
Significant audit observations are periodically reviewed, and follow-up actions are reported to the Audit Committee. The Audit Committee holds meetings with the Company's statutory auditors and internal auditors to obtain their views on the financial statements, including the financial reporting system, compliance with accounting policies and procedures, and the effectiveness of internal controls and systems.

The Company's top and senior management assess opportunities for improving business processes, systems, and controls. They provide recommendations aimed at adding value to the organisation and oversee the implementation of corrective actions and process enhancements.

The senior management periodically meets to evaluate the performance of each business segment and key functions within the Company. They identify areas for improvement and continuously review them.

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, and others may constitute 'forward-looking' statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make significant difference to the Company's operations and actual results include among others, Government regulations, statutes, tax laws, economic developments within India and countries in which the Company conducts businesses, litigations, and other allied factors.



NOTICE

KDDL LIMITED
(CIN- L33302HP1981PLC008123)
Registered Office: Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P)-173220
Email: investor.complaints@kddl.com; Website: www.kddl.com
Phone: 0172-2548223/24 & 27, Fax: 0172-2548302

NOTICE is hereby given that 43rd Annual General Meeting (AGM) of KDDL Limited will be held on Friday, 29th September, 2023 at 12.00 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at Plot No 3 , Sector-III , Parwanoo, District Solan ,(H.P)-173220 which shall be deemed to be the venue of the AGM.

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Company (Standalone as well as Consolidated) for the financial year ended 31st March, 2023, the reports of the Board of Directors and Auditors thereon.**

   To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Audited Financial Statements of the Company (Standalone as well as Consolidated) for the financial year ended 31st March, 2023 (including the Balance Sheet as at 31st March, 2023 and Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2023) along with the Report of the Board and the Auditors' Report thereon, as circulated to the Members and placed before the Meeting, be and are hereby, received, considered and adopted."

2. **To confirm the payment of Interim Dividend of Rs. 2 per equity share (20%) of face value of Rs. 10 each for the financial year 2022-23 and to declare final dividend of Rs. 2 per equity share (20%) for the financial year ended 31st March, 2023.**

   To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the interim Dividend of Rs. 2 per equity share (20%) of Rs. 10/- each, absorbing Rs. 2,50,74,234/- paid to the shareholders for the financial year 2022-23, as per the Resolution passed by the Board of Directors at its meeting held on 9th March, 2023 be and is hereby noted and confirmed."

   "RESOLVED FURTHER THAT Final Dividend of Rs. 2 per equity share (20%) of Rs. 10/- each absorbing Rs. 2,50,74,234/- out of current year's profit be and is hereby declared and the same be paid as recommended by Board of Directors, to those Equity shareholders whose names appear on the Register of Members of the Company as on 23rd September, 2023 being book closure date."

   "RESOLVED FURTHER THAT the Board of Directors of the Company and/or Mr. Sanjeev Kumar Masown, Whole Time Director-cum- Chief Financial Officer or Mr. Brahm Prakash Kumar, Company Secretary be and are hereby severally authorised to do all such acts, deeds, things and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

3. **To re-appoint Mr. Sanjeev Kumar Masown (DIN: 03542390) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.**

   To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Sanjeev Kumar Masown (DIN: 03542390) of the Company, who retires by rotation in terms of the provisions of Section 152 of the Companies Act, 2013 or other applicable provisions, if any, read with Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby, re-appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. **Authorisation for borrowings by way of Unsecured Fixed Deposits from the shareholders of the Company.**

   To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 ("the act") and the rules made there under (including any statutory modification (s) thereof for the time being in force), approval of the Shareholders of the Company, be and is hereby accorded to the Board of Directors of the Company to borrow money(s) from its shareholders by way of Unsecured Fixed Deposits subject to compliance of all the conditions and maximum limits as stated under section 73 of the act or any other applicable provisions of the act read with rules made thereunder."

"RESOLVED FURTHER THAT the Deposits accepted by the Company, may be cumulative or non-cumulative as per the scheme framed by the Company and carrying such rates of interest specified in the Circular to be specifically approved by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby, specifically authorised to do all such acts, deeds and things as may be necessary to give effect to the above resolution and to settle any question, difficulty or doubt that may arise in this regard."

5 **Ratification of Remuneration to Cost Auditor for the financial year 2023-24**

To consider and if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration payable to M/s Khushwinder Kumar & Co., Cost Accountants (FRN: 100123) appointed by the Board of the Company to conduct the audit of cost records pertaining to electricals or electronic products and tools of the Company for the financial year 2023-24 amounting up to Rs. 1 Lac (Rs. One Lac only) plus GST & out of pocket expenses incurred in connection with the audit, be and is hereby ratified and confirmed"

"RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps (including filing of necessary forms and submitting intimation with all concerned regulatory authorities) as may be necessary, proper or expedient to give effect to this resolution."

6. **Amendment in Articles of Association of the Company.**

To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to amend the Articles of Association of the Company as follows :

(i) Deletion of existing article 81-A.

"Special Resolution(s) required in certain cases"

Notwithstanding anything to the contrary stated in these Articles, the following matters shall not be undertaken without the prior approval of the members of the Company by way of a special resolution:

1. Any change in the share capital of the Company, computed on a fully diluted and converted basis, including, any change through the issuance of equity shares or securities that may be convertible into equity shares of the Company, but excluding (i) any change through the issuance of equity shares (or options to purchase equity shares) to officers, directors and employees of the Company pursuant to an employee stock option plan adopted by the Company, provided: (i) such officer, director and/or employee is not a promoter and/or a relative / affiliate of a promoter of the Company; and (ii) such issuances to officers, directors and employees, do not, under any circumstance, exceed: (A) 1% of the Company's share capital (on a fully diluted and converted basis) per financial year on a cumulative basis, and (B) 5% of the Company's share capital (on a fully diluted and converted basis) on an aggregate basis; or (ii) any equity shares issued or issuable in connection with a bonus issue, any stock split or consolidation, sub division or other share reorganisation or stock dividend of the Company;
2. Any raising of debt by the Company which causes the debt-equity ratio of the Company to exceed 3:1; and
3. Commencement of any business other than businesses related to: (i) the manufacture and/or service of watches and watch components, precision instruments including objects incorporating wearable technologies and their components, writing instruments and components thereof; objects of precision engineering including devices, components,

tools, moulds, dies and machines; packaging and display/marketing products for watches, jewelry, lifestyle, fashion and luxury products; jewellery, including non-precious fashion jewellery; (ii) providing engineering, designing services in relation to the aforementioned products and (iii) providing of web-services, including selling of internet leads, marketing and technology solutions, advertisements and related services but shall not include any e-commerce activities.

Notwithstanding anything to the contrary stated in these Articles, in relation to any material subsidiary of the Company (as such term is defined under the listing agreement entered into by the Company with the relevant stock exchange read with the Company's policy for determining 'material' subsidiaries), the following matters shall not be undertaken without the prior approval of the members of the Company by way of a special resolution:

A. Any change in the share capital of such material subsidiary, computed on a fully diluted and converted basis, including, any change through the issuance of equity share or securities that may be convertible into equity shares of such material subsidiary, but excluding (i) any rights issue undertaken by such material subsidiary in which the Company participates on a pro rata basis; (ii) any change through the issuance of equity shares (or options to purchase equity shares) to officers, directors and employees of such material subsidiary pursuant to an employee stock option plan adopted by such material subsidiary, provided: (X) such officer, director and/or employee is a not a promoter and/or a relative / affiliate of a promoter of such material subsidiary and/or the Company; and (Y) such issuances to officers, directors and employees, do not, under any circumstance, exceed: (AA) 1% of such material subsidiary's share capital (on a fully diluted and converted basis) per financial year on a cumulative basis, and (BB) 5% of such material subsidiary's share capital (on a fully diluted and converted basis) on an aggregate basis or (iii) any equity shares issued or issuable in connection with a bonus issue, any stock split or consolidation, sub division or other share reorganisation or stock dividend of such material subsidiary;

B. Any raising of debt by such material subsidiary which causes the debt-equity ratio of such material subsidiary to exceed 3:1; and

C. Any change in existing or related line of business carried on by such material subsidiary, or commencement of business by such material subsidiary, which is not the existing or related line of business carried on by such material subsidiary.

The Company shall not (including through any decisions of the Board or a committee authorised thereof), and shall cause its material subsidiary(s) not to, take any action that is inconsistent with the provisions of this Article.

(ii) Deletion of existing article 98-A.

Right of SAIF India V FII Holdings Limited to nominate the Investor Director:

SAIF India V FII Holdings Limited (the **"Investor"**) shall, as long as it continues to hold at least 5% of the Company's share capital (computed on a fully diluted and converted basis), have the right to nominate 1 (one) non-executive director on the board of directors of the Company (the **"Investor Director"**). Subject to Law, the Investor Director shall be reappointed on retirement by rotation. The office of the Investor Director shall automatically and forthwith be vacated upon the Investor ceasing to hold at least 5% of the Company's share capital, computed on a fully diluted and converted basis.

"RESOLVED FURTHER THAT necessary revision in numbering the clauses of the Articles of Association shall be carried out."

"RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps (including filing of necessary forms and submitting intimation with all concerned regulatory authorities) as may be necessary, proper or expedient to give effect to this resolution."

7. **Approval for Incentive Payout to Mr. Yashovardhan Saboo (DIN – 00012158), Chairman and Managing Director of the Company for the financial year ended 31st March, 2023.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder read with Schedule V of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all other applicable laws including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force), pursuant to the recommendations of the Nomination & Remuneration Committee, Audit Committee and Board of Directors and subject to all necessary statutory approvals/permissions, if any, and such conditions and modifications as may be prescribed by the approving/consenting authority(ies) while granting such approvals/permissions, consent of the Members of the Company be and is hereby accorded for one time Incentive Payout of Rs. 188 lacs (One Hundred Eighty Eight Lacs) only which is over and above the total amount of remuneration as approved by the Shareholders of the Company, to Mr. Yashovardhan Saboo (DIN : 00012158), Chairman and Managing Director of the Company for the financial year ended 31st March, 2023 , upon such terms and conditions which may be decided, altered, modified by the Board of Directors (including its committee thereof) of the Company in accordance with all applicable provisions of laws and in the best interest of the Company."

"RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps (including filing of necessary forms and submitting intimation with all concerned regulatory authorities) as may be necessary, proper or expedient in this regard."

8. **Approval for Incentive Payout to Mr. Sanjeev Kumar Masown (DIN – 03542390), Whole time Director cum Chief Financial Officer for the financial year ended 31st March, 2023.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder read with Schedule V of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force), on recommendations of the Nomination & Remuneration Committee, Audit Committee and Board of Directors and subject to all necessary statutory approvals/permissions, if any, and such conditions and modifications as may be prescribed by the approving/consenting authority(ies) while granting such approvals/permissions, consent of the Members of the Company be and is hereby accorded for one time Incentive payout of Rs. 77 lacs (Rs. Seventy Seven Lacs) only which is over and above the total amount of remuneration as approved by the Shareholders of the Company, to Mr. Sanjeev Kumar Masown (DIN – 03542390), Whole time Director cum Chief Financial Officer for the financial year ended 31st March, 2023 , upon such terms and conditions which may be decided, altered, modified by the Board of Directors (including its committee thereof) of the Company in accordance with all applicable provisions of laws and in the best interest of the Company."

"RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps (including filing of necessary forms and submitting intimation with all concerned regulatory authorities) as may be necessary, proper or expedient in this regard."

9. **Appointment of Mrs. Anuradha Saboo (DIN: 01812641) as Non-Executive Director.**

To consider and, if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and all applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), pursuant to the recommendations of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Anuradha Saboo (DIN: 01812641) who was appointed as an Additional Director of the Company w.e.f 12th August, 2023, to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under Section 160 or other applicable provision, of the Companies Act, 2013 has been received from a member signifying his intention to propose Mrs Anuradha Saboo for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps (including filing of necessary forms and submitting intimation with all concerned regulatory authorities) as may be necessary, proper or expedient in this regard."

For and on behalf of the Board of Directors

Brahm Prakash Kumar
Company Secretary
Membership no. : F7519

Date: 12th August, 2023
Place : Chandigarh

KDDL Limited
CIN – L33302HP1981PLC008123
Registered office- Plot no. 3, Sector III,
Parwanoo-173 220, Himachal Pradesh
Corporate office – S.C.O. 88-89, Sector 8 C
Madhya Marg, Chandigarh 160 007
www.kddl.com
investor.complaints@kddl.com

NOTICE (Contd.)

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 9 of the Notice, is annexed hereto.
3. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.kddl.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. In accordance with Secretarial Standard -2 on General Meetings issued by institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standard-1 and 2 dated 15th April, 2020 issued by the ICSI ,the proceeding of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed venue of the AGM. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
6. The Shareholders of the Company at 39th Annual General Meeting appointed S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No 301003E/E300005), as Statutory Auditors of the Company, for a term of five years to hold office from the conclusion of the 39th Annual General Meeting of the Company till the conclusion of the 44th Annual General Meeting. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuring AGM.
7. The Register of Member and the Share Transfer books of the Company will remain closed from 23rd September, 2023 to 29th September, 2023 (both days inclusive) for the purpose of 43rd Annual General Meeting (AGM) of the Company.
8. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and are desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write over email to the investors.complaints@kddl.com.
9. In accordance with the provisions of Regulation 40 (1) of the Securities and Exchange Board of India (Listing Obligation and disclosure Requirements) Regulation, 2015, effective from April 1, 2019, transfer of securities of the Company shall not be processed unless the securities are held in the dematerialised form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in corporate actions.
10. In accordance with the provisions of Section 124 of the Companies Act, 2013 and rules made their under, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. In terms of

the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company on its website.

11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.

13. Further, the relevant details with respect to Item Nos. 3 and 9 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

14. The Shareholders who have not registered their e-mail address are requested to update their e-mail addresses with their depository participants in case the shares are held in demat form or with the Company/RTA in case the share are held in physical form to enable the Company to send all the communications including Annual Report, Notices, Circulars, etc. electronically.

15. Members may also note that the Notice of 43rd Annual General Meeting and the Annual Report for 2022-23 will also be available on the Company's website www.kddl.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor.complaints@kddl.com.

16. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

17. Corporate Members intending to send their authorised representatives to participate and vote through remote e-voting or at the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution/Authority Letter/ Power of Attorney, etc. authorising their representative to attend and vote.

18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM. Member seeking to inspect such document can send an email to investor.Complaints@kddl.com

19. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

20. **Remote E-voting :**

    (a) In compliance with the provisions of Sections 108 and 110 of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer E-voting facility to its Members, to enable them to cast their votes electronically. The Company has appointed National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com for facilitating e-voting to enable the members to cast their votes electronically (hereinafter referred to as the "Remote e-voting").

    (b) The voting period begins on Monday, 25st September, 2023 at 09.00 A.M (IST) and ends on Thursday, 28th September, 2023 at 5:00 p.m. (IST). During this period, members of the Company holding equity shares either in physical form or in dematerialised form, as on the cut-off date i.e., Friday, 22nd September 2023 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

(c) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, 22nd September, 2023 being the cut-off date fixed for the purpose.

(d) The procedure for remote e-voting is as under:

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **“Beneficial Owner”** icon under **“Login”** which is available under **‘IDeAS’** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **“Access to e-Voting”** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **“Register Online for IDeAS Portal”** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. Shareholders/Members can also download NSDL Mobile App **“NSDL Speede”** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022- 4886 7000 and 022- 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote

and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Power of Attorney/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to ajaykcs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on **"Upload Board Resolution/Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal, Asst. Vice President at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@masserv.com or investor.complaints@kddl.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@masserv.com or investor.complaints@kddl.com If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.infor procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor.complaints@kddl.com . The same will be replied by the Company suitably.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Section 73(2) of the Companies Act, 2013 ("the Act") makes it mandatory for the Company to obtain approval of General Meeting before accepting any borrowing from the shareholder by way of Fixed Deposits. As the conditions and maximum limits for accepting deposits from the Shareholders have been laid down in the Companies (Acceptance of Deposits) Rules, 2014 ("the rules") so approval of the shareholders is required for accepting deposits after complying with all the conditions as stated in Section 73(2) of the Act and within the limits prescribed under the rules.

The Deposits accepted by the Company may carry such rates of interest specified in the Circular to be specifically approved by the Board of Directors of the Company subsequent to the approval of the shareholders.

In view of above, approval of shareholders is sought by way of an Ordinary Resolution under Section 73(2) and other applicable provisions of the act as set out at item No. 4 of the notice.

No Director, Key Managerial Personnel and their relatives is in any way, except to the extent of their shareholdings, concerned or interested in the resolution, set out at item no. 4 of the notice.

The Board recommends the Ordinary Resolution as set out at item no.4 in the notice for approval by the members.

ITEM NO. 5

The Board of Directors at its meeting held on 26th May, 2023 upon the recommendations of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co., Cost Accountants (Registration No.100123) as the Cost Auditor of the Company to conduct the audit of cost records of the Company pertaining to Electricals or electronic products and tools for financial year commencing from 1st April, 2023 to 31st March, 2024 at a remuneration of up to Rs. 1,00,000/-(Rs. One Lac only) plus GST & out-of pocket expenses on actual basis.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution as set out at item No. 5 of the notice for approval by the Members.

ITEM NO. 6

It is proposed to delete the existing article no. 81-A and 98-A of the Articles of Association of the Company, the details of which are given in the resolution.

Provisions of Section 14 of the act requires that a Company may, by a special resolution, alter its Articles of Association of the Company, accordingly, approval of shareholders by way of Special Resolution is being sought though this resolution.

No Director, Key Managerial Personnel and their relatives is in any way, concerned or interested in the resolution, set out at item no. 6 of the notice.

The Board recommends the Special Resolution as set out at item no. 6 in the notice for approval by the members.

A copy of the new Articles of Association is available for inspection at the Registered Office of the Company during business hours on any working day between 11:00 am to 2:30 pm up to the date of the Annual General Meeting and is also available on the website of the Company at www.kddl.com

ITEM NO. 7 & 8

The Nomination & Remuneration Committee (NRC) of the Board of Directors of the Company at its meeting held on 28th July, 2022 had approved a policy and guidelines for the additional incentive payout for the distribution of excess operational profit compared to the financial budget and previous year actual profit with all eligible employees (above manager level) including Executive Directors of the Company. The main spirit and objective of the policy is to share fixed percentage of the excess profits to reward and motivate the employees for their contribution, efforts and hard work leading to higher and better performance.

As per the policy approved by NRC , this additional incentive is to be paid to all eligible employees in managerial and leadership grades in proportion to their variable incentive and also on the basis of the actual performance of the respective business unit, segment, and Company.

During the previous financial year ended 31st March 2023, Company's performance was significantly higher (by Rs. 33.3 Cr) compared to the actual performance of financial year 2021-22 and also higher than the financials budgets (by Rs. 25.7 Cr) for the financial year 2022-23.

Accordingly, the Board of Directors of the Company, pursuant to the recommendations of Nomination and Remuneration Committee (NRC) and Audit Committee, at its meeting held on 12th August, 2023 and subject to the approval of Shareholders, recommended one time Incentive Payout for Mr. Yashovardhan Saboo and Mr. Sanjeev Kumar Masown which is applicable to all managerial staff.

The Shareholders of the Company at 40th Annual General Meeting (AGM) held on 23rd September, 2020 vide Special Resolution had re-appointed Mr. Yashovardhan Saboo as Chairman & Managing Director of the Company and approved his remuneration for a period of three financial years w.e.f 1st April, 2020 till 31st March, 2023. The Shareholdrs at 42nd AGM held on 27th September, 2022 also approved one time value creation award to Mr Yashovardhan Saboo for value creation in Ethos Limited, material subsidiary. Further, the Shareholders vide Special Resolution passed through Postal Ballot dated 15th June, 2023 re-appointed Mr. Yashovardhan Saboo and approved his remuneration for a period of three financial years w.e.f 1st April, 2023 till 31st March, 2026. The shareholder of Ethos Limited, material subsidiary, vide special resolution passed through postal ballot dated 19th May, 2023 re-appointed Mr. Yashovardhan Saboo as Chairman & Managing Director and also approved his remmuneration for a period of three financial years w.e.f. 1st April, 2023 till 31st March, 2026.

Also, the Shareholders of the Company at 41st Annual General Meeting (AGM) held on 28th September, 2021 vide Special Resolution had re-appointed Mr. Sanjeev Kumar Masown as Whole time Director (with functional designation of Chief Financial Officer) of the Company and approved his remuneration for a period of three financial years w.e.f 1st April, 2021 till 31st March, 2024.

As per these guidelines, the excess operational profit is already distributed to all eligible employees (except Executive Directors) covered under the scheme as one time payment. However, the additional Incentive Payout to Mr. Yashovardhan Saboo and Mr. Sanjeev Kumar Masown is still not paid due to the maximum limit of remuneration already approved by the Shareholders.

The proposed incentive payout (as detailed above) for the financial year ended 31st March, 2023, duly recommended by the Board of Directors pursuant to the recommendations of Nomination and Remuneration Committee and Audit Committee, at its meeting held on 12th August, 2023 is over and above the limits already approved by the Shareholders, payment of which requires Shareholders' approval and the same is being sought now in ensuing Annual General Meeting of the Company by way of Special Resolution, in accordance with the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 and Listing Regulations,.

Details of proposed incentive amount for the financial year ended 31st March, 2023 are given below:

Sr. No.	Name & Designation	Incentive Amount for the financial year ended 31st March, 2023 (Rs. in lacs) For approval of the shareholders
1	Mr. Yashovardhan Saboo – Chairman & Managing Director	188.00
2	Mr. Sanjeev Kumar Masown – Whole time Director cum CFO	77.00

The following additional information as required under Part II Section II of Schedule V of the Companies Act, 2013 is being furnished hereunder:

I. GENERAL INFORMATION:

1) **Nature of Industry:**

   The Company is in the business of manufacturing of watch components (watch dials and watch hands), precision engineering components and press tools.

2) **Date or expected date of commencement of commercial production:**

   6th February, 1981

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3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

4. Financial performance based on given indicators:

Amount (Rs. in Lacs)

Particulars	Standalone			
	F.Y. 22-23	**F.Y. 21-22***	**F.Y. 20-21**	**F.Y. 19-20**
Total Income	36,361.00	22,337.00	14,941.23	18,586.20
Profit/ (Loss) before tax	8,924.00	2,740.00	515.41	1,388.17
Profit/(Loss) after tax	6,923.00	2,129.00	339.09	912.34

*Restated

5) Foreign investments or Collaborators, if any

The Company does not have any foreign collaborations as on the date of this Notice. As on date, the Company has invested in the following overseas hundred percent (100%) subsidiaries :

Sr. No.	Name of the Company	Amount (Rs. in lacs)
1	Pylania SA, Switzerland	281.24
2	Kamla International Holdings SA, Switzerland	1,944.36

II. INFORMATION ABOUT THE APPOINTEE:

(1)	Background details	**Mr. Yashovardhan Saboo :** He 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 the 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. **Mr. Sanjeev Kumar Masown :** He is an Executive Director of our company since 2016, in addition to his role as Chief Financial Officer (CFO) since 2011. He is a Qualified CMA and Fellow Member of the Institute of Cost Accountants of India and a Commerce Postgraduate. He is a certified Six Sigma Green Belt holder. He has more than 30 years of experience in handling various leadership roles in different manufacturing companies (Both listed and unlisted).
(2)	Past remuneration (last 3 financial years)	**Mr. Yashovardhan Saboo** **Details of remuneration drawn from KDDL Limited :** FY 2022-23: Rs. 320.88* lacs FY 2021-22: Rs. 300.41 lacs FY 2020-21: Rs. 281.41 lacs Mr. Yashovardhan Saboo was not drawing any remuneration from Ethos Limited since his appointment as the Chairman and Managing Director of the Company till 31st March, 2023 except for the payment of sitting fees for attending Board meetings and various Committee meetings. During the financial year ended 31st March, 2023, Mr. Yashovardhan Saboo was paid an amount of Rs. 5.33 lacs. * Excluding one time value creation award of Rs. 1,900 lacs **Mr. Sanjeev Kumar Masown :** **Details of remuneration drawn from KDDL Limited :** FY 2022-23: Rs. 162.52 lacs FY 2021-22: Rs. 147.44 lacs FY 2020-21: Rs. 129.68 lacs

(3)	Recognition or awards	**Mr. Yashovardhan Saboo** • Chairman- CII Chandigarh, 2002 • Founder Member YTTS, an NGO involved with running various school programmes for underprivileged youth. • Actively associated in organizations as Rotary Club Chandigarh, AIESEC, Spic Macay. • Udyog Ratna Award from PHDCCI in 2005 (For valuable contribution to economical development of Himachal Pradesh)
(4)	Job profile and his suitability; Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	**Mr. Yashovardhan Saboo** Our Company benefits greatly from an experienced management team with deep industry know-how and knowledge. The management team is led by Mr. Yashovardhan Saboo, our Chairman & Managing Director. Mr. Yashovardhan Saboo has rich experience of handling various areas of business and is well known in the industry. His respective skill sets and experience place him in a correspondingly equal position at major diversified Companies in India. **Mr. Sanjeev Kumar Masown** Our Company benefits from his vast experience and understanding of the industry and exposure to various fields and areas relevant for the company. His expertise and strong background in financial planning and strategies, reporting, fund raising, banking, financial modelling and restructuring, mergers, acquisitions, accounting, tariffs and duties like anti-dumping, safeguard duties, subsidy, EOU's, taxation, compliances, creating efficient financial processes, fund management, automation, risk management, commercial areas, etc. brings added advantage to company. He is directly leading our strategic and fast-growing precision engineering business segment "Eigen". His leadership qualities, business acumen, strong commercial background, relationship management, out of box thinking, people centric approach and strategic initiatives are acting as catalyst in the growth and development of the company and enhancing value for the shareholders.
(5)	Remuneration proposed	Details form part of Explanatory Statement
(6)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any	**Mr. Yashovardhan Saboo** (a) Mr. Yashovardhan Saboo is the Promoter of the Company and is holding 22,12,355 equity shares (i.e. 17.65 % of the paid up capital) in the Company. (b) Fixed Deposits of Rs. 2.30 crores (indirectly). (c) Mr. Yashovardhan Saboo is a brother of Mr. Jai Vardhan Saboo and husband of Mrs. Anuradha Saboo, Non- Executive Directors of the Company. **Mr. Sanjeev Kumar Masown** Fixed Deposits of Rs. 2 crores (directly and indirectly)

III. OTHER INFORMATION

1) Reasons of loss or inadequate profits

During the financial year ended 31st March, 2023, the Company has reported profits.

2) Steps taken or proposed to be taken for improvement:

The performance of the company during the year was very healthy and company achieved new milestones and records. We are witnessing a healthy demand both from domestic and exports markets and expect this trend to continue in the coming months. The Company has initiated various steps for enhancing revenue and market share by better communication, digital marketing and social media. The response and feedback from the customers have been encouraging and we plan to continue these initiatives with high rigor and enthusiasm. The Company continues to focus on improving efficiency, productivity, turn – around time and upgrading the product offering and range by continuous enhancement of employee's skills. The Company is also enhancing the capacity of the factories for meeting the additional demand from various customers. In addition, a new plant is being se tup for the manufacture of watch bracelets, first in India and this plant is likely to get commissioned during FY24. Company is expanding its market presence in new segments and getting favorable response from the overseas market players. The Company continues to focus on the cost optimization for improving the profitability of the company. We strongly believe that the profitability of the company will be remain healthier and stronger.

3) **Expected increase in productivity and profits in measurable terms:**

The financial performance of the Company continues to be on healthy growth trajectory. The financial position, liquidity and other important parameters of profitability, gearing and growth are satisfactory and better compared to other similar type of manufacturing industries. The steps and initiatives undertaken by the Company for its business stream is likely to result in healthy growth of revenue and profitability in the coming years.

Your Directors recommend the resolutions set out at Item no. 7 & 8 for approval of the Members by way of Special Resolution.

None of the Directors and Key Managerial Personnel or their relatives except Mr. Yashovardhan Saboo and Mr. Sanjeev Kumar Masown, are either concerned or interested in the resolution.

ITEM NO. 9

The Board of Directors appointed Mrs. Anuradha Saboo (DIN: 01812641), as an Additional (Non-Executive) the Director of the Company w.e.f 12th August, 2023 who in terms of the provisions of Section 161(1) of the Act, shall hold office up to the date of this Annual General Meeting and is eligible for the appointment as a Director.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mrs. Saboo for the office of Director, liable to retire by rotation.

The Company has received the following from Mrs. Saboo:

(a) Consent in writing to act as Director in Form DIR 2 pursuant to rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.

(b) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of the shareholders in terms of Section 160 of the Companies Act, 2013 for the appointment of Mrs. Anuradha Saboo as the Director of the Company, liable to retire by rotation.

The brief profile, specific areas of her expertise and other information as required under Listing Regulations are provided at the end of the notice

None of the Directors and Key Managerial Personnel or their relatives except Mrs. Anuradha Saboo, is either concerned or interested in the resolution.

The Board recommends the Resolution set out at item no. 9 of the notice for the approval of the members as an **Ordinary Resolution:**.

For and on behalf of the Board of Directors

Brahm Prakash Kumar
Company Secretary
Membership no. : F7519

Date: 12th August, 2023
Place: Chandigarh

KDDL Limited
CIN – L33302HP1981PLC008123
Registered office- Plot no. 3, Sector III,
Parwanoo-173 220, Himachal Pradesh
Corporate office – S.C.O. 88-89, Sector 8 C
Madhya Marg, Chandigarh 160 007
www.kddl.com
investor.complaints@kddl.com

ANNEXURE A

The brief profile, specific areas of expertise and other information of directors seeking re-appointment:

Name of the Director	**Mr. Sanjeev Kumar Masown**	**Mrs. Anuradha Saboo**
Date of Birth	30th September, 1969	30th November, 1961
Date of first appointment on the Board	30th May, 2016 as an Additional Director	12th August, 2023 as an Additional Director
Date of re-appointment	31st May, 2021	NA
Brief Resume, Expertise in specific functional areas and qualification	Mr. Sanjeev Masown an Executive Director of our company since 2016, in addition to his role as Chief Financial Officer (CFO) since 2011. He is a Qualified CMA and Fellow Member of the Institute of Cost Accountants of India and a Commerce Postgraduate. He is a certified Six Sigma Green Belt holder. He has more than 30 years of experience in handling various leadership roles in different manufacturing companies (Both listed and unlisted).	Mrs. Anuradha Saboo is a graduate with a Bachelor's degree in Science from Bombay University. For several years, she headed the Packaging Division of KDDL LIMITED; during this tenure, she enrolled several export customers. Thereafter, when the ETHOS retail chain was established under KDDL, her responsibilities changed to take charge of the functions of marketing, training, and customer experience at ETHOS, which she managed for several years. She has excellent insight into the world of luxury and Swiss watches. She has a working knowledge of both French and German languages, which has been very useful in the business of the company. She has continued to assist the Chairman and Managing Director, Mr. Yasho Saboo, during his international visits and events for international partners in Europe and India.
No. Board Meetings attended in financial year 2022-23	9	NA
Directorship held in other Public companies (excluding foreign Company and section 8 Company) – As on 31st March, 2023	Mahen Distribution Limited Kamla Tesio Dials Limited	NA
Membership/ Chairmanship of Committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	NA	NA
Number of shares held in the Company	25 Equity Shares as on 31st March, 2023	4,48,857 Equity Shares as on 31st March, 2023
Relationships with other Directors/KMP	NA	She is wife of Mr. Yashovardhan Saboo – Chairman & Managing Director and Sister in law of Mr. Jai Vardhan Saboo – Non Executive Director of the Company
Listed entities from which the person has resigned in the past three years	NA	NA

BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present 43rd Annual Report together with the Audited Accounts of the Company for the financial year ended on 31st March, 2023.

OPERATIONS AND PROSPECTS

Financial Results (Standalone and Consolidated)

The summary of operating results for the years 2022-23 and the previous 2 years is given below:

Particulars	Operations*	Standalone			Consolidated		
	2022-23	2022-23	2021-22	2020-21	2022-23	2021-22	2020-21
Total Income	3,139.1	3,636.1	2,233.7	1,494.1	11,387.6	8,315.8	5,672.4
Profit Before Interest, Depreciation and Exceptional Item	797.6	1,104.6	466.5	263.7	1,804.6	1,224.8	833.8
Less: Finance Cost	85.1	85.1	75.4	92.7	239.6	247.7	268.3
Gross Profit	**712.5**	**1,019.5**	**391.1**	**171.1**	**1,565.0**	**977.1**	**565.4**
Less: Depreciation and amortisation	127.1	127.1	117.1	119.5	493.9	453.8	460.4
Profit Before Share of Profit of an Associate	585.4	892.4	274.0	51.5	1,071.1	523.2	105.0
Share of Profit of an Associate					5.0	(0.4)	1.1
Profit Before tax	585.4	892.4	274.0	51.5	1,076.0	522.9	106.1
Less: Tax Expense		200.1	61.1	17.6	306.2	150.9	36.5
Net Profit / (Loss) for the Year		**692.3**	**212.9**	**33.9**	**769.8**	**372.0**	**69.7**
Other Comprehensive Income (OCI) / (Loss)		(1.6)	1.0	1.9	(4.8)	7.1	-1.8
Total Comprehensive Income / (Loss) for the Period		690.7	213.9	35.8	765.0	379.1	67.8

* Excluding non-operational Income/(Expenses)

PERFORMANCE AND PROJECTIONS

The performance for the 2022-23 was remarkably better, all business and market segments, both domestic and export, witnessed a healthy recovery and better revenue and profitability as the economic activities and market conditions were continuously on the growth trajectory.

In the fiscal year, the Company achieved remarkable growth, with consolidated sales revenue reaching Rs. 11,388 Million, a substantial increase from Rs. 8,316 Million in the previous year. This represents a robust growth rate of 36.9%, although slightly lower than the growth rate of 46.6% recorded in the previous year, which was under normal economic conditions following the subsiding of the Covid-19 pandemic situation. The revenue growth of 36.9% in comparison to a normal previous year is a significant achievement for the Company, setting a new benchmark for performance.

Profit before tax also experienced substantial growth, rising from Rs. 522.9 Million to Rs. 1,076.0 Million, reflecting a remarkable increase of 105.8% compared to the previous year. On a standalone basis, sales revenue from manufacturing operations improved by 62.8%, amounting to Rs. 3,636.1 Million, compared to Rs. 2,233.7 Million in the previous year. It is important to note that the revenue for the year was exceptionally increased by a one-time revenue of Rs. 390 Million from the sale of trademarks 'Ethos' and 'Summit', as well as an income and gain of Rs. 107 Million from the sale of equity shares of Ethos Limited during its IPO.

The Company also reported a significant revenue growth of 40.5% over the previous year, even when excluding the aforementioned abnormal and exceptional one time revenues. This operational revenue growth is a record for the Company and demonstrates decent performance in comparison to industry parameters.

In terms of profitability, the Company recorded a profit before tax of Rs. 892.4 Million (operational profit before tax of Rs. 585.40 Million), a substantial increase compared to the profit before tax of Rs. 274 Million in the previous year. This represents an overall growth rate of 225.7% (operational growth of 113.60%) over the previous year. Furthermore, the Company achieved a net profit after tax of Rs. 692.3 Million, a significant improvement from Rs. 212.9 Million in the previous year.

To keep the momentum going, the Company's overarching strategy centres around two key objectives: firstly, to enhance the export of watch components and secondly, to expedite the growth of the precision engineering business by capturing both existing and new customers, particularly within the selected market segments. The Company plans to accomplish this through intensified marketing efforts, utilising both digital and physical channels, to effectively reach and engage with the target audience. Additionally, the Company is committed to continually improving internal efficiencies by reducing turnaround time and incorporating new capabilities. With this strategic focus, the Company aims to establish a streamlined and competitive operational framework.

Manufacturing Business Segments

The watch components represent the primary source of revenue for the manufacturing business segment of the Company. In 2022, the Swiss watch market, which serves as the primary destination for the Company's exports, registered a growth rate of 11.4% compared to the previous year. Significantly, it achieved a record-breaking export figure of 24.8 Billion Swiss francs, the highest ever recorded. Further, the wristwatches represented over 95% of the export value and generated 23.7 Billion francs, witnessing a growth of 11.6% over 2021. The number of items rose to 15.8 Million, registering an increase of 50,000 units than the previous year, with a growth of 0.3%. Volume growth was split between the remarkable increase in other material category (+32.3%) and the steady decline in steel watches (-7.8%) and those made from other metals (-18.4%). Quartz watches supported the growth in volume, with an increase of 3,85,000 units, registering a growth of 4.1% compared to 2021. Conversely, mechanical watches fell by 3,35,000 items (-5.3%), but grew in value by 11.5%. With regard to price segments, the majority of price ranges witnessed an increase, except for the 200-500 francs range (export price). While the latter fell by 24%, its value represented less than 3% of the export turnover, and only accounted for one growth point in the overall result. Simultaneously, watches priced at less than 200 francs achieved 5.9% growth in value. The trend was comparable, with a 4.8% surge, for watches priced between 500 and 3,000 francs. In contrast, watches priced above 3,000 francs experienced a remarkable growth of 15.6%. Alongside, the domestic watch market remained robust compared to the previous year. All major domestic customers reported significantly improved performance and the demand continued to demonstrate strong momentum. The management's primary focus throughout the year was to prioritise the fulfilment of customers' requirements by enhancing the productivity, capacity and capability of the units.

Further to this, the revenue (net sales) of the Company from the watch components business improved by 38.1% compared to the previous year's growth. Sales in the domestic market improved by 15.3% during the year, while exports sales of watch components improved by 48.60% compared to a growth of 42.0% in the previous year. The growth in exports revenue was also supported partially by the favourable currency movement in the Swiss franc and rupee conversion. The growth trend of the watch component business clearly indicates that the Company is gaining market share in India and abroad with its consistent track record of high quality, innovative product range, speed of response and the strong customer relationship.

Another significant segment of revenue for the Company is derived from the precision stamping and tooling business. In the current year, the revenue for this segment experienced a remarkable improvement of 51.9%, surpassing the growth rate of 34.0% achieved in the previous year. The revenue from domestic market improved by 10%, while the revenue from exports improved by 95% (previous year growth rate 106.7%). The increase in exports during the year, on an already higher base of the previous year, clearly indicates the strong demand and improvement of market share in overseas segments.

During the year, direct exports showed continuous improvement, driven by the addition of new customers and an increase in business with existing customers. The share of exports within this business segment increased significantly from 49% in 2021-22 to 63% during the year. Additionally, the Company is also cautiously reducing its presence in the low margin and lower capability business segments in the domestic market to boost domestic revenue generation. It strives to gradually move up the value chain into preferred segments and customers by re-aligning the capability and capacity of the manufacturing unit.

The revenue from the ornamental packaging business of the Company improved by 29.3% compared to the previous year.

Prospects

For the current year, the revenue from the watch components business is expected to improve by 12-15% compared to 2022-23. Additionally, the precision engineering business is expected to achieve a revenue growth of over 25% by expanding its customer base and entering new segments and markets.

The Company currently maintains a strong order position and is expected to sustain its robust performance throughout the year, assuming that the market situation remains stable and the global impact of events such as the Russia-Ukraine war, geopolitical changes, and concerns regarding the re-emergence of Covid-19 pandemic remain limited. Further, the Company believes that the China-plus-one strategy of the major players is likely to continue, thus offering it the opportunity to enhance its market share in the coming quarters.

BOARD'S REPORT (Contd.)

Furthermore, the Swiss watch market continues to exhibit moderate growth. The trend of declining volumes in low-priced watches, which was observed in the past few years, has been halted. The Company anticipates the market to stabilise at these levels with marginal improvement. Meanwhile, the higher price segments of watches continue to experience growth and demonstrate stronger performance, thus driving the momentum.

The Company strives to maintain its focus on enhancing revenue by structured marketing efforts including stronger digital presence to showcase new products and features. The Company's key operational goals revolve around achieving manufacturing excellence, with a strong emphasis on world-class delivery compliance, quality, and turnaround time (TAT).

The Company has established its reputation as a quality supplier with the ability to meet sophisticated customer needs. By focussing on the vital levers of operational performance, augmenting key technical capabilities and showcasing its strength at leading international trade exhibitions, supported by its aggressive digital marketing endeavours, the Company is confident in attracting new customers, sustaining growth, and achieving improved returns.

Retail Business Segment

During 2022-23, the Company's strategic expansion efforts resulted in the successful opening of six new stores, bringing its total store count to 54. On an individual basis, its revenue from operations and other income demonstrated an impressive growth rate of 36.05%, reaching Rs. 80,373.04 Lacs. Similarly, on a consolidated basis, the Company achieved a growth rate of 36.1%, totaling Rs. 80,309.41 Lacs.

Recognising the increasing significance of online sales and consumer demand, the Company effectively leveraged its digital capabilities to cater to its customers. Significantly, 31% of its billings were generated through online channels, highlighting the growing comfort among customers to purchase luxury watches online. As a key player in the luxury and premium segments, Ethos is well-positioned to capitalise on this evolving trend. Notably, the luxury and high luxury watch segments provide higher profit margins, contributing strongly to the Company's overall profitability.

The Company's exceptional performance in 2022-23, driven by its strategic initiatives and adeptness in the digital realm, places it in a favourable position for sustained growth and continued success.

Estima AG

During 2022-23, the Company accomplished significant growth, achieving a revenue of CHF 3,017 K, which reflects a 18% increase compared to the previous 12-month period ending in March 2022, where revenue amounted to CHF 2,556 K. However, the Company experienced a rise in operating loss after tax, escalating from CHF 759 K to CHF 1,809 K. This increase can be attributed to the substantial surge in person-hours costs due to the Company's expansion plans, as well as the absence of Government support for person-hours engagement in the post Covid-19 normalised market environment.

Nonetheless, the Company remains steadfast in its commitment to enhancing the team's capabilities and increasing the unit's capacity to cater to high-end brands. The management considers the losses incurred during the year as exceptional. Encouragingly, the Company has secured a favourable order position and has made progress with esteemed high-end customers for new features. The Company anticipates a swift and strong recovery, driven by market demands, the confidence shown by reputable customers, and the successful implementation of the management's initiatives. These initiatives include acquiring selective machinery and equipment to enhance product quality and incorporate complex features, recruiting competent team members for key roles, and leveraging technical support and guidance from the parent company. Collectively, these factors contribute to an optimistic outlook for the Company's recovery.

The Company's strategy and action plan is on the right track to revive operations, drive growth, and foster development. There is a confident outlook that the upcoming quarters will witness healthy revenue growth and improved profitability.

Pylania AG

The Company experienced a substantial improvement in revenue due to its diverse business, with figures rising from CHF 2,668 K to CHF 4,519 K, marking an impressive growth rate of 69% compared to the previous year. In terms of operating profit, the Company achieved CHF 510 K, displaying a remarkable growth rate of 85% when compared to the profit of CHF 276 K recorded in the 2021-22 period. Additionally, during the year, the Company extended additional loans, including subordinate loans, totaling CHF 675 K to Estima AG.

The management of Pylania remains committed to exploring opportunities that will enhance revenue and expand the scale of the business, simultaneously, working closely to monitoring costs to improve financial position and bolster liquidity. Furthermore, the Company continued to provide valuable consultancy and managerial advisory services to its customers.

Satva Jewellery and Design Limited

During the year under review, Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 23rd November, 2022 approved the Scheme of Amalgamation of 'Satva Jewellery and Design Limited' (SJDL), a wholly owned subsidiary Company with 'KDDL Limited' (KDDL), holding Company. Upon filing the said order by the Company with the Registrar of Companies and compliance of other conditions of the Scheme, the same has been effective on 1st December, 2022 and has been given effect from the Appointed Date i.e 1st April 2019. Accordingly, SJDL stands dissolved without winding up.

CHANGE IN SUBSIDIARIES

(a) Kamla International Holdings SA (KIH): KIH, a wholly owned subsidiary of the Company has acquired 3,000 equity shares (15%) of Pylania, SA (a subsidiary of KDDL Limited) from its existing shareholder, which resulted in increase of KIH equity shareholding from 47.5% to 62.5%. Consequently, Pylania SA has become 100% subsidiary of the Company (directly and indirectly through its wholly owned subsidiary, Kamla International Holdings SA). By virtue of the present acquisition, the holding of the Company in Estima AG has increased from 95.50% to 100%.

(b) Kamla Tesio Dials Limited (KTDL): 'Kamla International Holdings SA', 100% subsidiary of the Company has acquired 3,00,000 (30%) equity shares of Rs. 10 each of 'Kamla Tesio Dials Limited' (KTDL), a subsidiary of the Company. Consequently, KTDL has become wholly owned subsidiary of the Company.

DIVIDEND

The Board of Directors has recommended a dividend of Rs. 2 (Rs. Two only) per equity share of Rs. 10/- (Rs. Ten) each fully paid-up of the Company for the financial year ended on 31st March, 2023. Dividend is subject to approval of members at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source. The book closure date for the payment of Final Dividend will be 23rd September, 2023. The dividend recommended is in accordance with the Company's Dividend Distribution Policy.

The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at: https://www.kddl.com/wp-content/uploads/PDF/Dividend%20Distribution%20Policy.pdf

Apart from above, the Board of Directors of the Company, at its meeting held on 9th March, 2023, declared Interim Dividend of Rs. 2 (Rs. Two only) per equity share of Rs. 10/- (Rs. Ten) for each fully paid-up of the Company. It was paid within the prescribed timeline.

TRANSFER TO RESERVES

Your Board does not propose to transfer any amount to general reserve for the period under review.

BUYBACK OF SHARES

The Board of Directors at its meeting held on 18th January, 2023, approved the proposal of buyback of fully paid-up equity shares having a face value of Rs. 10/- (Rs. Ten only) each of the Company at a price not exceeding Rs. 1200/- (Rs. One Thousand Two Hundred only) per equity share ('Maximum Buyback Price') and for an aggregate amount not exceeding Rs. 2,100 Lacs (Rs. Twenty One Hundred Lacs only). ('Maximum Buyback Size'), from the shareholders of the Company (other than the promoters, the promoters group and persons in control of the Company) payable in cash via 'Open Market' route through the Stock Exchange mechanism in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (as amended) ('Buyback Regulations') and the Companies Act, 2013 and the rules made thereunder.

The buyback commenced on 25th January, 2023 and the Company bought back 1,99,947 equity shares at an average price of Rs. 1,050.28 (Rs. One Thousand and Fifty and Paisa Twenty Eight) per equity share and deployed an amount of Rs. 20,99,99,526.30 (Rs. Twenty Crores Ninety Nine Lacs Ninety Nine Thousand Five Hundred Twenty Six and Paise Thirty only) utilising 99.999774% of the maximum buyback size (excluding transaction costs). The Buyback Committee of the Company, at its meeting held on 9th February, 2023 approved the closure of the buyback with effect from closing of trading hours on 9th February, 2023, i.e. before the expiration of six months from the commencement date.

CHANGE IN CAPITAL STRUCTURE

(a) Authorised Share Capital

Consequent to the merger of 'Satva Jewellery and Design Limited' (SJDL), a wholly owned subsidiary company with holding Company i.e 'KDDL Limited' (KDDL), authorised share capital of SJDL amounting to Rs. 3,00,00,000/- (Rs. three Crores only) divided into 30,00,000 (Thirty Lacs only). Equity shares of Rs. 10/- each (Rs. Ten only) was merged with the authorised share capital of KDDL, resulting into increase of authorised share capital of KDDL from Rs. 25,00,00,000/- (Rs. twenty five Crores only) divided into 2,50,00,000 (Two Crores fifty Lacs only) Equity Shares of Rs.10/- each (Rs. Ten only) to Rs. 28,00,00,000/- (Rs. twenty eight Crores only) divided into 2,80,00,000 (Two Crores eighty Lacs only) Equity Shares of Rs.10/- each (Rs. Ten only).

(b) Subscribed and Paid-up Share Capital

Pursuant to buyback of 1,99,947 equity shares of Rs. 10 each, subscribed and paid-up capital of the Company stands reduced from Rs. 12,73,70,640/-consisting of 1,27,37,064 equity shares of Rs. 10 each to Rs. 12,53,71,170/- consisting of 1,25,37,117 equity shares of Rs. 10 each. Further, the Company has not issued shares with differential voting rights.

DEPOSITS

The details of deposits covered under Chapter V of the Companies Act, 2013 ("the act") is given hereunder:

1.	Deposits Accepted/ renewed during the year	:	Rs. 25,45,87,000
2.	Deposits outstanding at the end of the year	:	Rs. 36,43,48,000
3.	Deposits remained unpaid or unclaimed as at the end of the year	:	NIL
4.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	:	NIL
5.	The details of deposits which are not in compliance with the requirements of Chapter	:	NIL

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements (CFS) of the Company and all the subsidiaries, form a part of this Annual Report for the financial year 2022-23. In accordance with Section 136 of the Act, the Audited Financial Statements, including the CFS and related information of the Company and the separate financial statements of each of the subsidiary companies, are available on the Company's website at www.kddl.com

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of each of the subsidiaries, associates and JV Companies in the prescribed Form AOC-1 as Annexure I forms part of the Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments for the likely impact affecting financial position between end of the financial year and the date of the report. Also, there has been no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act, are given in the respective notes to the standalone financial statements of the Company.

RELATED PARTY TRANSACTIONS

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with and materiality of related party transactions and the related party framework formulated and adopted by the Company.

All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

The details of the related party transactions as per Indian Accounting Standards (IND AS) – 24 are set out in Notes to the standalone financial statements of the Company. Disclosures of related party transactions in terms of Regulation 23 of the Listing Regulations submitted to Stock Exchanges for the half year on a consolidated basis, in the specified format -are available on the website of the Company at www.kddl.com.

Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in Annexure II to this Report.

BOARD DIVERSITY

The Company recognises and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills including expertise in financial, global business, leadership, technology, mergers & acquisitions, Board service, strategy, sales, marketing and other domains, which will ensure that KDDL retains its competitive advantage. The Board Diversity Policy adopted by the Board forms an integral part of the Nomination & Remuneration Policy and is available on our website, at https://www.kddl.com/wp-content/uploads/PDF/Nomination%20&%20Remuneration.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Appointment/Re-appointment of Independent Directors: The shareholders of the Company at their 42nd AGM held on 27th September, 2022 confirmed the appointment/re-appointment of the following Directors by way of a Special Resolution :

(a) **Mr. Sanjiv Sachar (DIN: 02013812):** Re-appointment of Mr. Sachar as an Independent Director of the Company not liable to retire by rotation, for a period of 5 (five) consecutive years w.e.f 7th March, 2022 to 6th March, 2027."

(b) **Mr. Nagarajan Subramanian (DIN: 02406548):** Appointment of Mr. Subramanian as an Independent Director of the Company not liable to retire by rotation, for a period of 4 (four) consecutive years commencing w.e.f 28th July, 2022 to 27th July, 2026.

(c) **Mrs. Neelima Tripathi (DIN: 07588695):** Appointment of Mrs. Tripathi as an Independent Director of the Company not liable to retire by rotation, for a period of 5 (five) consecutive years commencing w.e.f 28th July, 2022 to 27th July, 2027.

(ii) Re-appointment of Mr. Jai Vardhan Saboo (DIN: 00025499) as Non-Executive Director who retired by rotation at 42nd Annual General Meeting and offered himself for reappointment.

(iii) Pursuant to the recommendations of Nomination and Remuneration Committee and Audit Committee at its meeting held on 28th March, 2023, the Board of Directors of the Company at its meeting held on 28th March, 2023 subject to the approval of the Shareholders, re-appointed Mr. Yashovardhan Saboo as Chairman & Managing Director of the Company for a period of 3 (three) years w.e.f 1st April, 2023 upto 31st March, 2026. The Company has sought approval from the Shareholders for the said re-appointment and remuneration of Mr. Saboo by way of Special Resolution though Postal Ballot Notice separately.

(iv) In accordance with the provisions of Companies Act, 2013, Mr. Sanjeev Kumar Masown (DIN: 03542390) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Necessary resolution for the re-appointment of Mr. Masown forms part of the Notice convening 43rd Annual General Meeting (AGM). The Board recommends his re-appointment for the approval of the members. Details, such as brief resumes, nature of expertise in specific functional areas, names of companies in which the above-named directors hold directorships, committee memberships/ chairpersonships, shareholding in your Company, etc. are furnished in the Notice of AGM.

(v) The Board of Directors at its meeting held on 12th August, 2023 appointed Mrs. Anuradha Saboo (DIN : 01812641) as an Additional Director (Non-Executive) of the Company w.e.f. 12th August, 2023 who shall hold office upto the date of ensuing Annual General Meeting of the Company. A separate resolution seeking approval from the Shareholders, for her appointment as Non –Executive Director, liable to retire by rotation has been incorporated in the Notice convening next Annual General Meeting.

The list of key skills, expertise and core competencies of the Board of Directors, is provided in the Report on Corporate Governance forming part of this report.

In the opinion of the Board, all the directors, as well as the directors proposed to be re-appointed, possess the requisite qualifications, experience and expertise and hold high standards of integrity.

During the year under review, the Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees received by them for attending the meetings of the Board of Directors and Committee thereof and/or interest on deposits and dividen payment, if any.

Key Managerial Personnel

Mr. Yashovardhan Saboo, Chairman & Managing Director, Mr. Sanjeev Kumar Masown – Whole time Director cum Chief Financial Officer and Mr. Brahm Prakash Kumar Company Secretary, are the Key Managerial Personnel of the Company. During the year under review, there were no changes to the Key Managerial Personnel of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Directors of the Company state that:—

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis; and

(v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION FROM DIRECTORS

The Company has, inter alia, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedule and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

None of the Directors of the Company are disqualified for being appointed as Directors as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

BOARD MEETINGS

During the year under review, 9 (nine) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2022-23 are given in the Corporate Governance Report which forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and the Listing Regulations.

BOARD COMMITTEES

As on 31st March, 2023, the Board has 5 (five) Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board. A detailed note on the composition of the Board and its Committees, including its terms of reference is provided in the Corporate Governance Report. The composition and terms of reference of all the Committees of the Board of Directors of the Company are in line with the provisions of the Act and the Listing Regulations. Details of the committees, along with their composition, charters and meetings held during the year, are provided in the 'Corporate Governance Report', forms a part of this Report.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and in accordance with the manner of evaluation, the Board carried out an annual performance evaluation of its own performance, board committees and of the directors individually (including Independent Directors). A separate meeting of the Independent Directors was convened during the financial year under review, which, inter alia, reviewed the performance of the Board as a whole, the non-independent directors and the Chairman of the Company after taking into account the views of Executive and Non-executive Directors, assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties and expressed satisfaction over the same.

NOMINATION AND REMUNERATION POLICY

The Company has in place a policy for remuneration, nomination, selection and appointment of Directors, KMPs and Senior Management, approved by the Board of Directors. The Policy broadly lays down the guiding principles, criteria and the basis for payment of remuneration to the Executive and Non-Executive Directors, KMPs and Senior Management. The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The policy details are explained in Corporate Governance Report which forms part of the Annual Report. The policy can also be accessed at https://www.kddl.com/wp-content/uploads/PDF/KDDL_Remuneration_Policies.pdf

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The details of the training and familiarisation programme are posted on the website of the Company and can be accessed at https://www.kddl.com/familiarisation-programme/

CREDIT RATING

During the year under review, ICRA Limited has upgraded credit rating of the Company as per below details:

Instrument	Rating Action
Long Term: Cash Credit Facilities, Term Loan and Unallocated Limits	**[ICRA]A (Stable);** upgraded from [ICRA]A-
Short Term: Non-fund based Facilities	**[ICRA]A1;** upgraded from [ICRA]A2+
Fixed Deposits	**[ICRA]A;** upgraded from [ICRA]A-
Total	

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR initiatives and activities towards supporting projects in the areas environmental sustainability, eradicating hunger, poverty and malnutrition, promoting education, enhancing vocational skills and promoting healthcare including preventive healthcare.

The details of CSR Committee are given in Corporate Governance Report, which forms a part of this report. The Company's CSR Policy is available on our website, at https://www.kddl.com/wp-content/uploads/PDF/KDDL_CSR_Policy.pdf. The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2023, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ""CSR Rule"") is set out in Annexure III to this Report.

ESTABLISHMENT OF VIGIL / WHISTLEBLOWER MECHANISM

The Company has established a robust Vigil Mechanism and a Whistleblower policy in accordance with the provisions of the Act and the Listing Regulations to deal with instances of fraud and mismanagement, if any. It also aims to safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimisation who avail the mechanism and allows direct access to the Chairperson of the Audit Committee or Managing Director of the Company. During the year, no person was denied access to the Audit Committee. The Whistleblower Policy is available on our website, at https://www.kddl.com/wp-content/uploads/PDF/Whisle%20Blower%20Policy.pdf

RISK MANAGEMENT

Risk management is integral to the Company's strategy and for the achievement of the long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities while managing the risks.

During the financial year, the Board of the Directors has constituted a Risk Management Committee in compliance with the regulation 21 of the Listing Regulations. The Committee has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and other responsibilities as per Listing Regulations.

The Board of Directors of the Company on the recommendations of the Risk Management Committee has updated Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company and which articulates the Company's approach to address the uncertainties in its endeavour to achieve its stated and implicit objectives. For more details, please refer 'Risk, Threats and Concerns' section of the Management Discussion and Analysis Report, a part of this Report. The Risk Management Policy is available on our website, at https://www.kddl.com/wp-content/uploads/PDF/policies/RCM-19-12-2022.pdf

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. The Company has constituted Internal Committee(s) (iCs) to redress and resolve any complaints arising under the POSH Act. Training / awareness programmes are conducted throughout the year to create sensitivity towards ensuring respectable workplace. During the year under review, the Company has not received any complaint related to sexual harassment and accordingly, no complaint was pending as on 31st March, 2023.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility and Sustainability Report of the Company is attached as Annexure – IV forming part of this report.

CORPORATE GOVERNANCE

Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximising shareholder value legally, ethically and sustainably. At KDDL, the Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under sub-section (3) (m) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are furnished in Annexure-IV to the Board's Report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as Annexure V.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees is attached to this report as Annexure VI.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No 301003E/E300005) were appointed as Statutory Auditor of the Company at 39th Annual General Meeting (AGM) for a term of five years to hold office from the conclusion of the 39th Annual General Meeting of the Company till the conclusion of the 44th Annual General Meeting of the Company.

The report of the Statutory Auditors forms part of Annual Financial Statements 2022-23 (Standalone and Consolidated). The said report does not contain any qualification, reservation or adverse remark. Information referred to in the Auditors' Reports are self-explanatory and do not call for any further comments.

Cost Auditor

During the year, the Company maintained cost records of its EIGEN unit, pertaining to electricals or electronic products and tools in accordance with the provisions of Section 148 of the act, read with the Companies (Cost Records and Audits) Rules, 2014. M/s Khushwinder Kumar & Co., Cost Accountants (FRN.: 100123) the Cost Auditor of the Company conducted the audit of cost records of Company's EIGEN unit for financial year commencing from 1st April, 2022 to 31st March, 2023.

The Board of Directors of the Company, on the recommendations of the Audit Committee has reappointed M/s Khushwinder Kumar & Co. Cost Accountants (FRN: 100123) as the Cost Auditor of the committee to conduct the audit of cost records of Company's EIGEN unit for the financial year 2023-24. As required under the Act read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditors must be placed before the Members at a general meeting for ratification. Hence, a resolution for the same forms part of the notice of the ensuing AGM.

Secretarial Auditor

The Secretarial Audit Report for the financial year 2022-23 given by M/s A. Arora & Co., Practicing Company Secretaries (C.P. No.: 993) is attached herewith as Annexure VII. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Report. Information referred to in the Secretarial Auditors' Report are self-explanatory and do not call for any further comments.

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s A. Arora & Co., Practicing Company Secretaries (C.P. No.: 993), as the Secretarial Auditor for conducting Secretarial Audit of the Company for the financial year 2023-24.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Auditors did not report any matter under Section 143(12) of the Act, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2023 is available on the website of the Company at https://www.kddl.com .

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

There are no proceedings, initiated by any Financial Creditor or Operational Creditor or by the Company, under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2022-2023.

INTERNAL FINANCIAL CONTROLS (IFC) AND THEIR ADEQUACY

The Company maintains adequate internal control systems, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguard of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures in all areas of its operations. The services of internal and external auditors are sought from time to time as well as in-house expertise and resources. The Company believes that it has sound internal control systems commensurate with the nature and size of its business. The Company continuously upgrades these systems in line with best-in-class practices.

These reports and deviations are regularly discussed internally and actions are taken, whenever necessary. The Audit Committee of the Board periodically reviews the adequacy of the internal control systems.

LISTING OF SHARES

The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the listing fee for the year 2023-24 has been duly paid.

ACKNOWLEDGEMENTS

The Board of Directors place on record sincere gratitude and appreciation for all the employees of the Company. Our consistent growth was made possible by their hard work, solidarity, cooperation, and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Date :- 12th August, 2023
Place :- Chandigarh

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Annexure I

Form AOC-1

{Pursuant to first proviso to sub-section 3 of section 129 read with rule 5 of Companies (Accounts) Rules, 2014}

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part 'A' : Subsidiaries

(Information in respect of each subsidiary to be presented)

Amount(Rs. in Lacs)

Name of the subsidiary	Pylania S.A.	Kamla International Holdings SA	Ethos Limited	Mahen Distribution Limited	Estima AG	Cognition Digital LLP	Kamla Tesio Dials Limited	Silvercity Brands AG
	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rs. Exchange rate : B/s CHF =88.90 P/L CHF =84.16	Rs. Exchange rate : B/s CHF =88.90 P/L CHF =84.16	Rs.	Rs.	Rs. Exchange rate : B/s CHF =88.90 P/L CHF =84.16	Rs.	Rs.	Rs.
Share capital	1,050.64	1,944.36	2334.92	600.57	57.24	42.94	100.00	45.12
Reserves & surplus	933.92	176.00	60,782.76	(137.09)	(2,713.71)	436.02	(69.78)	0.00
Total assets	5,813.56	3,424.29	88,033.89	938.80	4,576.52	544.18	104.08	45.12
Total Liabilities	3,828.99	1,303.93	24,916.21	475.32	7,232.99	65.22	73.86	0.00
Investments	-	435.63	699.07	840.03	-	-	-	-
Turnover	3,737.16	-	78,853.37	277.70	2,512.46	412.85	130.52	0.00
Profit before taxation	429.08	(33.67)	7,976.60	(19.55)	(1,522.51)	114.22	9.50	0.00
Provision for taxation	45.42	(1.18)	2,050.66	10.69	0.41	40.83	-	0.00
Profit after taxation	383.66	(32.49)	5,979.60	(30.24)	(1,522.91)	73.39	9.50	0.00
Proposed Dividend	-	-	-	-	-	-	-	0.00
% of shareholding	100%	100%	61.07%	100.00%	100.00%	99.99%	99.99%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Annexure I (Contd.)

KDDL Limited

Part“B”: Associates and Joint Ventures

Amount(Rs. in Lacs)

Name of Associates	**Pasadena Retail Private Limited**
1. Latest audited Balance Sheet Date	31st March, 2023
2. Shares of Associate/ Joint Ventures held by the Company on the year end	
Number	17,50,000
Amount of Investment in Associates/ Joint Ventures	175.00
Extent of Holdings %	50%
3. Description of how there is significant influence	Joint Venture Company
4. Reason why the associate/ joint venture is not consolidated	N.A.
5. Networth Attributable to Shareholding as per latest audited Balance Sheet	207.14
6. Profit/ Loss for the Year	99.35
i. Considered in Consolidation	49.68
ii. Not Considered in Consolidation	49.67

For and on behalf of the Board of Directors of KDDL Limited

Yashovardhan Saboo
Chairman & Managing Directo
DIN: 00012158

Sanjeev Kumar Masown
Whole time Director cum Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
F7519

Annexure II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of Contracts and arrangements or transactions not at arm's length basis: NA
2. Details of Contracts or arrangements or transactions at arm's length basis. (To be updated)

(Amount in Lacs)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:			Date of approval by the Board, if any.	Amount paid as advances, if any:
1	Estima AG	Business Transactions	Transactions in the normal course of business during 2022-23	i)	Sale of Goods & Services	286.74	-	NIL
				ii)	Purchase of Raw Material & Components	51.21	-	
				iii)	Guarantee income	5.13	30th May, 2022	
				iv)	Reimbursement of expenses received by the Company	26.63	-	
2	Ethos Limited	Business Transactions	Transactions in the normal course of business during 2022-23	i)	Events and exhibition	4.64	-	NIL
				ii)	Guarantee income	7.46	2nd May, 2020	
				iii)	Reimbursement of expenses paid by the Company	43.68	-	
				iv)	Reimbursement of expenses received by the Company	4.75	-	
				v)	Rent received	29.24	-	
				vi)	Sale of goods and services	18.38	-	
				vii)	Brand Sale	3900.00	21st December, 2022	
				viii)	Purchase of Property, Plant and equipment	28.58	-	
3	Dream Digital Technology Limited	Business Transactions	Transactions in the normal course of business during 2022-23	i)	Dividend paid	1.47	20th July, 2022	NIL
4.	Vardhan Properties and Investment Limited	Business Transactions	Transactions in the normal course of business during 2022-23	i)	Rent Received	0.15	11th February, 2023	NIL
				ii)	Dividend Paid	1.80	28th July, 2022	

Annexure II (Contd.)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:		Date of approval by the Board, if any.	Amount paid as advances, if any:
5.	Mahen Distribution Limited	Business Transactions	Transactions in the normal course of business during 2022-23	i) Rent received	0.60	11th November, 2020	NIL
				ii) Contractual labour expenses	276.63	29th January, 2022	
6.	Mr. R.K. Saboo.	Business Transactions	Transactions in the normal course of business during 2022-23	i) Employee benefit expense	32.88	5th November, 2022	NIL
				ii) Dividend paid	99.47	28th July, 2022	
				iii) Interest Paid	4.13		
				iv) Deposit Received	120.00		
7.	Mr. Yashovardhan Saboo	Business Transactions	Transactions in the normal course of business during 2022-23	i) Payment of lease liabilities	11.46	14th February, 2020	NIL
				ii) Compensation to key managerial personnel	285.80	14th February, 2020	
				iii) Dividend paid	112.69		
				iv) One Time Payment	1900.00	28th July, 2022	
8.	Ms. Anuradha Saboo.	Business Transactions	Transactions in the normal course of business during 2022-23	i) Payment of lease liabilities	19.10	2nd March, 2023	NIL
				ii) Dividend paid	22.44	24th August, 2019	
9.	Ms. Usha Saboo	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest Paid/ accrued	3.11	29th September, 2022	NIL
				ii) Deposits from shareholders accepted/renew	110.00 5.00		
				iii) Deposits from shareholders repaid	8.49		
10.	Mr. Sanjeev K Masown	Business Transactions	Transactions in the normal course of business during 2022-23	i) Compensation to key managerial personnel	155.00	20th May, 2021	NIL
				ii) Interest Paid/ accrued	8.08		
				iii) Interest received	1.03		
				iv) Repayment of loan given by the Company	5.00		
				v) Dividend Paid	0.07	28th July,2022	
				vi) Deposits repaid	21.13	-	
				vii) Deposits Received	28.69	27th September, 2022	

Annexure II (Contd.)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:		Date of approval by the Board, if any.	Amount paid as advances, if any:
11.	Mrs. Neeraj Masown	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest Paid ii) Deposits from shareholders accepted/renew iii) Deposits from shareholders repaid	4.69 22.20 16.36	27th September, 2022	NIL
12.	Mr. Lal Chand Masown	Business Transactions	Transactions in the normal course of business during 2022-23	i) Deposits from shareholders accepted/renew ii) Deposits from shareholders repaid iii) Interest Paid	11.91 9.18 1.61	27th September, 2022	NIL
13.	Mr Anil Khanna	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest Paid/accrued ii) Director sitting Fee iii) Dividend Paid iv) Deposits Received v) Deposits Repaid	13.40 8.03 0.16 160.92 68.56	27th September, 2022 5th November, 2022	NIL
14.	Mrs Alka Khanna	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest Paid/ accrued ii) Deposits from shareholders repaid iv) Deposits Received v) Dividend Paid	2.19 1.33 0.40 0.01	27th September, 2022	NIL
15.	Mrs Ranjana Agarwal	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest Paid/accrued ii) Director sitting Fee iii) Deposits accepted/renew iv) Deposits from shareholders repaid	80.12 6.58 196.50 200.00	5th November, 2022 27th September, 2022	NIL
16.	Mr Praveen Gupta	Business Transactions	Transactions in the normal course of business during 2022-23	i) Director sitting Fee ii) Interest paid/ accrued	5.78 2.93	5th November, 2022	NIL

Annexure II (Contd.)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/tra nsactions	Salient terms of the contracts or arrangements or transactions including the value, if any:		Date of approval by the Board, if any.	Amount paid as advances, if any:
17.	Mr Sanjiv Sachar	Business Transactions	Transactions in the normal course of business during 2022-23	i) Director sitting Fee ii) Dividend Paid	4.68 0.08	5th November, 2022 28th July, 2022	NIL
18.	Mr Jai Vardhan Saboo	Business Transactions	Transactions in the normal course of business during	Director sitting Fee	1.55	5th November, 2022	NIL
29.	Cognition Digital LLP	Business Transactions	Transactions in the normal course of business during 2022-23	i) Rent Received	0.60	11th November, 2020	Nil
20.	Salonee Khanna	Business Transactions	Transactions in the normal course of business during 2022-23	i) Deposits from shareholders accepted/renew ii) Interest Paid/accrued iii) Deposits from shareholders repaid	1.85 0.57 1.50	27th September, 2022	NIL
21.	Kamla Tesio Dials Limited	Business Transactions	Transactions in the normal course of business during 2022-23	i) Job work charges paid ii) Rent received	130.52 14.64	- -	NIL
22.	Mr. Pranav S Saboo	Business Transactions	Transactions in the normal course of business during 2022-23	i) Dividend paid	39.95	28th July, 2022	NIL
23.	Ms. Satvika Saboo	Business Transactions	Transactions in the normal course of business during 2022-23	i) Dividend paid ii) Management consultancy fees paid	7.57 15.00	28th July, 2022 20th January, 2022	NIL

Annexure II (Contd.)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:		Date of approval by the Board, if any.	Amount paid as advances, if any:
24.	Pylania SA	Business Transactions	Transactions in the normal course of business during 2022-23	i) Job work charges paid	35.54	-	NIL
				ii) Purchase of raw material and components	109.40	-	
				iii) Reimbursement of expenses paid by the Company	77.94	-	
				iv) Sale of goods and services	3026.19		
				v) Guarantee Commission Received	5.63	30th May, 2022	
				vi) Reimbursement of expenses received by the Company	25.97	-	
25.	Saboo Housing Projects LLP	Business Transactions	Transactions in the normal course of business during 2022-23	i) Payment of lease liabilities	6.00	-	NIL
26.	Kamla International Holdings	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest Income	57.64	30th May, 2022	NIL
				ii) Investment Made	846.70	5th November, 2022	
27.	Ms. Neelima Tripathi	Business Transactions	Transactions in the normal course of business during 2022-23	i) Director Sitting Fees	3.00	27th September, 2020	NIL
28.	Mr. Nagarajan Subramanian	Business Transactions	Transactions in the normal course of business during 2022-23	i) Director Sitting Fees	3.00	27th September, 2022	NIL
29.	Saahil Khanna	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest paid/accrued	0.25	27th September, 2022	NIL
				ii) Deposits Received from Relative of Directors	4.50		
30.	ASP SABOO FAMILY TRUST	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest paid/accrued	0.14	27th September, 2022	NIL
				ii) Deposits Received from Relative of Directors	5.00		

Annexure II (Contd.)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:		Date of approval by the Board, if any.	Amount paid as advances, if any:
31.	RKS JS FAMILY TRUST	Business Transactions	Transactions in the normal course of business during 2022-23	I) Interest paid/accrued	2.08		NIL
				II) Deposits Received from Relative of Directors	200.00	27th September, 2022	
				III) Deposits Repaid	200.00		
32.	UDS JS FAMILY TRUST	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest paid/accrued	0.16		NIL
				ii) Deposits Received from Relative of Directors	5.00	27th September, 2022	
33.	VEENA KANORIA FAMILY TRUST	Business Transactions	Transactions in the normal course of business during 2022-23	i) Interest paid/accrued	1.33		NIL
				ii) Deposits Received from Relative of Directors	140.00	27th September, 2022	
34.	KDDL Ethos Foundation	Business Transactions	Transactions in the normal course of business during 2022-23	i) CSR Contribution made	9.10	5th November, 2022	NIL
35.	SABOO VENTURES LLP	Business Transactions	Transactions in the normal course of business during 2022-23	i) Dividend paid	1.36	28th July, 2022	NIL

Annexure III

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.

The Company undertakes and/or supports various activities/projects as notified by the Ministry of Corporate Affairs from time to time. The Company undertakes CSR Activities directly or indirectly through a registered trust or society or any company established under Section 8 of the Act for CSR objectives. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web-link of the same is http://www.kddl.com/wp-content/uploads/PDF/KDDL_CSR_Policy.pdf

2. THE COMPOSITION OF THE CSR COMMITTEE :-

Name	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. R.K. Saboo	Chairman	2	1
Mr. Yashovardhan Saboo	Member	2	2
Mrs. Ranjana Agarwal	Member	2	2
Mr. Praveen Gupta	Member	2	2

3. WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

Sr. No.	Particulars	Web- link(s)
1	Composition of CSR Committee	https://www.kddl.com/corporate-governance/
2	CSR Policy	https://www.kddl.com/wp-content/uploads/PDF/KDDL_CSR_Policy.pdf
3	CSR Project	https://www.kddl.com/corporate-responsibility/

4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE:– Not Applicable

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY: – Rs. 20.86 lacs

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) :

Sr. No	Particulars	Net Profit (Rs. in lacs)
1	For financial year 2021-22	2654.18
2	For financial year 2020-21	531.21
3	For financial year 2019-20	1,399.00
4	**Total (1+2+3)**	**4,584.39**
5	**Average Net Profits (Rs. 4584.39/3)**	**1,528.13**
6	**Prescribed CSR expenditure (being 2% of the average net profits as stated in point 5 above)**	**30.56**

Annexure III (Contd.)

7. a. **Two percent of average net profit of the Company as per Section 135(5):** Rs. 30.56 lacs

b. **Surplus arising out of the CSR projects or programs or activities of the previous financial years:**

Sr. No.	Particulars	Amount (Rs. in lacs)
1	Extra Spent during F.Y 21-22	13.63
2	CSR Liability for F.Y 22-23	30.56
3	Balance to be spent during F. Y 22-23 (2-1)	16.93
4	Actual CSR Expenditure during F.Y 22-23	37.79*
5	**Extra Spent during F.Y 22-23 (4-3)**	**20.86**

c. **Amount required to be set-off for the financial year, if any:** Nil

d. **Total CSR obligation for the financial year (7a+7b-7c):** Rs. 30.56 lacs

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Rs in lacs.)	Amount Unspent (Rs. in lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Name of the Fund	Date of transfer
30.56	NA	NA	NA	NA	NA

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No).	Location of the project.		Project duration	Amount allocated for the project (in Rs. lacs)	Amount spent in the current financial Year (in Rs. lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs lakhs)	Mode of Implementation Direct (Yes /No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR registration
1.	Aftercare and Livelihood Program	ii	No	Throughout India		Ongoing	5.00	5.00	Nil	No	Catalysts for Social Action (CSA)	CSR00002803
2	Slum Area Development	xi	Yes	Chandigarh		Ongoing	7.82	7.82	Nil	No	Chandigarh Rotary Club Service Trust	CSR00035150
3	Cauvery Calling' Project, as a part of Million Tree Project	iv	No	Throughout India		Ongoing	7.37	7.37	Nil	No	Isha Outreach	CSR00009670
4	Medical help for the poor and needy patients	i	Yes	Chandigarh		Ongoing	3.00	3.00	Nil	No	Heart to Heart Service Society of Inner Wheel Club	CSR00027173
5	Promoting Education and Vocational Training	ii	Yes	Chandigarh			1.00	1.00	Nil	No	Youth Technical Training Society	CSR00039889

Annexure III (Contd.)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No).	Location of the project.		Project duration	Amount allocated for the project (in Rs. lacs)	Amount spent in the current financial Year (in Rs. lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs lakhs)	Mode of Implementation Direct (Yes /No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR registration
6	Organ Donation	i	No	Throughout India			2.00	2.00	Nil	No	Mohan Foundation	CSR00001259
7	Lavatory Project	i	Yes	Chandigarh			0.60	0.60	Nil	No	Chandigarh Rotary Club Service Trust	CSR00035150
	TOTAL						**26.79**	**26.79**	**Nil**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)s	Location of the project		Amount spent for the project (Rs.in lakhs)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration
1	Tree Plantation	iv	No	Throughout India		10.00	No	Biotasoil Foundation	CSR00025534
2	Medical Help for Disable Patients	i	Yes	Chandigarh		1.00	No	Sai Aasra Paraplegic Rehab Centre	CSR00011613
	TOTAL					**11.00**			

(d) Amount spent in administrative overheads: Nil

(e) Amount spent on impact assessment, if applicable: Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 37.79 lacs

(g) Details of excess amount for set-off: Rs. 20.86 lacs

9. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS: Nil

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR– Not Applicable

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): Not applicable. During the year 2022-23, the Company has spent more than 2% of the average net profit as per Section 135(5).

R.K Saboo
Chairperson of CSR Committee

Yashovardhan Saboo
Chairman & Managing Director
DIN : 00012158

Place : Chandigarh
Date : 26th May, 2023

Annexure IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:

A. CONSERVATION OF ENERGY :

a) **Steps taken for conservation:** The Company continues to give high priority to conservation of energy on an on-going basis. A few significant measures taken are:

i) Periodical and preventive maintenance of electric equipments and ensured optimum utilization of electric energy.

ii) Phased balancing of heating and lighting load.

iii) Increase in power factor by installing capacitor at the individual machines.

b) **Steps taken for utilizing alternate sources of energy :-**

Cost of power is negligible in total cost of production.

c) **Capital investment on energy conservation equipments:-**

Further energy conservation is planned through replacement of and modification of inefficient equipments and by providing automatic controls to reduce idle running of equipments.

B. TECHNOLOGY ABSORPTION:

Efforts made for technology absorption

1. Research and Development (R & D):

a) **Specific areas on which R & D carried on by the Company:** Research and Development has been carried out for quality improvement, new product developments and productivity improvement.

b) **Benefits derived as a result of the above R & D:** Increase in overall efficiency, productivity and quality of outgoing product and a wider range of watch components along with incremental business from customers

c) **Future plan of action:** Further improvement in production processes, to develop new dial finishes, new types of index, development of tools and components and reduction of costs would continue.

d) **Expenditure on R&D:** No separate account is being maintained by the company for the expenditure incurred on R&D. However, the Company is incurring recurring expenditure towards development activities.

2. Technology Absorption, Adaptation & Innovation :

Efforts, in brief, made towards technology absorption, adaptation and innovation: The Company is constantly engaged in in-house R&D and is in constant touch with the new technologies.

Benefits derived as a result of the above efforts: Due to continuous developmental efforts, the Company has been able to produce much more complicated dials which were being imported until now.

3. i) **Technology imported:** None after 1995.

ii) **Year of Import:** N.A.

iii) **Has technology been fully absorbed? :** Yes.

iv) **If not absorbed, area where this has not taken place, reasons thereof and future plans of action:** N.A.

C.

FOREIGN EXCHANGE EARNINGS AND OUTGO	(Rs. in Millions) 2022-23
Foreign Exchange Earnings	1,984.83
Foreign Exchange Outgo	374.99

Annexure V

PARTICULARS OF EMPLOYEES

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

<table>
<tr><th>S.No.</th><th>Requirements of Rule 5(1)</th><th>Details</th></tr>
<tr><td>(i)</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year</td><td><table><tr><td>Mr. Yashovardhan Saboo#</td><td>111.4:1</td></tr><tr><td>Mr. Sanjeev Masown</td><td>50.7:1</td></tr></table># Excluding the value creation award of Rs. 19 Crores</td></tr>
<tr><td>(ii)</td><td>The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;</td><td><table><tr><th>Name</th><th>As per Payout</th><th>As per Terms</th></tr><tr><td>Mr. Yashovardhan Saboo</td><td>42.5%</td><td>12.0%</td></tr><tr><td>Mr. Sanjeev Masown</td><td>6.7%</td><td>7.1%</td></tr><tr><td>Mr. Brahm Prakash</td><td>7.3%</td><td>12.6%</td></tr></table>The difference in Terms of appointment and actual payout is due to variable component, which is linked to performance of individual and company against the agreed parameter.</td></tr>
<tr><td>(iii)</td><td>The percentage increase in the median remuneration of employees in the financial year;</td><td>Negative 21.8%</td></tr>
<tr><td>(iv)</td><td>The number of permanent employees on the rolls of company;</td><td>1234 employee as on 31st March, 2023</td></tr>
<tr><td>(v)</td><td>Average percentiles increase already made in the salaries of employees other than the key managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;</td><td>Average Salary increase of non-managerial employees is 12.9%
Average salary increase of managerial employees is 13.3%
There are no exceptional circumstances in increase in managerial remuneration.</td></tr>
<tr><td>(vi)</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company.</td><td>Remuneration paid during the year is as per the Remuneration Policy of the Company.</td></tr>
</table>

Annexure VI

Top Ten Employees In Terms of Remuneration Drawn in 2022-23

Sr. No.	Name of the employee	Designation	Remuneration Received (2022-23) Amount in Rupees p.a.	Nature of employment, whether contractual or otherwise	Qualifications and Experience of the employee	Date of commencement of employment	Age	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company	whether any such employee is a relative of any director of the Company and if so, name of such director	Remarks
1	Mr. Yashovardhan Saboo	Chairman & Managing Director	22,43,21,791	Full time employment	B.A. (Hons.) and MBA from IIM (41 years)	25th March, 1981	64 years	Groz Beckert Asia Private Ltd (Formerly known as) Groz-Beckert Saboo Limited, Chandigarh	17.65	He is brother of Mr Jai Vardhan Saboo	Active Employment
2	Mr. Sanjeev Kumar Masown	Whole time Director cum Chief Financial Officer	1,54,27,993	Full time employment	M. COM and ICMA (30 years)	1st March, 2011	53 years	Samtel Color Limited, Delhi	0.00	No	Active Employment
3	Mr. Vincent Alberola (Swiss Employment)	Senior Manager	1,35,83,802	Full time employment	Mechanical Engineering, Marketing Degree & Post Graduation in Project Management (22 years)	4th February, 2010	52 years	Movado, Switzerland	-	No	Active Employment
4	Mr. B. Satish	Executive Vice President	1,32,27,661	Full time employment	MBA and Inter CA (36 years)	10th October, 1994	57 years	Hero Roloforms Private Ltd, Bangalore	0.04	No	Active Employment
5	Mr. Caviraj Appadoo (Swiss Employment)	Senior Manager	1,15,60,474	Full time employment	B. Engineering in France (24 years)	1st April, 2019	48 years	ISM Ltd, Mauritius		No	Active Employment
6	Mr. Venkatachary Srinivasan	Vice President	80,86,743	Full time employment	B.E. Mechanical and Master Degree (37 years)	8th July, 2019	56 years	Tube Investments of India Private Limited Chennai		No	Active Employment
7	Mr. Jayasimha G	Senior General Manager	65,32,899	Full time employment	Technical Diploma (34 years)	15th May, 2003	61 years	HMT Watches, Bangalore	0.02	No	Active Employment
8	Mr. M P Prakash Kanaka	Senior General Manager	63,35,588	Full time employment	MBA- Finance (28 years)	29th August, 2018	51 years	Guhring India Private Limited Bangalore	-	No	Active Employment
9	Mr. Jagadeesh B. Patil	Senior General Manager	58,80,224	Full time employment	MBA (23 years)	10th May, 2016	50 years	UNI-VTL Precision Private Limited Bangalore	-	No	Active Employment
10	Mr. Pascal Armilloti (Swiss Employment)	Senior Manager	52,20,118	Full time employment	Master's in Mechanical Engineer (35 years)	18th October, 2022	54 years	IngeConseils, Switzerland	-	No	Active Employment

Annexure VII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KDDL Limited
Plot No. III, Sector 3
Parwanoo, Himachal Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KDDL LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the KDDL LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KDDL LIMITED ("the Company") for the financial year ended on 31st March, 2023 under the provisions of below mentioned regulations:

(i) The Companies Act, 2013 (the Act) and the rules madethereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

c) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021- Not Applicable to the Company during the financial year under review.

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the Company during the financial year under review.

e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the

Company has not delisted any securities from any stock exchange during the financial year under review.

(vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972.

(vii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.

(viii) The Air (Prevention and Control of Pollution) Act, 1981

(ix) The Water (Prevention and Control of Pollution) Act, 1974

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on my examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year, were carried out in compliance with the applicable Act and Regulations.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decision is carried through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The Company has proper board processes.

Based on the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. Approval of the members was sought in the 42nd Annual General Meeting of the Company held on 27.09.2022 inter alia, for
   i. borrowing, by way of inviting and accepting unsecured fixed deposits from shareholders of the Company, by way of ordinary resolution;
   ii. Alteration in the Articles of Association of the Company, to insert an enabling clause for buy back of shares.
2. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred aggregate of 5,873 equity shares to the Investor Education and Protection Fund due in financial year 2022-23.
3. Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 23.11.2022 approved the amalgamation of Satva Jewellery & Designs Limited (Transferor Company) with KDDL Limited (Transferee Company). Pursuant to the order, the Company has also altered its Memorandum of Association during the year.
4. With the requisite approval, the Company, through Open Market route, has bought back 1,99,947 fully paid up equity shares at an average price of Rs. 1050.28 per share, thereby utlising aggregate funds of Rs. 2099.99 Lacs. As per the

Annexure VII (Contd.)

information provided by the management, the Company was unable to file the requisite returns in SH-8 and SH-9 due to non operational portal of Ministry of Corporate Affairs.

5. There was a delay of 1 day in filing the half yearly details of related party transactions on consolidated basis with BSE & NSE for the half year ended 31.03.2022. The Company has duly paid the fines imposed by the exchanges.

Apart from the business stated above, there were no instances of:

(i) Redemption / buy-back of securities.

(ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

(iii) Foreign technical collaborations.

Date: 5th July, 2023
Place: Chandigarh
UDIN: F002191E000549353

For A. ARORA & CO.
AJAY K. ARORA
(Proprietor)
FCS No. 2191
C P No.: 993
Peer Review Cert No. 2120/2022

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure-A"

To,
The Members,
KDDL Limited
Plot No. III, Sector 3
Parwanoo, Himachal Pradesh

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 5th July, 2023
Place: Chandigarh

UDIN: F002191E000549353

For A. ARORA & CO.

AJAY K. ARORA
(Proprietor)
FCS No. 2191
C P No.: 993
Peer Review Cert No. 2120/2022

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence of standards for achieving the objectives of the Company, enhance shareholder value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibility and authority to Board of Directors, its committees and executive management, senior management, employees etc.

The Company acknowledges its responsibility to its esteemed stakeholders. Even in a fiercely competitive business environment, the Management and the employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamental to the Saboo Business Group. The Company believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholder value by focusing towards all stakeholders. Any good corporate governance provides an appropriate framework for the Board, its committees and the executive management to carry out the objectives that are in the interest of the Company and its stakeholders. The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

II. BOARD OF DIRECTORS

(a) Composition and attendance in meetings

The Board of Directors of the Company has an optimum combination of executive and non-executive directors. The Board of Directors presently comprises of 10 (Ten) members including 2 (two) Whole-Time directors, i.e., the Chairman–cum-Managing Director and the Whole Time Director-cum-Chief Financial Officer. The composition of the Board is in conformity with regulation 17 of Securities & Exchange Board of India(Listing Obligations and Disclosure Requirement) Regulations, 2015 [SEBI(LODR) Regulations].

During the financial year ended on 31st March 2023, 9 (Nine) Board Meetings were held and the gap between two meetings did not exceed one twenty days. The dates on which the Board Meetings were held are as follows:

30th May, 2022	28th July, 2022	27th September, 2022	7th October, 2022
5th November, 2022	18th January, 2023	9th March, 2023	11th February, 2023
28th March, 2023			

The following table gives the composition and category of the Directors, their attendance at the Board meetings held during the year, at the last Annual General meeting and number of equity shares held by non-executive directors :

Name of the Director	Designation	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM held on 27th September 2022	Number of Shares / Convertible instruments held by non –executive directors*
Mr. Yashovardhan Saboo	Chairman & Managing Director	Promoter-Executive	8	Yes	-
Mr. Anil Khanna	Director	Independent-Non Executive	9	Yes	2100
Ms. Ranjana Agarwal	Director	Independent-Non Executive	8	Yes	-
Mr. Praveen Gupta	Director	Independent-Non Executive	7	No	-
Mr. Vishal Satinder Sood#	Nominee Director	Non Executive	1	NA	-
Mr. Nagarajan Subramanian	Director	Independent-Non Executive	7	Yes	40
Mrs. Neelima Tripathi	Director	Independent-Non Executive	7	Yes	-
Mr. Sanjiv Sachar	Director	Independent-Non Executive	8	Yes	1521
Mr. Jai Vardhan Saboo	Director	Promoter Group-Non Executive	3	No	-

Name of the Director	Designation	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM held on 27th September 2022	Number of Shares / Convertible instruments held by non –executive directors*
Mr. Sanjeev Kumar Masown	Whole Time Director-cum-CFO	Executive	9	Yes	25
Mrs. Anuradha Saboo**	Additional Director	Promoter Group- Non Executive	NA	NA	4,48,857

*as on 31st March, 2023

**Appointed as on Additional Director w.e.f. 12th August, 2023

#Resigned w.e.f 30th June, 2022

Except Mr. Yashovardhan Saboo, Mr. Jai Vardhan Saboo and Mrs. Anuradha Saboo none among other directors have any inter-se relationships.

(b) Independent Directors

The Independent Directors of the Company have been appointed in terms of the requirements of Companies Act, 2013 ('the Act'), the SEBI (LODR) Regulations and the Nomination and Remuneration policy of the Company.

Independent Directors have confirmed that they meet the criteria of independence as defined under Regulation 16(1) (b) of the SEBI (LODR) Regulations and Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the provision of the Act.

In terms of Regulation 25(8) of the SEBI (LODR) Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the independence criteria specified in the Act and the SEBI (LODR) Regulations and that they are independent of the management. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Data bank maintained with the Indian Institute of Corporate Affairs.

(c) Independent Directors' meeting

As per the requirement of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations, the Independent Directors of the Company met on 8th March, 2023 and discussed, reviewed the performance of Non-Independent Directors, the Board of Directors as a whole, Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management & the Board and shown their satisfaction on the same.

(d) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / competencies identified by the Board of Director as required in the context of the Company's business and that the said skills are available with the Board Members i.e Mr. Yashovardhan Saboo, Mr. Sanjeev Kumar Masown, Mr. Anil Khanna, Mrs. Ranjana Agarwal, Mr. Sanjiv Sachar, Mr. Praveen Gupta, Mr. Jai Vardhan Saboo, Mr. Nagarajan Subramanian, Mrs. Neelima Tripathi and Mrs. Anuradha Saboo:

Wide management and leadership experience	Strong management and leadership experience including in areas of business development, strategic planning, and risk management, technology, manufacturing, banking, investments and finance, international business. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth.
Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture. Varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key relevant markets and industry.
Functional and managerial experience	Knowledge and skills in accounting and finance, business Judgment, general management practices and processes, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Personal values	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards.
Corporate governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.

(e) Details of Familiarisation programme for Independent Directors

Details of Familiarisation programme imparted to Independent Directors are available on the website of the Company i.e. https://www.kddl.com/familiarization-programme/

III. COMMITTEES OF BOARD

Presently, the Board has five committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

A. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations and the provisions of Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are based on the role of the Audit Committee, as mentioned in Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI (LODR) Regulations and as determined by the Board which inter alia, includes the following :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same
   c) Major accounting entries involving estimates based on the exercise of judgment by management
   d) Significant adjustments made in the financial statements arising out of audit findings
   e) Compliance with listing and other legal requirements relating to financial statements
   f) Disclosure of any related party transactions
   g) Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institution placement and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Reviewing compliance with the Insider Trading Regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;
23. Reviewing the information as specified in the para B of Part (C) of the Schedule II of the SEBI (LODR) Regulations;
24. To review and approve all transactions/ agreements with related parties.
25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee met seven times during FY 2022-23. The Audit Committee meetings were held on following dates:

30th May, 2022	28th July, 2022	27th September, 2022	5th November, 2022
18th January, 2023	9th March, 2023	11th February, 2023	

The composition of the Committee and attendance of the members at the meetings held during the financial year 2021- 22 is given hereunder:

Name of the Director	Category	Designation	No. of Meetings attended out of 7 meetings
Mr. Anil Khanna	Independent Non Executive	Chairman	7
Mrs. Ranjana Agarwal	Independent Non Executive	Member	7
Mr. Praveen Gupta	Independent Non Executive	Member	6

The Audit Committee invites such Executives as it considers appropriate to be present at its meetings. The Chief Financial Officer and Company Secretary attended all the meetings. The Statutory Auditors are invited to the meetings in which Quarterly/Annual Accounts are considered. The Internal Auditors are also invited to the meetings in which Internal Audit Reports are discussed. The Company Secretary acts as the Secretary of the Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee (NRC Committee) in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.Terms of references of the Committee is in accordance with the Companies Act, 2013 and SEBI Regulations inter-alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. Devising a policy on diversity of board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The composition of the Committee, details of meetings held and attendance of the members during the financial year 2022- 23 is given hereunder:

Name of the Director	Category	Position held in the Committee	Attendance at NRC Committee Meeting held during 2022-23						Total No. of Meetings Attended
			28-07-22	27-09-22	27-12-22	09-03-23	18-03-23	28-03-23	
Mr. Sanjiv Sachar	Independent Non Executive	Chairman	Yes	Yes	Yes	Yes	Yes	Yes	6
Mrs. Ranjana Agarwal	Independent Non Executive	Member	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Praveen Gupta	Independent Non Executive	Member	Yes	No*	Yes	Yes	Yes	Yes	5
Mr. Anil Khanna	Independent Non Executive	Member	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Yashovardhan Saboo	Executive Director	Member	Yes	Yes	Yes	Yes	No*	No*	4

*Leave of absence

The Company secretory of the Company acts as Company secretory to the committee. Requisite quorum was present at the above meetings.

Performance evaluation criteria for Independent Directors-

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under-

- Director has sufficient skill, experience, time and resources to undertake his/her duties.
- Director's contributions and suggestions at Board / Committee meetings are of high quality.
- Director proactively contribute in development of strategy and risk management of the Company.
- Director's performance and behaviour promotes mutual trust and respect within the Board / Committee.
- Director is effective and successful in managing relationships with fellow Board members and senior management.
- Director understand governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee.
- Director actively updates himself/herself with the latest developments in relevant areas of the business environment.
- Director has sufficient understanding of the organization and the sector in which it operates.
- Director demonstrates a high level of integrity and confidentiality; and identifying, disclosing and managing conflicts of interest.
- Director works together constructively as a team.
- Director devotes significant time to determining the emerging issues that could affect the organization in future.
- Director has good understanding of the company's key drivers of performance.
- Director is able to focus more on strategic direction rather than day to day management.
- Director has complied with Code of Conduct of the Company.
- Director has complied with the Insider Trading Policy of the Company.
- Director has maintained confidentiality of all information obtained by them.
- Director has provided timely declaration to the company as required by Section 149 of The Companies Act, 2013.
- Director has intimated the company immediately if there are any issues relating to independence.
- Director has not abused their position for gaining any personal benefit for themselves or any person related.

Remuneration of Non Executive Directors

There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the financial year 2022-23 except receipt of sitting fees from the Company for attending the meetings of the Board and Committees thereof and deposits and / or interest thereon, received from the director, if any and dividend payment, the details of which are given in the financial statements.

Criteria of making payments to Non-Executive Directors

The remuneration of Non-Executive Directors shall be finalised considering the following:

a) They will be entitled to receive remuneration by way of sitting fees for attending meetings of the Board or its Committees at rates within the limits prescribed under the Companies Act, 2013 and rules made thereunder.

b) Non-Executive Directors do not participate in Board discussions which relate to their own remuneration.

c) They receive reimbursement of reasonable expenses incurred in attending the Board, Committee and other adhoc meetings.

d) Remuneration is paid subject to deduction of Income Tax at source and payment of applicable Service Tax and subject to any rules that night be framed.

During the year under review, the Non-Executive Directors of the Company were paid sitting fees as under (including fees paid for Committee meetings):

Name of the Director	Sitting Fees paid (Gross) (Rs.)
Mr. Anil Khanna	8,02,500
Mr. Sanjiv Sachar	4,67,500
Mr. Praveen Gupta	5,77,500
Mr. Jai Vardhan Saboo	1,55,000
Mrs. Ranjana Agarwal	6,57,500
Mrs. Neelima Tripathi	3,00,000
Mr. Nagarajan Subramanian	3,00,000
Total	**32,60,000**

Remuneration of the Executive Directors

The Company has framed a Remuneration Policy, the brief terms of which are given hereunder:-

a. The remuneration to Executive Directors (including Chairman, Vice Chairman, Managing Director, Whole Time Director) shall be mutually agreed between the Company and the respective Director, within the overall limits prescribed under the Companies Act, 2013 and rules made thereunder. The remuneration shall consist of fixed and variable (incentive) elements of pay. The variable elements shall be linked to performance parameters and quantitative and qualitative assessment. It is provided that the variable shall generally not to be below 20% of the total remuneration; exceptions, if any shall need specific approval of the Nomination & Remuneration Committee (NRC).

b. The remuneration shall be subject to the approval of Members of the Company in General Meeting, if required.

c. In determining the remuneration of Chairman, Vice Chairman, Managing Director (including the fixed increment and performance bonus) the NRC shall consider the following:

   - That the relationship of remuneration and performance benchmarks is clear;
   - There is a fair balance between fixed and variable (incentive) pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
   - The responsibility required to be shouldered by the above said Directors.
   - Industry benchmarks and the current trends;
   - The Company's performance vis-à-vis the annual budget achievement and individual performance vis- à-vis the KRAs / KPIs.

d. Executive Directors are not entitled to sitting fees for attending meeting of directors

The Company has not granted any Stock Options to its Directors or Employees during Financial Year 2022-23.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The constitution and terms of reference of Stakeholders' Relationship Committee (SRC) are in compliance with the provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The terms of reference of the SRC inter-alia includes:

(i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(ii) Review of measures taken for effective exercise of voting rights by shareholders.

(iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The composition of the Committee, details of meetings held and attendance of the members during the financial year 2022-23 is given hereunder:

Name	Category	Position held in the Committee	Attendance at meeting held on 1st March, 2023
Mr. Anil Khanna	Independent Non Executive Director	Chairman	Yes
Mr. Yashovardhan Saboo	Executive Director	Member	Yes
Mr. Sanjeev Masown	Executive Director	Member	Yes

The Company Secretary of the Company is authorised to authenticate the transfers/transmissions/issue of duplicate share certificates etc. All requests for dematerialisation of shares are processed and confirmed by M/s MAS Services Limited, Registrars and Share Transfer Agent of the Company.

Requisite quorum was present at the meeting. The Company Secretary of the Company acts as Secretary to the Stakeholders' Relationship Committee.

Details of Complaints received and resolved during the year

Complaints pending as on 1st April, 2022	Nil
During the period from 1st April, 2022 to 31st March, 2023	Nil
Complaints disposed off during the year ended 31st March, 2023	Nil
Complaints unresolved to the satisfaction of shareholders as on 31st March, 2023	Nil

D. Corporate Social Responsibility Committee:

The Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013. CSR Committee comprises of 2 Independent Directors, 1 Executive Director and 1 other members who is Chairman Emeritus.

The terms of reference of the CSR Committee are as follows:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

The Board adopted CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at https://www.kddl.com/wp-content/uploads/PDF/KDDL_CSR_Policy.pdf. The Annual Report on CSR activities for FY 2022-23 forms a part of the Board's Report.

The composition of the Committee, meetings held during the year and attendance of the members during the financial year 2022-23 is given hereunder:

Name	Category	Position held in the Committee	Attendance at the meetings held on	
			28th July, 2022	5th November, 2022
Mr. R.K. Saboo	Member	Chairman	No*	Yes
Mr. Yashovardhan Saboo	Executive Director	Member	Yes	Yes
Mr. Praveen Gupta	Independent Non- Executive	Member	Yes	Yes
Mrs. Ranjana Agarwal	Independent Non- Executive	Member	Yes	Yes

*Leave of absence

Requisite quorum was present at the above Meeting. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility (CSR) Committee.

E. RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") has been constituted in terms of the provisions of regulation 21 of the SEBI (LODR) Regulation. RMC comprises of 2 Independent Directors and 2 Executive Directors.

The role of the committee shall, inter alia, include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.]

The Board adopted Risk Management Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at https://www.kddl.com/wp-content/uploads/PDF/policies/RCM-19-12-2022.pdf

The composition of the RMC of the Board of Directors of the Company along with the details of the meetings held during the financials year 2022-23 and attendance of the members of the Committee is detailed below:

Name	Category	Position held in the Committee	Attendance at the meetings held on	
			5th November, 2022	9th March, 2023
Mr. Yashovardhan Saboo	Executive Director	Chairman	Yes	Yes
Mr. Sanjiv Sachar	Independent Non- Executive	Member	No*	Yes
Mr. Praveen Gupta	Independent Non- Executive	Member	No*	Yes
Mr. Sanjeev Kumar Masown	Executive Director	Member	Yes	Yes

*Leave of absence

The gap between two Risk Management Committee Meetings did not exceed 180 days. Requisite quorum was present at the above Meetings. The Company Secretary of the Company acts as Secretary to the Risk Management Committee.

IV. SHAREHOLDERS INFORMATION

GENERAL BODY MEETINGS

(i) Details of location, date and time where last three Annual General Meetings were held along with the special resolutions passed, are given as below :

Financial year	Details of Location	Date	Time	Special resolutions passed
2021-22	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	27th September, 2022	10:30 a.m	a) Re-appointment of Mr. Sanjiv Sachar (DIN: 02013812) as an Independent Director of the Company. b) To appoint Mr. Nagarajan Subramanian (DIN: 02406548) as an Independent Director of the Company. c) To appoint Mrs. Neelima Tripathi (DIN: 07588695) as an Independent Director of the Company. d) Amendment in Articles of Association of the Company. e) Approval for One Time Value Creation Award for Mr. Yashovardhan Saboo, Chairman & Managing Director of the Company.
2020-21	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	28th September, 2021	10:30 a.m	a) Re-appointment of Mr. Sanjeev Kumar Masown (DIN: 03542390) as Whole time Director (Key Managerial Personnel with functional designation of Chief Financial Officer) b) Approval for the payment of remuneration payable to Mr. Anil Khanna – Independent Director & Non-Executive Director of the Company.
2019-20	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	23rd September, 2020	04:00 p.m.	(a) Re-appointment of Mr. Yashovardhan Saboo (DIN: 00012158) as Chairman and Managing Director of the Company. (b) Re-appointment of Mr. Praveen Gupta (DIN: 01885287) as an Independent Director of the Company. (c) Increase in Authorised Share Capital of the Company and consequent alteration in clause V of Memorandum of Association.

(ii) Details of location, date and time where General Meetings were held during the financial year 2022-23 along with the special resolution passed are given below : Nil

(iii) During the financial year under review, no resolution was passed through postal ballot.

There is no any special resolution proposed to be conducted through postal ballot.

VI. MEANS OF COMMUNICATION

Quarterly Results	Quarterly Results are submitted to the Stock Exchanges and are also are displayed on the Company's website i.e www.kddl.com.
Newspapers in which quarterly results are published	Financial Express (English)/Jan Satta (Hindi)
Any website where results or official news are displayed	Yes, www.kddl.com
Whether it also displays official news releases	The financial results and other relevant information including news release are displayed on the website of the Company
The presentations made to institutional investors or to the analysts	Yes

IX. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

Date & Time: Friday, 29th September 2023 at 12:00 P.M. (IST)

Venue : Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

(b) Financial Year

Financial year : 1st April, 2022 to 31st March, 2023

(c) Date of Book Closure: Saturday, 23rd September, 2023 to Friday 29th September 2023 (both days inclusive)

(d) Dividend Payment Date: Within 30 days from the declaration.

(e) Name of Stock Exchanges at which the securities are listed and Scrip Code :

(i) BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 532054

(ii) National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot No. C-1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai- 400 051
Scrip Code: KDDL

(f) Listing Fees to the Stock Exchanges: The Company has paid listing fees in respect of financial year 2022- 23 to BSE Limited and National Stock Exchange of India Limited.

(g) Registrar and Share Transfer Agent (RTA):

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area
Phase- II, New Delhi- 110 020
Ph: +91 11 2638 7281 /82 /83
Fax: +91 11 2638 7384
Email: info@masserv.com
Visit: www.masserv.com

(h) Share Transfer System:

The Company has authorised RTA for transfer/ transmission/ dematerialisation/rematerialisation etc., who process the formalities related thereto, on an average of once a week. The share certificates are returned/dispatched to the shareholders by the RTA after necessary endorsements, normally within 15 days from the date of receipt. In terms of amended Regulation 40 of Listing Regulations w.e.f. 1st April 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24th January 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25th January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

(i) Dematerialisation of shares and liquidity

The Company has set up requisite facilities for dematerialisation of its equity shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both the depositories. International Securities Identification Number (ISIN) for equity shares is INE291D01011. The status of dematerialisation as on 31st March, 2023 is as under:

Mode	No. of Shares	% (Percentage)
Physical Form	1,64,457	1.31
Dematerialisation Form (CDSL)	18,29,260	14.59
Dematerialisation Form (NSDL)	1,05,43,400	84.10
Total	**1,25,37,117**	**100.00**

(j) Credit Rating:

The detail of credit rating obtained by the Company during the year is provided in the Board's Report, which forms a part of the Annual Report.

(k) Unclaimed dividend

Pursuant to the provisions of section 124 of the Companies Act, 2013 and rules made thereunder, the amount of dividend which remains unclaimed for a period of seven years from the date of transfer to unclaimed/unpaid dividend account would be transferred to the "Investor Education and Protection Fund" and the shareholders would not be able to make any claims to the amount of dividend so transferred to the Fund. The unclaimed dividend for the years till 2015-16 has already been transferred to the fund. As such, shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company.

The schedule for transfer of dividend for the following years remaining unclaimed for seven years from the date of declaration and which are required to be transferred by the Company to the said account is tabled below:

Year	Dividend No.	Dividend unclaimed (Rs.) as on 31st March, 2023	Date of declaration	Due date for transfer
2016-17	24	3,69,614	11.08.2017	17.09.2024
2017-18	25	4,47,465	14.07.2018	20.08.2025
2018-19	26	4,00,035	11.09.2019	17.10.2026
2019-20 (Interim Dividend)	27	3,95,170	02.03.2020	08.04.2027
2020-21	28	1,59,053	28-09-2021	03-11-2028
2021-22	29	2,76,849	27-09-2022	02-11-2029
2022-23 (Interim Dividend)	30	3,67,815	09-03-2023	14-04-2030

(l) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments issued by the Company during the year.

(m) Commodity price risk or foreign exchange risk and hedging activities:

The Company doesn't deal in hedging activities.

Foreign Exchange Risks: About 50% of the Company's manufacturing turnover comes from exports, denominated in Swiss Francs and US Dollars. The fall and rise in these currencies can seriously impact the working of the Company in the short and medium term. The fall in the value of these currencies will have a significant impact on the export earnings in Rupee terms and thereby on the profitability of the Company. This risk is mitigated with several measures which include:

- Hedging of currencies to the extent reasonably possible, also keeping in mind natural hedge we enjoy by exporting and importing in the same currency.
- Balancing of imports and exports

(n) Plant/ Business Locations

Dial Units	1.	Plot No. 3, Sector III, Parwanoo – 173220 (H.P)
	2.	Haibatpur Road, Saddomajra, Near Gulmohar City Derabassi – 140507, Punjab
	3.	Village Dhana, Bagbania, P.O Manpura, Tehsil Baddi, Distt. Solan- 173205 (H.P)
Hands Units	1.	296-97, 5th Main, 11th Cross, Peenya Industrial Area, Bangalore – 560058 (Karnataka)
	2.	408, 1st & 2nd Floor, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore – 560058 (Karnataka)
Packaging Unit	1.	Plot No. 9, Sector V, Parwanoo- 173220 (H.P.)
EIGEN Unit	1.	No. 55-A, Hunachur Village, Jala Hobli, Yelahanka Taluk, Bangalore North, Near Kiadb Aerospace Park, Bangalore-562 149 (Karnataka)
Bracelet Unit	1.	Plot No. 29-A7, Dobaspet Industrial Area, Phase-4, Honnenahalli Village, Sompura Hobli, Nelamangala Taluk, Bengaluru – 562 111

(o) Address for correspondence

For any grievances/ complaints, shareholders may write to the Company at the following address :

Mr. Brahm Prakash Kumar

Company Secretary and Compliance Officer

KDDL Limited

Corporate Office: 'Kamla Centre', SCO 88-89

Sector 8-C, Chandigarh-160 009

Tel: 0172-2544378,Fax: 0172- 2548302

Website: www.kddl.com

Email: investor.complaints@kddl.com

(p) All details relating to financial and commercial transactions where Directors may have pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters. In matters other than those with pecuniary interests, the Directors are considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on 31st March, 2023:

Name of the Director	No. of equity shares held as on 31st March 2023
Mr. Yashovardhan Saboo	22,12,355*
Mr. Anil Khanna	2100
Mr. Jai Vardhan Saboo	Nil
Mrs. Ranjana Agarwal	Nil
Mr. Sanjeev Kumar Masown	25
Mr. Vishal Satinder Sood	Nil
Mr. Sanjiv Sachar	1,521

*holds individually

SUBSIDIARY COMPANIES

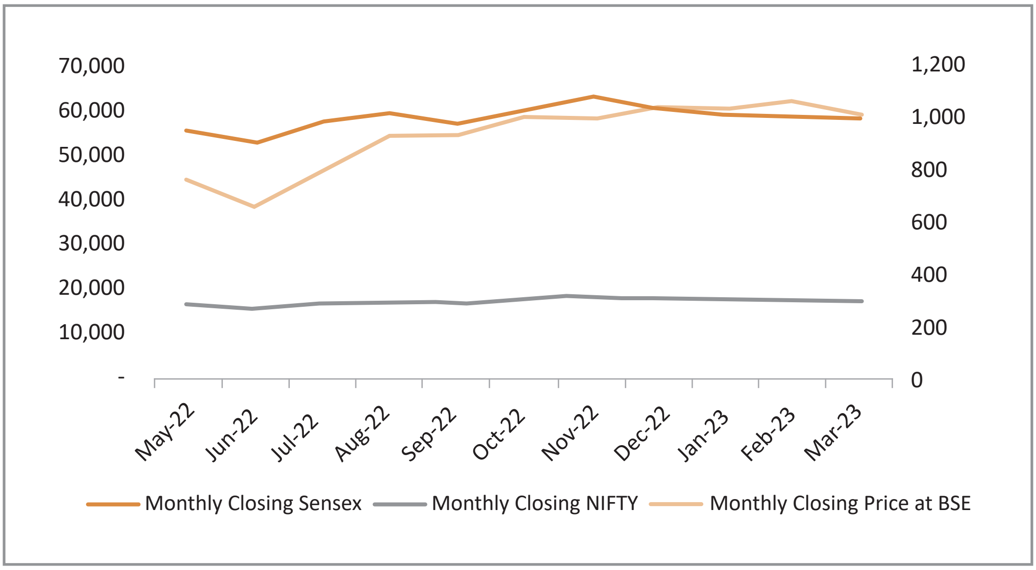
The financials of the subsidiary companies viz Ethos Limited, Mahen Distribution Limited, Pylania S.A, Estima AG, Kamla Tesio Dials Limited, Cognition Digital LLP & Kamla International Holdings S.A. have been duly reviewed by the audit committee and Board of Directors of the Company. KDDL Board also reviews all significant transactions, if any, entered into by the subsidiary companies.

The Company has formulated a policy for determining the material subsidiaries and the details of such policy is available in the website of the Company at web link http//www.kddl.com/html/companypolicy.html

Market Price Data:

Month	KDDL Price at BSE (Rs.)		KDDL Price at NSE (Rs.)	
	High	Low	High	Low
Apr-22	1,139.00	932.00	1,142.20	930.00
May-22	940.05	681.00	938.85	677.30
Jun-22	804.95	603.60	798.95	594.15
Jul-22	827.95	640.00	821.55	640.30
Aug-22	1,008.70	742.05	999.00	750.50
Sep-22	981.75	827.80	975.00	831.85
Oct-22	1,155.50	948.85	1,155.90	949.60
Nov-22	1,064.40	907.55	1,072.00	906.60
Dec-22	1,124.45	943.20	1,125.00	949.25
Jan-23	1,089.75	1,004.90	1,092.80	1,004.05
Feb-23	1,225.00	1,001.00	1,233.05	1,007.00
Mar-23	1,107.00	984.65	1,130.90	976.15

Performance of the Company's share price in comparison to Monthly Closing Sensex and Monthly Closing NIFTY:



Distribution of shareholding as on 31st March, 2023:

Sr.no.	Category (Amount)	No. of Holders	% to Holders	No. of Shares	Amount (Rs.)	% to Equity
1	1- 5000	10023	92.44	7,03,621	70,36,210	5.61
2	5001- 10000	398	3.67	2,90,560	29,05,600	2.32
3	10001- 20000	172	1.59	2,49,964	24,99,640	1.99
4	20001- 30000	82	0.76	1,96,351	19,63,510	1.57
5	30001- 40000	30	0.28	1,03,580	10,35,800	0.83
6	40001- 50000	26	0.24	1,23,356	12,33,560	0.98
7	50001- 100000	39	0.36	2,99,652	29,96,520	2.39
8	100001 and above	73	0.67	1,05,70,033	10,57,00,330	84.31
	TOTAL:	10843	100.00	1,25,37,117	12,53,71,170	100.00

Shareholding Pattern as on 31st March, 2023 :

Category	Number of Shares	% of shareholding
Promoters		
Indian Promoters	59,66,821	47.59
Foreign Promoters	3,24,150	2.59
Sub-total (1)	**62,90,971**	**50.18**
Public		
Alternate Investment Funds	2,95,000	2.35
Foreign Portfolio Investors including FIIs	15,37,460	12.26
Central Government / President of India	12,447	0.10
Foreign Companies	4,09,107	3.26
Individuals	33,46,720	26.69
Directors and their relatives (excluding independent directors and nominee directors)	28	0.00
Key Managerial Personnel	2,261	0.02

REPORT ON CORPORATE GOVERNANCE (Contd.)

Category	Number of Shares	% of shareholding
Financial Institutions/ Banks	50	0.00
Non-Resident Indians	2,23,556	1.78
Clearing Members	7,054	0.06
Bodies Corporate	3,26,847	2.61
IEPF	85,516	0.68
Trusts	100	0.00
Sub-total (2)	**62,46,146**	**49.82**
Grand-total (1+2)	**1,25,37,117**	**100.00**

VII. OTHER DISCLOSURES

(i) During the financial year 2022-23, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The necessary disclosure of the related party transaction have been made in the financial statements.

(ii) There was one day delay in filing the half yearly for the period ended 31st March 2022 disclosure of related party transactions on consolidated basis with BSE and NSE. Fine of Rs. 5900 including GST of Rs. 900 imposed by Stock Exchanges were duly paid.

(iii) The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees. No person has been denied access to the Audit Committee. The said policy has also been disclosed on the website of the Company under the web link: https://www.kddl.com/wp-content/uploads/PDF/Whisle%20Blower%20Policy.pdf

(iv) The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- The financial statements of the company are with unmodified audit opinion.
- The Internal Auditor of the Company directly reports the Audit Committee.

(v) The Company has framed a policy for determining Material Subsidiary and the same is available on the Company's website under the web link: https://www.kddl.com/wp-content/uploads/PDF/policies/KDDL-Policy-for-determiningMaterial-Subsidiaries.pdf

(vi) The Company has framed Related Party Transaction Policy and the same is available on the Company's website under the web link: https://www.kddl.com/wp-content/uploads/PDF/policies/KDDL_Related_Party_Transactions_Policy.pdf

(vii) During the financial year 2022-23, the Company did not engage in commodity hedging activities.

(viii) The Board confirm that all Independent Directors of the Company fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and are independent of the management.

(ix) During the financial year 2022-23, the Board has accepted all the recommendations of its Committees.

(x) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are provided in the consolidated financial statements which form part of the Annual Report 2022-23.

(xi) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year- Nil

b. number of complaints disposed of during the financial year- Nil

c. number of complaints pending as on end of the financial year- Nil

(xii) Disclosure with respect to demat suspense account/ unclaimed suspense account : Not applicable.

(xiii) The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(xiv) There has been no instance of non-compliance of any requirement of Corporate Governance Report sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

(xv) The Company has obtained a certificate from M/s. A. Arora & Co., Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

(xvi) The Compliance Certificate on the financial statements for the financial year ended 31st March, 2023 is enclosed at the end of this report.

(xvii) Corporate Governance Certificate

As required by Part-E of Schedule V read with Regulation 34(3) of the SEBI (LODR) Regulations, 2015, a certificate on Corporate Governance is enclosed at the end of this report.

(xviii) Code for the Board of Directors and Senior Management Personnel

The Company has laid down a code of conduct for the members of the Board and senior management personnel of the Company. The code of conduct has been posted on the Company's website, i.e. https://www.kddl.com/wp-content/uploads/2016/12/Code_of_Conduct.pdf. All the members of the Board and senior management personnel have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2023. A declaration to this effect, signed by Mr. Yashovardhan Saboo, Chairman & Managing Director of the Company is appended at the end of this report.

(xix) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A): Not Applicable.

(xx) The details of loans and advances in the nature of loan made to the entities in which directors are interested, as per Schedule V of SEBI (LODR) Regulations, are provided in the notes to the financial statements.

(xxi) Name of the Material Subsidiary : Ethos Limited

Date and Place of incorporation – 5th November 2007 ; Parwanoo (Himachal Pradesh)

Name of the Statutory Auditors –

S.R. Batliboi & Co. LLP

Charted Accountants

4th Floor, Office 405, World Mark-2, Asset

No. 8, IGI Airport Hospitality District

Aerocity, New Delhi- 110 037

Date of appointment – 2nd September, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
KDDL Limited
Plot No. 3, Sector III,
Parwanoo, Himachal Pradesh.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KDDL Limited having CIN: L33302HP1981PLC008123 and having registered office at Plot No. 3, Sector III, Parwanoo, Himachal Pradesh (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Yashovardhan Saboo	00012158	25.03.1981
2.	Mr. Jai Vardhan Saboo	00025499	12.12.2016
3.	Mr. Anil Khanna	00012232	22.12.2004
4.	Mr. Praveen Gupta	01885287	08.11.2014
5.	Mr. Sanjiv Sachar	02013812	07.03.2017
6.	Mrs. Ranjana Agarwal	03340032	09.09.2013
7.	Mr. Sanjeev Kumar Masown	03542390	30.05.2016
8.	Mr.Nagarajan Subramanian	02406548	28.07.2022
9.	Mrs. Neelima Tripathi	07588695	28.07.2022

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

Date: 5th July, 2023
Place: Chandigarh
UDIN: F002191E000549364

For **A. Arora & Co.,**
Company Secretaries

Ajay K. Arora
(Proprietor)
M No. 2191
C P No. 993
Peer Review Cert No. 2120/2022

COMPLIANCE CERTIFICATE

The Board of Directors
KDDL Limited,
Plot No. 3, Sector – III,
Parwanoo, Distt : Solan,
(H.P – 173220)

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 and that to the best of their knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the financial year 2022-23 which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee that:

   1. There are no significant changes in internal control over financial reporting during the year;

   2. There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. There are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yashovardhan Saboo
Chairman & Managing Director
DIN : 00012158

Sanjeev Kumar Masown
Whole time Director cum Chief Financial Officer
DIN : 03542390

Place : Chandigarh
Datet : 12th August 2023

CERTIFICATE ON CORPORATE GOVERNANCE UNDER SEBI (LODR) REGULATIONS, 2015

To

The Members of KDDL Limited

I have examined compliance by KDDL Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) relating to Corporate Governance requirements for the year ended 31st March, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Practicing Company Secretaries
Mahesh Khurana
Membership No.: ACS.8633;
CP No.: 23104
UDIN: A0008633E000796024

Place: Chandigarh
Date: 12th August, 2023

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

In accordance with regulation 34(3) read with clause D of Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, I hereby confirm that, all Directors and the Senior Management personnel of the Company have affirmed compliance with KDDL's respective Code of Conduct, for the financial year ended 31st March, 2023.

Date : 12th August, 2023
Place : Chandigarh

For **KDDL Limited**

Yashovardhan Saboo
Chairman & Managing Director
DIN: 00012158

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN)	L33302HP1981PLC008123
2.	Name of the Listed Entity	KDDL Limited
3.	Year of incorporation	8th January 1981
4.	Registered office address	Plot No.3, Sector III, Parwanoo HP 173220 IN
5.	Corporate address	Kamla Centre, SCO 88-89, Sector 8C, Madhya Marg, Chandigarh- 160009
6.	E-mail	investor.complaints@kddl.com
7.	Telephone	0172- 2548223/24
8.	Website	www.kddl.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and NSE Limited
11.	Paid-up Capital	12,53,71,170
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Brahm Prakash Kumar Company Secretary Email ID: investor.complaints@kddl.com Telephone No.: 0172- 2548223/24
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Precision and Watch Components Group	Manufacturing of watch dials and hands and precision engineering	95.33%
2	Others	Packaging business	4.05%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed*
1	Watch Dials & watch hands	26521	71.31%
2	Components & Press tools	26101 & 225933	24.02%
3	Packaging Products	16231	4.05%

*Based on operational revenue

III. Operations

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

Location	Number of plants	Number of offices	Total
National	8	1	9
International	0	1	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	4
International (No. of Countries)	1

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

67.33%

c. A brief on types of customers

KDDL is one of the leading companies in India engaged in the manufacture of watch components, high-quality precision stamped components and progressive tools for a wide range of engineering applications. KDDL manufactures watch dials, watch hands and Indexes for global watch brands. The Precision Engineering division caters to Aerospace, Electronics, Automotive and Ancillary and consumer durables industries.

The packaging business caters to watch companies, Jewellery and writing instrument business.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

#	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	%(C / A)
EMPLOYEES						
1.	Permanent (D)	499	479	96.0%	20	4.0%
2.	Other than Permanent (E)	70	65	92.9%	5	7.1%
3.	Total employees (D + E)	569	544	95.6%	25	4.4%
WORKERS						
4.	Permanent (F)	747	630	84.3%	117	15.7%
5.	Other than Permanent (G)	663	364	55.0%	299	45.0%
6.	Total workers (F + G)	1410	994	70.5%	416	29.5%

*The number of employees and workers reported herewith and within the report is reconciled and updated in line with the relevant Industrial Relations Code and company standards

b. Differently abled Employees and workers:

#	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	%(C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total differently abled employees (D + E)	1	1	100%	0	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	2	1	50%	1	50%
5.	Other than Permanent (G)	0	0	-	0	-
6.	Total differently abled workers (F + G)	2	1	50%	1	50%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.2%
Key Management Personnel	3*	0	0

*Including Managing Director and Whole Time Director cum CFO

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

	2022-23			2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.5%	5.6%	12.3%	14.3%	30.3%	14.9%	11.5%	12.1%	11.5%
Permanent Workers	10.2%	7.0%	8.8%	7.5%	7.4%	7.4%	7.1%	1.8%	6.3%

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

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

#	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Pylania S.A	Subsidiary	100.00%	No
2	Kamla International Holdings AG	Subsidiary	100.00%	No
3	Ethos Limited	Subsidiary	61.07%	No Since Ethos Limited is a listed entity, it follows its own BRSR initiatives.
4	Mahen Distribution Limited	Subsidiary	100.00%	No
5	Cognition Digital LLP	Subsidiary	99.99%	No
6	Kamla Tesio Dials Limited	Subsidiary	99.99%	No
7	Pasadena Retail Private Limited	Associate	50.00%	No
8	Estima AG	Subsidiary	100.00%	No
9	Silvercity Brands AG	Subsidiary	100.00%	No

VI. CSR Details

22. (i)	**Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**	Yes
(ii)	**Turnover (in Rs.)**	Rs. 3,13,91,06,807.00
(iii)	**Net worth (in Rs.)**	Rs. 2,53,23,00,077.50

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes Web-link	0	0	-	0	0	-
Investors (other than shareholders)	Yes Web-link	0	0	-	0	0	-
Shareholders	Yes Web-link	0	0	-	0	0	-
Employees and workers	Yes Web-link	0	0	-	0	0	-
Customers	Yes Web-link	0	0	-	0	0	-
Value Chain Partners	Yes Web-link	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

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

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

* Indicate whether risk or opportunity (R/O)

#	Material issue identified	R/O*	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications
1	Innovation Management and resource efficiency	O	Innovation can lead to the creation of improved products and services that better meet customer needs, thereby increasing customer satisfaction. Additionally, innovation drives the development of new products and services, opening up new revenue opportunities for the Company. Companies that prioritise innovation gain a competitive edge and expand their market share. Operational efficiency aims to achieve more with less, such as reducing energy consumption, increasing yield, and optimising equipment utilisation, ultimately maximising overall effectiveness.		Positive
2	Training and skill improvement	O	Training and skill improvement are essential for individuals and organisations as they enhance performance, productivity, and adaptability. Continuous learning enables employees to acquire new knowledge, refine existing skills, and stay updated with industry advancements, resulting in improved job satisfaction, career growth, and organisational success in a rapidly evolving business landscape.		Positive
3	Water Management	R	Water management is crucial for manufacturers as it ensures responsible use of water resources, reduces environmental impact, and mitigates operational risks. Efficient water management practices help conserve water, minimise water-related costs, comply with regulations, protect ecosystems, and enhance sustainability, demonstrating corporate social responsibility and long-term viability.	KDDL will continue to implement measures for effective water management, leading to reduced consumption of freshwater. KDDL has installed effluent treatment plants to treat wastewater discharged which is reused for gardening and other industrial applications as well in the production process. Conduct water usage assessment and monitoring to track any high usage of water and identify ways to reduce freshwater consumption.	Negative
4	Supply Chain Management	O	Supply chain management is essential for manufacturers as it ensures the smooth flow of materials, reduces costs, improves operational efficiency, and enhances customer satisfaction. Effective supply chain management enables timely production, minimises inventory risks, optimises logistics, fosters supplier relationships, and enables companies to meet market demand efficiently and effectively.		Positive

#	Material issue identified	R/O*	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications
5	Customer Satisfaction	R	Customer satisfaction is vital to a watch component and precision engineering company as it directly impacts reputation, customer loyalty, and business growth. Satisfied customers not only contribute to positive word-of-mouth marketing but also drive repeat purchases, ensuring a strong market presence and continued success in a competitive industry.	Customers are key to long-term sustainable growth for KDDL. At KDDL, we ensure product quality, continuous development of new products, on-time delivery, and competitive pricing to meet the expectations and demands of our customers. Establish effective two-way communication channels to increase customer engagement, brand loyalty and transparency. Establish a mechanism to receive customer feedback and incorporate relevant feedback to enhance product quality offerings.	Negative
6	Emissions & Energy management	R	Emissions and energy management hold paramount importance for manufacturing companies. By effectively managing emissions and energy usage, companies can reduce their environmental footprint, comply with regulations, enhance operational efficiency, minimise costs, and demonstrate a commitment to sustainability. Proactive management of emissions and energy contributes to a greener and more responsible manufacturing industry.	Implement effective policies and procedures to monitor energy and emission performance to identify critical areas to improve. Promote the use of renewable energy resources like solar or wind energy to reduce and offset GHG emissions. Implement effective emission monitoring systems to keep track of key high emission factors.	Negative
7	Waste Management	R	Effective waste management is critical for a manufacturing company as it minimises environmental impact, ensures regulatory compliance, reduces operational costs, and enhances sustainability. Proper waste management practices promote resource efficiency, mitigate potential health and environmental risks, and demonstrate corporate responsibility.	Ensure proper procedures and policies are in place for handling, storing and disposing of waste. KDDL, as a responsible manufacturer, effectively handles all the waste generated by appropriate storage and safe disposal through third party vendors. Additionally, implement efficient ways to reuse or reduce waste generated leading to less consumption of fresh raw materials.	Negative
8	Occupational Health and Safety	R	Occupational health and safety are a significant risk and vital to a manufacturing company as it safeguards employees from workplace hazards, reduces the risk of accidents and injuries, improves productivity, and ensures legal compliance. Prioritising health and safety foster a positive work environment and protects the Company's reputation.	Define clear policies and procedures for thorough assessments of potential risks and hazards at KDDL premises take effective measures to mitigate any potential risk. Additionally, KDDL conducts routine health and safety monitoring to ensure no gaps related to occupational health and hazard. We provide adequate Personal Protection Equipment to ensure complete safety from any unforeseen hazard. We also provide Occupational health clinic services for any immediate treatments required. Safety trainings and awareness are key to promote safety practices and empower employees and workers to report any gaps.	Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

#	Material issue identified	R/O*	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications
9	Corporate Governance	R	Corporate governance is crucial for any company as it ensures transparency, accountability, and ethical decision-making. It helps establish a framework that guides the behaviour of management, protects shareholder interests, promotes long-term sustainability, and enhances investor confidence. Effective corporate governance is fundamental for organisational success and stakeholder trust.	KDDL has established effective policies and practices to ensure strong corporate governance. We are committed to maintaining and improving our systems and practices by upholding ethical behaviour, transparency, clear responsibilities, risk management framework and accountability in all corporate decision-making processes. We prioritise regular monitoring, independent audits, and board oversight to sustainably manage our operations and mitigate potential risks.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. **Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. **Has the policy been approved by the Board? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. **Web Link of the Policies, if available**	https://www.kddl.com/codes-and-policies/								
2. **Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. **Do the enlisted policies extend to your value chain partners? (Yes/ No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. **Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.*** *Dials 1: ISO 14001- 2015 and 45001-2018 Hands 1 & 2: ISO 45001, ISO 14001, SEDEX Eigen: AS 9100D, ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 and IATF 16949	SEDEX	AS 9100D, ISO 9001:2015, ISO 45001:2018, and IATF 16949	SEDEX	-	-	ISO 14001:2015 SEDEX	-	-	-

5. **Specific commitments, goals and targets set by the entity with defined timelines, if any.**

   KDDL, as a responsible and one of the leading watch component manufacturing and precision engineering companies, we are resolute in our commitment to sustainability and environmental stewardship.

   Our sustainability initiatives includes slum area development (Chandigarh Rotary Club Service Trust – Saketri Project), tree plantation (Biotasoil Foundation - Go Green Project), support for disabled patients (Sai Aasra project), organ donation (Mohan Foundation project), medical assistance for the underprivileged (Heart to Heart Society project), education and vocational training for children and rural women (Youth Technical Training Society project), livelihood programmes (Catalysts for Social Action), tree plantation drive (The Million-Tree Project) and cremation ground maintenance in collaboration with Chandigarh Rotary Club.

   Projects undertaken aim towards environmental and social goals, including support for children's health, education, basic necessities, and livelihood programmes through Catalysts for Social Action (CSA). Our commitment towards sustainability is also reflected through The Million-Tree Project: KDDL, together with its associate companies and brands, has made a commitment to collaborate with responsible agencies to plant and foster one million trees in depleted regions of India by 2030.

6. **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**

   We are making significant progress in achieving our social and environmental objectives. Our actions have resulted in a significant impact on the environment, while also contributing to socio-economic goals. Through our efforts, we have made a meaningful difference by addressing environmental concerns and actively participating in initiatives that promote social and economic development.

   Under The Million Tree Project we have planted 62,262 saplings as of date. Through our other social and environmental objectives, we have impacted more than 700+ beneficiaries supporting socio-economic causes, promoting healthcare and community upliftment drives. KDDL shall continue to expand its social responsibility footprint through its social and environmental objectives.

Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

   KDDL is a renowned Indian corporation that specialises in the manufacturing of top-quality watch components, precision stamped components, and progressive tools for various engineering applications. KDDL acknowledges the significance of ESG practices and consistently endeavours to achieve sustainable long-term value for a better future. Despite the challenges like responsible sourcing of materials, and managing social and environmental impacts across the supply chain, KDDL is firmly committed to promoting environmental sustainability, social causes and good governance practices. KDDL also adheres to the highest standards of governance practices and transparency through an independent board, policies on ethics, a whistle-blower mechanism, and several such arrangements. We encourage inclusivity, teamwork, and growth by taking regular feedback and initiatives that enhance employee engagement and well-being.

   One of KDDL's key sustainability initiatives is the pledge to plant and nurture one million trees in denuded areas of India over the next decade. Other initiatives include collaboration with the Isha Foundation on project Cauvery Calling to preserve the basin of the river, promoting education and skill development programmes for in-school slum children, partnering our unwavering dedication reflects our deep sense of responsibility and we will remain committed to creating a positive impact on society and the environment in the times ahead. with the Mohan Foundation to save lives through organ donations and various such practices.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

   The highest authority responsible is Chairman & Managing Director, Mr. Yashovardhan Saboo. Along with CMD, the Senior Management is responsible for the oversight and implementation of Business Responsibility policies.

9. **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

   Chairman & Managing Director, Mr. Yashovardhan Saboo.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Director									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Director									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Bureau Veritas	TUV SUD South Asia Private Limited and Bureau Veritas	Bureau Veritas	-	-	TUV SUD South Asia Private Limited and Bureau Veritas	-	-	-

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Regular compliance updates on regulatory changes and laws.	100%
Key Managerial Personnel	5	Training sessions were held for end users focusing on IT-related subjects, specifically Email and Cyber Security Regular compliance updates on regulatory changes and laws.	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	130	Employee training and skill development are of utmost importance and a top priority at KDDL. Given the specialised and skilled workforce requirements inherent in KDDL's business operations, we are dedicated to providing comprehensive training programmes to ensure employee satisfaction and enhance their performance capabilities. The following topics/trainings were covered: • ESG Workshop • Kaizen trainings • Safety trainings • Company policy trainings • Technical trainings like ISO, chemical safety, safety standards, Waste management, Usage of PPEs, 5-S, environmental laws, etc. • Awareness programmes like POSH, First aid trainings, IT security awareness, Onsite emergency plans, Incident reporting, EHS policy awareness, technical awareness, electrical safety, etc.	90%
Workers	55	Worker training is of paramount importance to KDDL as it elevates technical proficiency, empowering employees to navigate changing industry demands and remain at the cutting edge of technological advancements. Furthermore, training cultivates a culture of perpetual learning, leading to heightened employee morale, job satisfaction, and overall engagement, thereby fostering a motivated workforce and bolstering retention rates. The following training/awareness programmes were covered: • Fire safety • Kaizen • ISO 45001 & 14001 training • Machine safety • Chemical awareness • Electrical safety • First aid and onsite emergency plans • EHS awareness • Machine specific technical trainings • 5-S training • Company policy trainings	90%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment	NIL			

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

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

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

KDDL's Code of Conduct policies and procedures make an emphasis and upholds business integrity, ethical conduct and adherence to regulatory compliances.

This code of conduct aims to ensure adherence not just to legal obligations but also to the Company's own standards of ethical business conduct.

The Company will strictly forbid any form of bribery in all its business transactions and will establish robust measures to prevent and identify any improper payments. Additionally, the Company will fully comply with laws pertaining to anti-money laundering and counter-terrorist financing, promptly reporting any unaccounted cash or suspicious transactions.

Policy web-link

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

	2022-23	2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	2022-23		2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Not Applicable

Leadership Indicators

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes.

In Compliance with the SEBI LODR (Listing Obligations and Disclosure Requirement), the Company has formulated a Code of Conduct policy and Related Party Transactions policy which also describes the mechanism and processes in place to manage conflict of interests involving members of the Board.

Codes and Policies: Weblink

Principle 2: **Businesses Should Provide Goods and Services In A Manner That Is Sustainable And Safe**

Essential Indicators

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

	2022-23	2021-22	Details of improvements in environmental and social impacts
R&D	-	-	N.A.
Capex	1.98%	0.20%	The capital expenditure (Capex) investment is related to the installation of a cardboard box manufacturing machine, primarily aimed at achieving sustainability objectives and reducing rejection rates. Additionally, other investments are related to water treatment in the production process and installation of automatic painting machines, preventing direct human involvement with toxic chemicals.

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

Yes

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

2.4%

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

(a) Plastics: Processes in line with EPR. The Company demonstrates its dedication to reducing its environmental footprint and adhering to sustainable practices throughout its operations. Compliance with local laws and regulations further underscores its dedication to being an environmentally responsible entity. (b), (c) and (d) E-waste, hazardous waste and other waste not applicable to our operations.

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

Yes*

*Applicable for Hands 1, Hands 2 and Bracelet unit

Leadership Indicators

3. Percentage of recycled or reused input material to total material (by value) used in Products (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2022-23	2021-22
Brass metal	19.2%	6.7%

PRINCIPLE 3: **Businesses Should Respect And Promote The Well-Being Of All Employees, Including Those In Their Value Chains**

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	479	479	100%	479	100%	N.A.	-	0	-	0	-
Female	20	20	100%	20	100%	20	100%	N.A.	-	2	10.0%
Total	499	499	100%	499	100%	20	100%	0	-	2	0.4%

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Other than Permanent employees											
Male	65	65	100%	65	100%	-	-	-	-	-	-
Female	5	5	100%	5	100%	5	100%	-	-	0	-
Total	70	70	100%	70	100%	5	100%	-	-	0	-

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	630	630	100%	630	100%	-	-	0	-	0	-
Female	117	117	100%	117	100%	117	100%	-	-	76	65.0%
Total	747	747	100%	747	100%	117	100%	0	-	76	10.2%
Other than Permanent workers											
Male	364	364	100%	364	100%	-	-	0	-	0	-
Female	299	299	100%	299	100%	299	100%	-	-	126	42.1%
Total	663	663	100%	663	100%	299	100%	0	-	126	19.0%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

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

3. Accessibility of workplaces

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

KDDL is committed to fostering an inclusive and non-discriminatory work environment, where no form of discrimination, including disability, is tolerated. We strive to provide equal and fair opportunities to all individuals and are actively working towards developing facilities that cater to the needs of persons with disabilities. As part of our practice, we ensure that necessary support is provided to enable them to carry out their daily routines with ease and dignity.

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

In accordance with KDDL's Model Code of Conduct, we are committed to providing fair and equitable treatment to all individuals. The Company strictly prohibits any form of unfair discrimination based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, or disability.

Web-link.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female*	NIL	-	NIL	-
Total	-	-	-	-

*Not applicable since maternity leave is taken during the FY2022-23 and due to return in the following year

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

Permanent Workers **Other than Permanent Workers** **Permanent Employees** **Other than Permanent Employees**	Yes. Both permanent and non-permanent employees/workers have the option to address their grievances by approaching the HR & Admin department of their respective unit. This allows employees to voice their concerns and seek resolution through the appropriate channels within the organisation. Other mechanisms include: • Employee Suggestion boxes • Whistle Blower Policy • Anonymous complaints processes • Town Hall Meeting • Monthly Assembly Meeting • Direct Communication with HR (either in writing or verbal) • Open House Feedback / Review Session for all employees The management is committed to treating all grievances seriously and taking prompt and appropriate actions. Our grievance mechanism is designed to complement, not replace, other channels defined by law or collective agreements. The objective is to foster a safe and healthy work culture and enable the resolution of all types of grievances received. By adopting above-mentioned redressal mechanisms, we aim to address concerns more efficiently and effectively. Having multiple communication channels in place ensures that our employees and workers have a comfortable avenue to express their grievances. This approach encourages a transparent and open environment where everyone's concerns are heard and addressed promptly.

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

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union(D)	% (D / C)
Total Permanent Employees	**499**	**0**	**-**	**448**	**0**	**-**
- **Male**	479	0	-	432	0	-
- **Female**	20	0	-	16	0	-
Total Permanent Workers	**747**	**176**	**23.6%**	**730**	**114**	**15.6%**
- **Male**	630	171	27.1%	618	109	17.6%
- **Female**	117	5	4.3%	112	5	4.5%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

8. Details of training given to employees and workers:

Category	2022-23					2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	544	299	55.0%	144	26.5%	496	319	64.3%	131	26.4%
Female	25	12	48.0%	9	36.0%	38	18	47.4%	2	5.3%
Total	569	311	54.7%	153	26.9%	534	337	63.1%	133	24.9%
Workers										
Male	994	551	55.4%	131	13.1%	910	275	30.2%	162	17.8%
Female	416	109	26.2%	45	10.8%	332	44	13.3%	62	18.7%
Total	1410	660	46.8%	176	12.5%	1242	319	25.7%	224	18.0%

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

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	479	479	100%	432	432	100%
Female	20	20	100%	16	16	100%
Total	499	499	100%	448	448	100%
Workers						
Male	630	630	100%	618	618	100%
Female	117	117	100%	112	112	100%
Total	747	747	100%	730	730	100%

10. Health and safety management system:

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

Yes

At KDDL, we prioritise employee health and safety. Our units are certified with SEDEX and ISO 14001, which encompasses OHS practices. We value our employees as critical stakeholders, ensuring adherence to these standards across all our plants and premises.

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

To ensure safety hazards and risk identification, we adhere to stringent practices in line with the ISO 45001:2018 standard, as applicable to most of our facilities. This internationally recognised standard provides a framework for effectively managing occupational health and safety. One of the other key methods we employ is the use of Hazard Identification and Risk Assessment (HIRA) tools. These tools enable us to systematically identify potential hazards, assess associated risks, and implement appropriate control measures. By following these standardised procedures, we prioritise the safety and well-being of our employees, creating a secure work environment and minimising the potential for accidents or injuries.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

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

Safety Incident/Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)*	Employees	1	0
	Workers	0	0
Total recordable work-related injuries**	Employees	2	0
	Workers	3	4
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	2	0
	Workers	0	0

*LTIFR rate is calculated for only High consequences work-related injuries

**Total recordable work-related injuries also include High consequence work-related injury or ill-health

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

KDDL implements several measures to ensure health and safety assessments, including conducting safety audits and trainings, monitoring incident reporting, providing PPE kits, performing hazard identification and risk assessment (HIRA), implementing engineering and administration controls, maintaining first aid kits, installing safety switches on machines, conducting environmental monitoring, and designating dedicated storage for hazardous materials to prioritise safety.

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

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	77.8%
Working Conditions	77.8%

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

Not applicable, since no working conditions or health and safety-related complaints/concerns have been registered.

At KDDL, in case of any such incident, we prioritise safety in every aspect of our operations. We ensure the implementation of robust safety measures like submitting incident reports and near-miss reports. These reports serve as valuable tools for identifying potential hazards and taking proactive steps to prevent accidents. In the event of an incident, we conduct thorough investigations to understand the root causes and implement corrective actions to prevent future occurrences. Furthermore, regular safety audits are conducted to assess compliance with safety protocols and identify areas for improvement. To foster a culture of safety, we provide comprehensive safety training to our employees, equipping them with the knowledge and skills to mitigate risks and maintain a safe working environment.

PRINCIPLE 4: Businesses Should Respect The Interests Of And Be Responsive To All Its Stakeholders

Essential Indicators

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

Senior management, in collaboration with board members and various departments, has completed a stakeholder identification exercise to determine the individuals and groups that may be affected by or have an impact on the Company. The identified stakeholders comprise both internal and external parties who are relevant to the organisation, including employees, investors, government authorities, vendors, customers, dealers, financial institutions, and the community. The Company expresses its gratitude to all stakeholders for their support in achieving its strategic goals and targets. It highly values the input and feedback provided by stakeholders and is committed to cultivating strong relationships with them. By engaging in continuous communication and dialogue, the Company aims to meet the needs and expectations of all stakeholders effectively.

List of identified stakeholders:

1. Shareholders, Lenders
2. Employees and workers
3. Suppliers and Vendors
4. Local community
5. Government and regulators
6. Customers

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication*	Frequency of engagement#	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders, Lenders	No	• Email • Investor meetings/calls • General meetings • Website	On a regular basis	Monitor and follow up on the Company's performance, ensure compliance with quarterly requirements, and address day-to-day operations effectively.
Employees and workers	No	• Email • Townhall meetings • Physical interaction • Monthly assembly meeting • Award functions • Recognition programmes • Engagement activities • Quarterly review meetings	On a regular basis	Facilitate effective communication regarding work targets, conduct motivation sessions, hold review meetings, and gain a deeper understanding of employees' professional goals. It is important as it promotes alignment, motivation, and growth within the organisation, fostering a supportive and goal-oriented work environment.
Suppliers and Vendors	No	• Email • Physical meetings • Telephonic discussions	On a regular basis	Ensure effective supply chain management. Building strong relationships and collaboration with suppliers and vendors helps to optimise the flow of goods and services, leading to improved operational efficiency and customer satisfaction.
Local community	No	• Interaction through a Company representative	On a regular basis	Gain a comprehensive understanding of their needs and actively seek solutions to address them. By fostering a close connection and collaboration with the community, organisations can contribute to its well-being and sustainable development.
Government and regulators	No	• Official correspondence	On a regular basis	Ensure compliance with government regulations, including adhering to circulars and seeking clarification when needed. Building a strong relationship with government bodies facilitates smooth and transparent operations while upholding legal and regulatory requirements.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication*	Frequency of engagement#	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	• Email • Roadshows • Local and international trade fairs • Customer visits • Physical meetings • Telephonic discussions • Social Media	On a regular basis	Actively understand their requirements, stay informed about market trends, assess their product demand, and address any concerns related to quality and delivery compliance. By maintaining close communication with customers, businesses can enhance their products and services to meet customer expectations while ensuring satisfaction and loyalty.

*(Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other

#(Annually/ Half yearly/Quarterly / others –please specify)

PRINCIPLE 5: Businesses Should Respect and Promote Human Rights

Essential Indicators

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

Category	2022-23			2021-22		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
Employees						
Permanent	499	479	96.0%	448	128	28.6%
permanent Other than	70	0	0	86	0	0
Total Employees	**569**	**479**	**84.2%**	**534**	**128**	**24.0%**
Workers						
Permanent Other than	747	40	5.4%	730	18	2.5%
permanent	663	8	1.2%	512	5	1%
Total Workers	**1410**	**48**	**3.4%**	**1242**	**23**	**1.9%**

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

Category	2022-23					2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	499	0	-	498	100%	448	0	0	448	100%
Male	479	0	-	479	100%	432	0	0	432	100%
Female	20	0	-	20	100%	16	0	0	16	100%
Other than permanent	70	70	100%	-	-	86	86	100%	0	-
Male	65	65	100%	-	-	64	64	100%	0	-
Female	5	5	100%	-	-	22	22	100%	0	-
Workers										
Permanent	747	131	17.6%	614	82.4%	730	113	15.5	516	84.5%
Male	630	100	15.9%	530	84.1%	618	85	13.8%	432	86.2%
Female	117	31	26.5%	86	73.5%	112	28	25.0%	84	75.0%
Other than permanent	663	646	97.4%	17	2.6%	512	499	97.5%	13	2.5%
Male	364	348	95.6%	16	4.4%	292	280	95.9%	12	4.1%
Female	299	298	99.7%	1	0.3%	220	219	99.5%	1	0.5%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In Rs.)	Number	Median remuneration/ salary/ wages of respective category (In Rs.)
Board of Directors (BoD)	7	Executive (2) – 2,48,74,892* Independent (5) – 4,67,500	2	4,78,750
Key Managerial Personnel	3**	1,54,27,993	0	-
Employees other than BoD and KMP	476	3,58,921	20	2,07,843
Workers	630	4,10,908	117	2,07,072

**Including Managing Director and Whole Time Director cum CFO

*Excluding one-time value creation award of Chairman & Managing Director

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

Yes.

The management team, in collaboration with the Human Resources department for each unit, holds the responsibility for addressing any human rights impacts or issues that arise as a result of or are contributed to by the business.

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

Yes.

KDDL has robust mechanisms in place to address human rights issues, including the implementation of a whistleblower policy and a Prevention of Sexual Harassment policy. These policies provide a framework for employees to report any violations or concerns related to human rights, ensuring confidentiality and protection against adverse consequences. By having these policies, KDDL demonstrates its commitment to creating a safe and inclusive work environment that upholds human rights and fosters a culture of integrity and accountability.

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

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

KDDL upholds integrity and ethical values while implementing mechanisms to prevent adverse consequences to the complainant in cases of discrimination and harassment.

The entire process of addressing such cases is characterised by strict confidentiality. The prevention mechanism ensures that complaints received are kept within a limited circle of stakeholders. The action plan is strategically devised with minimal disclosure to maintain confidentiality.

Whistle-blower policy mechanisms define strict confidential procedural practices to prevent any adverse consequences to the complainant.

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

Yes

9. **Assessments for the year:**

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

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

Not Applicable

PRINCIPLE 6: Businesses Should Respect and Make Efforts To Protect And Restore The Environment

Essential Indicators

1. **Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:**

Parameter	2022-23	2021-22
Total electricity consumption (A) – In Giga Joules	20,959.5	18,829.7
Total fuel consumption (B) – In Giga Joules	2,661.7	2,370.5
Energy consumption through other sources (C)		
Total energy consumption (A+B+C) – In Giga Joules	23,621.2	21,200.2
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	**7.5**	**9.5**

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

No

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

Not Applicable

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

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	35939.5	28561.5
(iii) Third party water	21744.1	20081.0
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	57683.6	48642.5
Total volume of water consumption (in kilolitres)	68938.6	49060.5
Water intensity per rupee of turnover (Water consumed / turnover)	**2.2**	**2.2**

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

No

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

Yes.

Zero Liquid Discharge is implemented in units to treat wastewater, meet environmental laws, and eliminate liquid waste discharge through effective treatment processes.

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

Parameter	Please specify unit	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Nox	Parts per million by volume	73.9	6.5
Sox	Parts per million by volume	7.3	1.0
Particulate matter (PM)	mg/Nm3	26.9	21.9
Persistent organic pollutants (POP)	Microgram per cubic metre	-	-
Volatile organic compounds (VOC)	Microgram per cubic metre	-	-
Hazardous air pollutants (HAP)	-	-	-
Others– please specify			
Carbon Monoxide	mg/Nm3	71.5	3.9
PM 2.5	Microgram per cubic metre	27.5	32.8

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

No

** Formula used for Consolidation is – (Value of monitoring)/ Number of Sites

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

Parameter	Unit	2022-23	2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	581.1	623.5
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,715.9	4,236.7
Total Scope 1 and Scope 2 emissions per rupee of turnover		**1.7**	**2.2**

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

No

7. **Does the entity have any project related to reducing Green House Gas emissions? If Yes, then provide details.**

No.

While we currently do not have a specific greenhouse gas (GHG) emission reduction project in place, our organisation is committed to implementing environmentally friendly practices. We prioritise the use of recyclable metals, which helps minimise the environmental impact associated with their production and disposal. Additionally, we have installed LED lights throughout our premises, which consume less energy and contribute to lower carbon emissions. Moreover, our packaging materials are sourced from biodegradable sources, ensuring a reduced environmental footprint. These initiatives are part of our ongoing efforts to promote sustainability and minimise our ecological footprint, even in the absence of a dedicated GHG emission reduction project.

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

Parameter	2022-23	2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	4.9	1.9
E-waste (B)	0.1	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0.1	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) ETP sludge, paint sludge and used oil from DG sets	15.7	11.8
Other Non-hazardous waste generated (H). Please specify, if any.		
(Break-up by composition i.e. by materials relevant to the sector)		
Metal scrap	515.4	506.9
Paper scrap	29.5	21.15
Total (A+B + C + D + E + F + G + H)	**565.7**	**541.8**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	14.8	6.3
(ii) Re-used	0.0	0.0
(iii) Other recovery operations	0.0	0.0
Total	**14.8**	**6.3**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.3	0.3
(ii) Landfilling	8.9	8.0
(iii) Other disposal operations	541.6	526.8
Total	**550.8**	**535.1**

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

No

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

At our organisation, we adhere to proper waste management practices in strict compliance with applicable laws and regulations. This includes diligent segregation, careful handling, safe storage, and responsible disposal of waste through authorised vendors. Our waste management systems are designed in accordance with industry standards, ensuring effective management and adherence to established protocols. By maintaining a robust waste management framework, we prioritise environmental sustainability and fulfil our commitment to responsible waste-handling practices.

Waste management practices:

- Developing hazardous waste management SOPs
- A storage facility has been established to accommodate both hazardous and non-hazardous waste
- In accordance with the laws and guidelines set by the state pollution control board, we employ various methods such as reuse, recycling, reprocessing, recovery, treatment, and disposal to ensure proper management of the waste.
- Disposing of Hazardous Waste to the authorised recycler of the Pollution Control Board
- Efficient treatment plants to treat the water before discharging it to central ETPs

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

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

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

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

Yes, the Company is compliant to all applicable law/regulations/guidelines.

S.No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

PRINCIPLE 7: Businesses, When Engaging in Influencing Public and Regulatory Policy, Should Do So In A Manner That Is Responsible And Transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

10

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	All India Federation of Horological Industries	National
3	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4	PHD Chamber of Commerce & Industry	National
5	Electronic Industries Association of India	National
6	Indo-French Chamber of Commerce & Industry (IFCCI)	National
7	Swiss-Indian Chamber of Commerce	National
8	Parwanoo Industries Association (PIA)	State
9	Peenya Industries Association	State
10	Karnataka Employers Association	State

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

Name of authority	Brief of the case	Corrective action taken
NIL		

PRINCIPLE 8: **Businesses Should Promote Inclusive Growth and Equitable Development**

Essential Indicators

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

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

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

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

3. Describe the mechanisms to receive and redress grievances of the community.

KDDL has established a whistle-blower mechanism to address grievances from the community, providing an avenue for reporting concerns. Individuals can submit their grievances by emailing whistleblower@kddl.com. To address any community grievances, individuals can also contact the assigned representative at our corresponding manufacturing facilities.

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

	2022-23	2021-22
Directly sourced from MSMEs/ small producers	17.5%	18.3%
Sourced directly from within the district and neighbouring districts	32.1%	30.2%

Leadership Indicators

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Support Children in the areas of Health, Basic necessities, Education, Nutrition and Livelihood programme	9	100%
2	Saketri Project – Slum Area Development	700	100%
3	Million Tree Project	2500 saplings planted and 62,262 as of date.**	100%
4	Organ Donation project	2548*	100%
5	Promoting Healthcare- Medical assistance to poor patients	75	100%
6	Education of Children and vocational training	70	100%
7	Toilet project	Maintenance of a cemetery in Chandigarh**	100%

*2547- No of people sensitised through awareness programmes; 1 – No of people treated

**No. of beneficiaries cannot be determined

PRINCIPLE 9: Businesses Should Engage With and Provide Value To Their Consumers In A Responsible Manner

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

At KDDL, we deeply understand the significance of consumer feedback and complaints for the growth and success of our organisation. We highly value the importance of these inputs and have established multiple mechanisms to actively engage with consumers. We offer various channels for consumers to provide feedback and redress complaints:

- Customer engagement SOPs and protocols are defined, as applicable
- Email communication
- CAPA process
- Keeping a register in an Excel file for customer feedback/complaints, as applicable

Quality alerts (with regards to the problem, its root cause, and corrective action details) and communicating the same with our customers

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product Safe and responsible usage Recycling and/or safe disposal	NIL

3. Number of consumer complaints in respect of the following:

	2022-23		Remarks	2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not applicable
Forced recalls	0	

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

Yes.

KDDL's IT policy encompasses protection against cyber-security threats and safeguards for data privacy concerns, addressing potential risks in both areas. The policy ensures comprehensive measures are in place to mitigate cyber-security and data privacy risks within the organisation.

The policy is available on the intranet of the Company and data privacy terms on the website. Website link

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

Not applicable

INDEPENDENT AUDITOR'S REPORT

To the Members of **KDDL Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

OPINION

We have audited the accompanying standalone Ind AS financial statements of KDDL Limited ("the Company"), which comprise the Balance sheet as at 31st March 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Investments in Kamla International Holdings SA (a subsidiary of the Company) (as described in Note 47(a) of the standalone Ind AS financial statements)	
During the current year, impairment indicators were identified by the management on the investments in Kamla International Holdings SA of Rs 1,944.36 lakhs. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognised. For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Further, the determination of the recoverable amount of the investments in Kamla International Holdings SA involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.	Our audit procedures amongst others included the following: • We assessed and tested management's controls over the assessment of the carrying value of Investment, property, plant and equipment and other non-current assets to assess whether any asset impairment was required. • We evaluated the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also assessed the objectivity and independence of Company's specialists involved in the process. • We evaluated the assumptions around the key drivers of the cash flow forecasts including estimated reserve, discount rates, expected growth rates and terminal growth rates used.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
Accordingly, the impairment of investments in Kamla International Holdings SA was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	• We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used with particular focus on drivers of the growth rates, margins and discount rate used in the impairment models. • We tested the arithmetical accuracy of the model. • We assessed the adequacy of the disclosures included at Note 47(a) and other relevant disclosures including significant accounting judgements, estimates and assumptions made in the standalone Ind AS financial statements.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the **"Annexure 1"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except as disclosed in note 47(b) to the standalone financial statements the backup of the books of account and other books and papers maintained in electronic mode in relation to two units of the Company has not been maintained on servers physically located in India on daily basis;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;

INDEPENDENT AUDITOR'S REPORT (Contd.)

(g) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"** to this report;

(h) In our opinion, the managerial remuneration for the year ended 31st March 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 47(c) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 to the standalone Ind AS financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. Also, as stated in note 35(ii) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1st April 2023, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN: 23087921BGXAUJ7963

Place of Signature: New Delhi
Date: 26th May 2023

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE

Re: KDDL Limited ("the Company")

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) Property, plant and equipment have been physically verified by the management during the year under a regular programme of verification in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 3 to the standalone Ind AS financial statements included in property, plant and equipment are held in the name of the Company. However, for one leasehold land of INR 5.67 lakhs situated at Parwanoo, the Company is in process of completing formalities for transferring the title deed in its own name. Currently, the lease agreement is in the name of M/s Himanchal Fine Blanks Limited which got amalgamated with the Company in January 2013.

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31st March 2023.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no discrepancies of 10% or more were noticed in respect of such confirmations.

(ii) (b) As disclosed in Note 17 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee or provided security to companies and employees as follows:

Amount (INR in lacs)

Particulars	Loans	Guarantees
Aggregate amount of loans/Guarantees provided during the year		
- Subsidiaries	1,244.60	2,082.73
- Employees	58.27	-
Balance outstanding as at balance sheet date in respect of above loans/ Guarantees		
- Subsidiaries	1,244.60	2,082.73
- Employees	44.16	-

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

(iii) (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(iii) (c) The Company has granted loans during the year to a company and other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

ANNEXURE 1 (Contd.)

(iii) (e) There were no loans or advance in the nature of loan granted to companies or other parties which were fallen due during the year, those have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to any Company or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. Further, the Company has not accepted any amounts which are deemed to be deposits during the year and accordingly, the provisions of clause 3(v) to that extent are not applicable to the Company and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of precision components, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same. Further, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for other products of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except for estimated provision made by the Company in respect of unfulfilled export obligation against advance license and EPCG license aggregating to Rs. 19.18 lakhs which would be paid as and when assessed.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Unpaid amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax, 1961	Disallowance u/s 14 A	1.43	AY 2009 – 2010	ITAT, New Delhi
Income Tax, 1961	Transfer pricing adjustment	71.02	AY 2012 – 2013	ITAT, New Delhi
Income Tax, 1961	Disallowance u/s 43B	39.38	AY 2018 – 2019	Intimation u/s Section 143(1)
Income Tax, 1961	Disallowance u/s 36(1)	2.91	AY 2019 – 2020	CIT (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Term loans were applied for the purpose for which the loans were obtained by the Company.

(ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 44 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

ANNEXURE 1 (Contd.)

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 31(b) to the standalone Ind AS financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 31(b) to the standalone Ind AS financial statements.

(xxi) The requirement to report on clause 3(xxi) of the Order is not applicable to the standalone Ind AS financial statements of the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN: 23087921BGXAUJ7963

Place of Signature: New Delhi
Date: 26th May 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF KDDL LIMTED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of KDDL Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE 2 (Contd.)

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN: 23087921BGXAUJ7963

Place of Signature: New Delhi
Date: 26th May 2023

STANDALONE BALANCE SHEET

AS AT 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,292.41	9,318.24
Capital work-in-progress	3	940.20	227.33
Right-of-use assets	41	776.99	930.48
Investment property	41	-	12.16
Intangible assets	4	22.54	9.51
Intangible asset under development	4	-	1.91
Financial assets			
- Investments	5	14,612.84	13,779.47
- Loans	6	1,320.69	79.96
- Other financial assets	6A	328.39	94.90
Income tax assets (net)	7	343.46	375.62
Other non-current assets	8	391.25	122.60
Total non-current assets		**29,028.77**	**24,952.18**
Current assets			
Inventories	9	3,908.02	2,790.38
Financial assets			
- Trade receivables	10	6,001.82	4,514.61
- Cash and cash equivalents	11	505.04	1,336.37
- Other bank balances	12	710.07	296.81
- Loans	6	61.30	69.37
- Other financial assets	13	327.41	254.07
Other current assets	14	797.86	970.89
Total current assets		**12,311.52**	**10,232.50**
Total assets		**41,340.29**	**35,184.68**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,262.42	1,282.42
Other equity	16	24,060.57	20,374.89
Total equity		**25,322.99**	**21,657.31**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	3,964.18	3,902.79
- Lease liabilities	41	127.43	239.43
- Other financial liabilities	18	157.37	104.81
Provisions	19	-	-
Deferred tax liabilities (net)	20	447.12	523.07
Total non-current liabilities		**4,696.10**	**4,770.09**
Current liabilities			
Financial liabilities			
- Borrowings	17	4,015.23	2,936.98
- Lease liabilities	41	178.45	238.66
- Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		108.10	119.57
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,579.64	1,942.58
- Other financial liabilities	18	1,865.61	1,440.78
Other current liabilities	22	1,779.10	1,673.35
Provisions	19	675.80	369.56
Current tax liabilities (net)	23	119.27	35.80
Total current liabilities		**11,321.20**	**8,757.28**
Total liabilities		**16,017.30**	**13,527.37**
Total equity and liabilities		**41,340.29**	**35,184.68**
Significant accounting policies	2		
Notes to the standalone Ind AS financial statements	3-52		

The accompanying notes form an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

	Note	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations	24	30,480.61	21,796.13
Other income	25	5,880.41	540.56
Total income		**36,361.02**	**22,336.69**
EXPENSES			
Cost of raw materials consumed	26	7,756.52	5,757.53
Changes in inventories of finished goods, work-in-progress and scrap	27	(159.05)	(42.25)
Employee benefits expenses	28	10,159.86	6,490.71
Finance costs	29	851.00	753.79
Depreciation and amortisation expense	30	1,271.03	1,175.09
Other expenses	31	7,557.88	5,461.54
Total expenses		**27,437.24**	**19,596.41**
Profit before income tax		**8,923.79**	**2,740.28**
Income tax expense:	32		
- Current tax		2,065.63	687.26
- Current tax for earlier years		10.98	0.52
- Deferred tax (credit)		(61.61)	(11.92)
- Deferred tax (credit)/charge for earlier years		(14.34)	16.04
- Deferred tax (credit) due to change in rate		-	(80.98)
Total income tax expense		**2,000.66**	**610.92**
Profit for the year		**6,923.13**	**2,129.36**
Other comprehensive income / (expense)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit (liability) / asset		(21.45)	12.81
Income tax on remeasurement of defined benefit asset /(liability)		5.40	(3.22)
Other comprehensive income/ (expense) for the year (net of income tax)		**(16.05)**	**9.59**
Total comprehensive income for the year		**6,907.08**	**2,138.95**
Earnings per share [nominal value of share Rs. 10 (previous year Rs. 10)]			
Basic (Rs.)	33	54.49	16.86
Diluted (Rs.)		54.49	16.86

Significant accounting policies 2

Notes to the standalone Ind AS financial statements 3-52

The accompanying notes form an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

STANDALONE STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

A. EQUITY SHARE CAPITAL

	Note	
Balance as at 1st April 2021	**15**	**1,165.01**
Issue of share capital during the year		108.70
Balance as at 31st March 2022	**15**	**1,273.71**
Share capital bought back during the year	49	(19.99)
Balance as at 31st March 2023		**1,253.72**

B. OTHER EQUITY

	Reserves and surplus					Total
	Securities premium	General reserve	Retained earnings	Capital Redemption Reserve	Capital reserve (on amalgamation)	
Balance as at 1st April 2021	**9,480.99**	**2,776.20**	**3,572.09**	**-**	**300.00**	**16,129.26**
Total comprehensive income for the year ended 31st March 2022						
Profit for the year	-	-	2,129.36	-	-	2,129.36
Other comprehensive income for the year (net of income tax)	-	-	9.59	-	-	9.59
Total comprehensive income for the year	**-**	**-**	**2,138.95**	**-**	**-**	**2,138.95**
Issue of equity shares for cash (Refer to Note 50)	2,391.30	-	-	-	-	2,391.30
Share issue expenses (Refer to Note 50)	(93.56)	-	-	-	-	(93.56)
Dividend (Refer to Note 35)	-	-	(191.06)	-	-	(191.06)
Balance as at 31st March 2022	**11,778.73**	**2,776.20**	**5,519.97**	**-**	**300.00**	**20,374.89**
Total comprehensive income for the year ended 31st March 2023						
Profit for the year	-	-	6,923.13	-	-	6,923.13
Other comprehensive income for the year (net of income tax)	-	-	(16.05)	-	-	(16.05)
Total comprehensive income for the year	**-**	**-**	**6,907.08**	**-**	**-**	**6,907.08**
Buy back of equity shares	(2,080.00)	-	(19.99)	19.99	-	(2,080.00)
Expenses for buy back of equity shares (Net of tax)			(23.69)	-		(23.69)
Dividend (Refer to Note 35)	-	-	(632.85)	-	-	(632.85)
Tax on buy back of equity shares	-	-	(484.86)	-	-	(484.86)
Balance as at 31st March 2023	**9,698.73**	**2,776.20**	**11,265.65**	**19.99**	**300.00**	**24,060.57**

Significant accounting policies	2
Notes to the standalone Ind AS financial statements	3-52

The accompanying notes form an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
Cash flow from operating activities		
Profit before income tax	8,923.79	2,740.28
Adjustments for:		
Depreciation and amortisation expenses	1,271.03	1,175.09
Liabilities/ provision no longer required written back	(0.27)	(14.52)
Provision for bad and doubtful debts no longer required written back	(4.19)	(0.98)
Net loss/(gain) on sale of property, plant and equipment	15.30	(0.21)
Interest income	(115.26)	(57.26)
Dividend income	(0.35)	(0.24)
Interest expense	815.14	731.82
Unrealised foreign exchange (gain)	(117.78)	(49.05)
Property, plant and equipment written off	33.14	13.48
Bad debts/ advances/deposits written off	5.19	25.37
Profit from Sale of Brands	(3,900.00)	-
Profit from Sale of Investments	(1,069.96)	-
Impairment in value of non-current investments no longer required written back	-	(98.43)
Net change in fair value of financial assets (at FVTPL)	(0.68)	(0.21)
Change in fair value of derivative contracts	13.67	(9.43)
Operating cash flow before working capital changes	**5,868.77**	**4,455.70**
Changes in working capital:		
Decrease/(Increase) in loans	11.94	(17.97)
(Increase) in other non-current and other current financial assets	(240.31)	(4.07)
Decrease/ (Increase) in other non-current and other current assets	158.45	(210.71)
(Increase) in inventories	(1,117.64)	(141.55)
(Decrease) in trade receivables	(1,444.84)	(1,292.40)
Increase/(Decrease) in provisions	306.24	(14.02)
Increase in trade payables	642.66	579.35
Increase in other financial liabilities	397.49	293.72
Increase/(Decrease) in other current liabilities	1,393.75	(183.38)
Cash generated from operating activities	**5,976.51**	**3,464.67**
Income tax (paid), net	(1,955.57)	(686.64)
Net cash generated from operating activities (A)	**4,020.94**	**2,778.03**
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets (including capital advances)	(2,935.12)	(1,286.30)
Proceeds from sale of property, plant and equipment and intangible assets	2,614.63	1,302.23
Loan given to Subsidiary	(1,186.96)	-
Proceeds from sale of Investments	1,083.96	-
Payment for purchase of investments in subsidiaries	(846.70)	(2,934.86)
Movement in other bank balances	(383.47)	4.62
Interest received	42.36	45.15
Dividend received	0.35	0.24
Net cash (used) in investing activities (B)	**(1,610.94)**	**(2,868.92)**
Cash flow from financing activities		
Proceeds from issue of equity share capital (including premium)	-	2,500.01
Buy back of Equity Shares	(2,100.00)	-
Expenses for buy back of equity shares (Net of tax)	(23.69)	-

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
Tax on buy back of Equity shares	(484.86)	-
Share issue expenses	-	(93.57)
Proceeds from non-current borrowings	1,729.61	2,431.48
Repayment of non-current borrowings	(2,363.28)	(2,356.05)
Repayments of/proceeds from current borrowings (net)	1,773.31	(1,005.83)
Principal portion of lease payments	(246.57)	(223.56)
Interest portion of lease payments	(46.99)	(66.68)
Interest expense paid	(817.09)	(636.02)
Dividend paid	(661.77)	(191.06)
Net cash flow (used)/from financing activities (C)	**(3,241.33)**	**358.72**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(831.33)**	**267.83**
Cash and cash equivalents at the beginning of the year (see below)	**1,336.37**	**1,068.53**
Cash and cash equivalents at the end of the year (see below)	**505.04**	**1,336.37**

Notes:

1. Components of cash and cash equivalents:

Balances with banks in current accounts	219.74	718.45
Balances with banks in cash credit accounts	74.60	110.84
Deposits with original maturity of less than three months	205.00	500.00
Cash on hand	5.70	7.08
	505.04	**1,336.37**

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).
3. Refer note 17 for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies 2

Notes to the standalone Ind AS financial statements 3-52

The accompanying notes form an integral part of the standalone Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors of **KDDL Limited**

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Anil Gupta
Partner
Membership No. 87921

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: New Delhi
Date: 26th May 2023

Place: Gurugram
Date: 26th May 2023

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

1. CORPORATE INFORMATION

KDDL Limited ('the Company'), is a public limited company domiciled in India and was incorporated in January 1981 under the provisions of the Companies Act applicable in India. The Company is listed on BSE Limited and National Stock Exchange (NSE) of India Limited in India. The registered office of the Company is located at Plot No.3, Sector III, Parwanoo, Himachal Pradesh, India – 173220.

The Company is primarily engaged in the business of manufacturing dials, watch hands and precision components. Currently, the Company has its manufacturing facilities, at Parwanoo (Himachal Pradesh) and Derabassi (Punjab) – dial manufacturing, Bengaluru (Karnataka) - hands and precision components manufacturing. During the current year, the Company has initiated the process of setting up of a new plant for manufacturing steel bracelets for watches at Bangalore (Karnataka).

The standalone Ind AS financial statements were approved for issue in accordance with a resolution of the directors on 26th May 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone Ind AS financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

The standalone Ind AS financial statements provide comparative information in respect of the previous year.

Basis of measurement

The standalone Ind AS financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required under relevant Ind AS.

- Certain financial assets and liabilities are measured at fair value (Refer accounting policy regarding financial instruments in Note n)
- Defined benefit plans- plan assets are measured at fair value

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held for primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held for primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of liability for at least twelve after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment ('PPE')

Recognition and measurement

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if the recognition criteria is met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

(All amounts are in Indian Rupees Lacs, except for share data)

Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if,

(a) It is probable that future economic benefits associated with the item will flow to the entity, and

(b) The cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with related amendments. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Buildings – factory	30 Years	30 Years
Roads	10 Years	10 Years
Plant and equipment*	15 Years	3- 15 Years
Furniture and fittings	10 Years	10 Years
Office equipment	5 Years	5 Years
Computers	3 Years	3 Years
Vehicles	8 Years	5- 8 Years

Depreciation on improvements carried out on buildings taken on lease is provided over the period of the lease or useful life of assets, whichever is lower. Refer lease policy at point 'm' below for period of leases.

* The Company, based on technical assessment made by technical expert and management estimate, depreciates tools included in plant and equipment over estimated useful lives of 3 and 15 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derocogntion of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

c. Intangible assets

Acquired Intangible

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Technical know-how 4 Years
- Software 6 Years

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Intangible asset under development that are acquired by the Company comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

d. Inventories

Inventories are valued at the lower of cost and net realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Traded Goods	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Scrap	Net realisable value

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

e. Retirement and other employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Company are also participants in the superannuation plan ("the Plan"), a defined contribution plan. The Company makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss. The social security costs, paid for the overseas employees, are in the nature of defined contribution schemes as per the laws of that country.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise. The Company presents the leave liability as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

f. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

g. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognised when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

h. Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

i. Revenue from contract with customer

Revenue from contracts with customers is recoganised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.

Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Also, in determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The Company disaggregates revenue from contracts with customers by geography.

Sale of services

The Company offers services in fixed term contracts and short term arrangement. Revenue from service is recognised when obligation is performed or services are rendered.

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Contract balances

Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

j. Recognition of interest income or expense

Interest income or expense is accrued on a time basis and recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current income tax assets and liabilities are measured at the amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

Sales/value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

m. Leases

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and equipment	3- 5 Years
Building	1- 10 Years
Leasehold land	99 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (o) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investment property

Investment property comprises of the sub lease portion of the right-of-use asset which is initially measured at cost. Subsequent to initial recognition, investment property is stated at cost less depreciation less impairment loss, if any. The cost includes an equivalent amount as reduced from the right-of-use asset at the time of commencement of the lease. The Company depreciates the investment property over the period of sub lease term.

n. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

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Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Company makes such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVPL)
- Financial liabilities at amortised cost (loans and borrowings)

A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

o. Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest Company of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

p. Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

q. Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash at banks and on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

s. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t. Cash dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u. Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v. Foreign currencies

The standalone Ind AS financial statements are presented in INR, which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

w. Fair value measurement

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23rd March 2022, to amend the following Ind AS which were effective from 1st April 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(iv) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

(v) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

All aforesaid amendments had no impact on the standalone financial statement of the Company for the year ended 31st March 2023.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

a) Revenue from contracts with customers

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and performance bonuses. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

b) Determining the lease term of contracts with renewal and termination options – Company as lessee

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

c) Defined benefit plans

The present value of the gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment

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(All amounts are in Indian Rupees Lacs, except for share data)

benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates for the respective countries.

d) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

e) Property, plant and equipment

Refer note 2.2(b) for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 3.

f) Intangible assets

Refer note 2.2(c) for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in note 4.

g) Contingencies

Refer note 2.2(g) and 36 for contingencies.

h) Impairment of financial assets

Refer note 2.2(n) for the policy to estimate the impairment of financial assets.

i) Impairment of non-financial assets

Refer note 2.2(o) for the policy to estimate the impairment of non-financial assets.

j) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Gross carrying amount

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment*	Vehicles	Total	Capital work-in-progress
Balance as at 1st April 2021	78.60	4,065.37	82.14	7,978.96	321.52	242.74	280.41	13,049.74	112.49
Additions	-	26.76	48.02	751.25	43.79	84.44	152.45	1,106.70	192.33
Disposals	-	-	-	(50.81)	(0.22)	(0.38)	(5.66)	(57.07)	(77.49)#
Balance as at 31st March 2022	**78.60**	**4,092.12**	**130.16**	**8,679.40**	**365.08**	**326.80**	**427.20**	**14,099.37**	**227.33**
Balance as at 1st April 2022	78.60	4,092.12	130.16	8,679.40	365.08	326.80	427.20	14,099.37	227.33
Additions [refer to note (c) below]	-	532.10	-	828.21	97.63	114.18	482.41	2,054.54	1,520.29
Disposals	-	-	-	(49.31)	(0.51)	(5.11)	(111.24)	(166.16)	(807.42)#
Balance as at 31st March 2023	**78.60**	**4,624.22**	**130.16**	**9,458.30**	**462.20**	**435.87**	**798.37**	**15,987.74**	**940.20**
Accumulated depreciation									
Balance as at 1st April 2021	-	430.57	46.53	3,008.00	153.52	154.38	110.72	3,903.72	-
Depreciation for the year	-	142.81	8.66	654.59	27.62	50.47	34.83	918.97	-
Disposals	-	-	-	(36.66)	(0.00)	(0.32)	(4.58)	(41.57)	-
Balance as at 31st March 2022	**-**	**573.38**	**55.19**	**3,625.92**	**181.14**	**204.53**	**140.97**	**4,781.12**	-
Balance as at 1st April 2022	-	573.38	55.19	3,625.92	181.14	204.53	140.97	4,781.12	-
Depreciation for the year	-	149.43	36.00	663.37	27.33	59.10	82.04	1,017.27	-
Disposals	-	-	-	(15.60)	(0.38)	(4.22)	(82.89)	(103.09)	-
Balance as at 31st March 2023	**-**	**722.81**	**91.19**	**4,273.69**	**208.09**	**259.41**	**140.12**	**5,695.29**	**-**
Carrying amounts (net)									
At 31st March 2022	**78.60**	**3,518.74**	**74.97**	**5,053.48**	**183.94**	**122.27**	**286.23**	**9,318.24**	**227.33**
At 31st March 2023	**78.60**	**3,901.41**	**38.97**	**5,184.61**	**254.11**	**176.46**	**658.25**	**10,292.41**	**940.20**

Represents capital work in progress capitalised during the current year and previous year.

*Including block of computers

Notes:

a. Refer to Note 17 for information on property, plant and equipment that are pledged as security by the Company.

b. Refer to Note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. The Company has capitalised the following expense of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	31st March 2023	31st March 2022
Rent	12.53	8.75
Salaries and wages	39.44	-
Legal and Professional	13.45	-
Travelling and conveyance	11.34	-
Repair and maintenance (others)	5.30	-
Security service charges	3.58	-
Rates & Taxes	3.04	-
Bank charges	2.55	-
Contractual labour expenses	1.35	
Stores and spares consumed	1.31	-
Communication expenses	1.17	-
Power and fuel	0.72	-
Miscellaneous Expenses	3.03	
	98.80	**8.75**

Capital work in progress (CWIP) Ageing Schedule

As at 31st March 2023	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	824.21	12.52	1.18	13.13	851.04
Material purchased for inhouse development of tools	49.13	11.86	6.25	21.92	89.16
Projects temporarily suspended	-	-	-	-	-
Total	**873.34**	**24.38**	**7.43**	**35.05**	**940.20**

As at 31st March 2022	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	118.57	1.18	8.17	5.09	133.01
Material purchased for inhouse development of tools	46.94	16.24	7.27	23.86	94.31
Projects temporarily suspended	-	-	-	-	-
Total	**165.51**	**17.42**	**15.45**	**28.95**	**227.33**

4 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Gross carrying amount

	Technical know-how	Softwares	Total	Intangible asset under development
Balance as at 1st April 2021	23.03	140.81	163.84	-
Additions- acquired	-	7.84	7.84	1.91
Disposals	-	-	-	-
Balance as at 31st March 2022	**23.03**	**148.65**	**171.68**	**1.91**
Balance as at 1st April 2022	23.03	148.65	171.68	1.91
Additions- acquired	-	25.77	25.77	7.70
Disposals	-	-	-	(9.61)
Balance as at 31st March 2023	**23.03**	**174.42**	**197.45**	**-**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Technical know-how	Softwares	Total	Intangible asset under development
Accumulated amortisation				
Balance as at 1st April 2021	16.13	129.34	145.47	-
Amortisation for the year	4.60	12.10	16.70	-
Disposals	-	-	-	-
Balance as at 31st March 2022	**20.73**	**141.44**	**162.17**	**-**
Balance as at 1st April 2022	20.73	141.44	162.17	-
Amortisation for the year	2.30	10.44	12.74	-
Disposals	-	-	-	-
Balance as at 31st March 2023	**23.03**	**151.88**	**174.91**	**-**
Carrying amounts (net)				
At 31st March 2022	**2.30**	**7.21**	**9.51**	**1.91**
At 31st March 2023	**-**	**22.54**	**22.54**	**-**

Intangible assets under development (IAUD) Ageing Schedule

As at 31st March 2023	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at 31st March 2022	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	1.91	-	-	-	1.91
Projects temporarily suspended	-	-	-	-	-
Total	**1.91**	**-**	**-**	**-**	**1.91**

5 INVESTMENTS

	Note	As at 31st March 2023	As at 31st March 2022
Non-current investments			
Quoted investments (fully paid up)			
Investment in equity shares (at cost)			
Subsidiary companies (at cost):			
- Ethos Limited 11,979,507 (31st March 2022: Nil) equity shares of Rs. 10 each fully paid up	(a), (b), (c)	11,371.40	-
Unquoted investments (fully paid up)			
Investment in equity shares (at cost)			
Subsidiary companies (at cost):			
- Pylania SA, Switzerland 7,550 (31st March 2022: 7,550) equity shares of Swiss Franc (CHF) 100 each fully paid up		281.24	281.24
- Ethos Limited Nil (31st March 2022: 12,119,588) equity shares of Rs. 10 each fully paid up"	(a), (b), (c)	-	11,385.41
- Mahen Distribution Limited 6,005,700 (31st March 2022: 6,005,700) equity shares of Rs. 10 each fully paid up"		936.00	936.00
- Kamla International Holdings SA, Switzerland 26,000 (31st March 2022: 16,000) equity shares of Swiss Franc (CHF) 100 each fully paid up	(d)	1,944.36	1,097.66

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Note	As at 31st March 2023	As at 31st March 2022
- Kamla Tesio Dials Limited 699,930 (31st March 2022: 6,99,930) equity shares of Rs. 10 each fully paid up		50.00	50.00
		14,583.00	**13,750.31**
Other Companies (Fair value through Statement of profit and loss):			
- Karolview Developers Private Limited 500,000 (31st March 2022: 500,000) equity shares of Rs. 10 each fully paid up		43.65	43.70
- Shivalik Waste Management Limited 17,500 (31st March 2022: 17,500) equity shares of Rs. 10 each fully paid up		5.74	5.01
		49.39	**48.71**
		14,632.38	**13,799.01**
Impairment in value of investments			
Subsidiary companies:			
- Kamla Tesio Dials Limited		19.54	19.54
		19.54	**19.54**
Total non-current investments		**14,612.84**	**13,779.47**
Aggregate book value of quoted investments		11,371.40	-
Aggregate Market value of quoted investments		1,15,188.95	-
Aggregate value of unquoted investments		3,241.44	13,779.47
Aggregate amount of impairment in value of investments		19.54	19.54

Notes:

(a) This includes Rs. 14.51 (31st March 2022: Rs. 14.51) which represents fair value of financial guarantees given to Ethos Limited.

(b) This includes Rs. 36.07 (31st March 2022: Rs. 36.07) which represents dividend on investment in preference shares of Ethos Limited which has been waived by the Company and is considered as quasi equity contribution as it is no longer payable by Ethos Limited.

(c) 'During the year, Ethos Limited, (a subsidiary company) completed its Initial Public Offering (IPO) of its equity shares which have been listed on National Stock Exchange (NSE) and 'Bombay Stock Exchange (BSE) with effect from 30th May, 2022. The subsidiary company has made an offer for sale of the equity shares of the Ethos Limited held by certain existing shareholders of the subsidiary company, which have been agreed by these existing shareholders (including 1,40,081 equity shares of Rs. 10 each held by the Company amounting to Rs. 14.01).

(d) During the year, the Company has invested Rs. 846.70 (CHF 10,00,000) in form of acquisition of 10,000 equity shares of CHF 100 each of Kamla International Holdings.

6 LOANS

(Unsecured and considered good)

	Non-Current	
	As at 31st March 2023	As at 31st March 2022
Loan to related party (refer to note 38)	1,244.60	-
Loan to employees		
- to related party (refer to note 38)	4.96	10.44
- to others	71.13	69.52
	1,320.69	**79.96**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)
(All amounts are in Indian Rupees Lacs, except for share data)

	Current	
	As at 31st March 2023	As at 31st March 2022
Loan to employees		
- to related party (refer to note 38)	12.01	11.53
- to others	49.29	57.84
	61.30	**69.37**

6A Other financial assets

(Unsecured and considered good)

	Non-Current	
	As at 31st March 2023	As at 31st March 2022
Security deposits	328.39	94.90
	328.39	**94.90**

7 INCOME TAX ASSET (NET)

	As at 31st March 2023	As at 31st March 2022
Advance income-tax (net of provision)	343.46	375.62
	343.46	**375.62**

8 OTHER NON-CURRENT ASSETS

(Unsecured and considered good)

	As at 31st March 2023	As at 31st March 2022
Capital advances	366.88	91.36
Prepaid expenses	24.37	31.24
	391.25	**122.60**

9 INVENTORIES

(at lower of cost and net realisable value)

	As at 31st March 2023	As at 31st March 2022
Raw materials*#	2,403.74	1,624.77
Work-in-progress	915.44	842.57
Finished goods	124.46	30.90
Stores and spares	464.38	284.76
Scrap	-	7.38
	3,908.02	**2,790.38**

*Includes goods-in-transit- raw materials amounting to Rs. 40.71 (Previous year: Rs. 25.63)

#Includes provision for inventory made during the year amounting to Rs. 72.26 (Previous year: Rs. 94.88)

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

10 TRADE RECEIVABLES

(Unsecured, considered good, unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022
Trade receivables from related parties (refer to note 38)	1,014.37	1,041.39
Trade receivables from others	4,990.23	3,480.19
Less : Allowance for expected credit loss	(2.78)	(6.97)
	6,001.82	**4,514.61**

	As at 31st March 2023	As at 31st March 2022
Break-up of security details		
Trade receivable considered good- unsecured	6,001.82	4,514.61
Trade receivables which have significant increase in credit risk	-	-
Trade receivable- credit impaired	2.78	6.97
Total	**6,004.60**	**4,521.58**
Allowance for expected credit loss	(2.78)	(6.97)
Total trade receivables	**6,001.82**	**4,514.61**

Trade receivables ageing schedule

As at 31st March 2023	Outstanding for following periods from the date of transaction					
	< 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	> 3 years	Total
Undisputed Trade Receivable- considered good	5,839.06	145.61	17.15	-	-	6,001.82
Udisputed Trade Receivable- which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivable- credit impaired	-	-	1.00	-	1.78	2.78
Total	**5,839.06**	**145.61**	**18.15**	**-**	**1.78**	**6,004.60**

As at 31st March 2022	Outstanding for following periods from the date of transaction					
	< 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	> 3 years	Total
Undisputed Trade Receivable- considered good	4,352.23	159.04	2.33	1.02	-	4,514.61
Udisputed Trade Receivable- which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivable- credit impaired	-	-	-	1.78	5.19	6.97
Total	**4,352.23**	**159.04**	**2.33**	**2.80**	**5.19**	**4,521.58**

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in Note 34B.

11 CASH AND CASH EQUIVALENTS

	As at 31st March 2023	As at 31st March 2022
Balances with banks		
- in current accounts	219.74	718.45
- in cash credit accounts	74.60	110.84
Deposits with original maturity of less than three months	205.00	500.00
Cash on hand	5.70	7.08
	505.04	**1,336.37**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

12 OTHER BANK BALANCES

	Note	As at 31st March 2023	As at 31st March 2022
Deposit accounts with original maturity more than 3 months and maturing within 12 months from the reporting date	(a)	653.70	270.23
Balance in unclaimed dividend accounts		56.37	26.58
		710.07	**296.81**

Note:

(a) These deposits represent restricted bank deposits amounting to Rs. 653.70 (31st March 2022: Rs. 270.23) on account of deposits pledged as security for deposits from shareholders, bank guarantee and margin money.

13 OTHER FINANCIAL ASSETS

(Unsecured and considered good)

	As at 31st March 2023	As at 31st March 2022
Interest receivable from related party (refer to note 38)	57.64	-
Interest accrued but not due on deposits	27.16	11.90
Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	3.05	9.43
Recoverable from related parties (refer to note 38)	34.77	27.72
Recoverable from / balance with government authorities	183.73	114.73
Recoverable from others	2.92	2.96
Security deposits	18.14	87.33
	327.41	**254.07**

14 OTHER CURRENT ASSETS

(Unsecured and considered good)

	As at 31st March 2023	As at 31st March 2022
Recoverable from / balance with government authorities	139.43	453.75
Advances for supply of goods and services (refer to note 38)	305.14	187.48
Advances to employees (refer to note 38)	94.97	54.29
Prepaid expenses	137.04	87.81
Advance payment for gratuity (refer to note 37)	100.42	173.93
Prespent CSR expenditure [refer to note 31(b)]	20.86	13.63
	797.86	**970.89**

15 EQUITY SHARE CAPITAL

(i) Details of share capital

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each	2,80,00,000	2,800.00	2,50,00,000	2,500.00
	2,80,00,000	**2,800.00**	**2,50,00,000**	**2,500.00**
Issued				
Equity shares of Rs. 10 each	1,27,11,397	1,271.14	1,29,11,344	1,291.13
	1,27,11,397	**1,271.14**	**1,29,11,344**	**1,291.13**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount	Number of shares	Amount
Subscribed and paid up capital				
Equity shares of Rs. 10 each fully paid up	1,25,37,117	1,253.71	1,27,37,064	1,273.71
Forfeited equity shares of Rs.10 each	1,74,280	8.71	1,74,280	8.71
	1,27,11,397	**1,262.42**	**1,29,11,344**	**1,282.42**

(ii) Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iii) Reconciliation of the shares outstanding at beginning and at the end of the year

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,27,37,064	1,273.71	1,16,50,108	1,165.01
Add: shares issued during the year	-	-	10,86,956	108.70
Less: Shares extinguished on buy back during the year (Refer to Note 49)	1,99,947	19.99	-	-
Balance at the end of the year	**1,25,37,117**	**1,253.71**	**1,27,37,064**	**1,273.71**

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
Yashovardhan Saboo	22,67,407	18.09%	20,07,293	15.76%
Rajendra Kumar Saboo (RKS JS Family Trust)	14,16,683	11.30%	14,00,058	10.99%
Elevation Capital V FII Holdings Limited (formerly known as Saif India V FII Holdings Limited)	-	0.00%	10,08,400	7.92%
Elevation Capital V Limited (formerly known as Saif Partners India V Limited)	4,09,107	3.26%	7,54,716	5.93%
Pranav Shankar Saboo	7,99,051	6.37%	7,99,051	6.27%
Jupiter India Fund	6,72,521	5.36%	6,72,521	5.28%
R. K. Saboo	5,84,412	4.66%	5,84,412	4.59%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash (during five years immediately preceding 31st March 2023)

During the five years immediately preceding 31st March 2023, no bonus shares have been issued. In relation to Buy back the Company bought back 1,99,947 equity shares for an aggregate amount of Rs. 2099.99 being 1.57% of the total paid up equity share capital at average price of Rs. 1050 per equity share. The equity shares bought back were extinguished on 14th February, 2023. Further, no shares have been issued for consideration other than cash except during the year ended 31st March 2020, 16,500 equity shares of Rs. 10 each was issued under employee stock option plans for which only exercise price had been received in cash.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(vi) Equity shares of Rs. 10 each fully paid up held by

Promotors Shareholdings		As at 31st March 2023			As at 31st March 2022		
S. No.	Promoter's Name	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
1	Rajendra Kumar Saboo (HUF)	77,820	0.62%	0.01%	77,820	0.61%	(0.25%)
2	Yashovardhan Saboo (HUF)	55,052	0.44%	0.01%	55,052	0.43%	0.01%
3	Rajendra Kumar Saboo	5,06,592	4.04%	0.06%	5,06,592	3.98%	(9.25%)
4	Yashovardhan Saboo	22,12,355	17.65%	2.32%	19,52,241	15.33%	0.18%
5	Usha Devi Saboo	100	0.00%	0.00%	-	0.00%	0.00%
6	Anuradha Saboo	4,48,857	3.58%	0.15%	4,36,857	3.43%	(0.32%)
7	Asha Devi Saboo (Veena Kanoria Family Trust)	10,925	0.09%	(0.08%)	20,925	0.16%	(0.10%)
8	Satvika Saboo	1,51,328	1.21%	0.02%	1,51,328	1.19%	0.02%
9	Pranav Shankar Saboo	7,99,051	6.37%	0.10%	7,99,051	6.27%	0.43%
10	Vardhan Properties and Investment Private Limited	36,003	0.29%	0.00%	36,003	0.28%	0.01%
11	Dream Digital Technology Private Limited	29,415	0.23%	0.00%	29,415	0.23%	0.10%
12	Saboo Ventures LLP	52,840	0.42%	0.34%	10,038	0.08%	100.00%
13	Usha Devi Saboo (UDS JS Family Trust)	1,69,800	1.35%	0.02%	1,69,800	1.33%	(0.12%)
14	Rajendra Kumar Saboo (RKS JS Family Trust)	14,16,683	11.30%	0.31%	14,00,058	10.99%	100.00%
15	Swades Capital LLC	3,24,150	2.59%	0.04%	3,24,150	2.54%	(0.24%)
	Total	**62,90,971**	**50.18%**		**59,69,330**	**46.87%**	

16 OTHER EQUITY

(also refer to Statement of Changes in Equity)

(i) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilised in accordance with the applicable provisions of the Companies Act, 2013.

(ii) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

(iii) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

(iv) Capital Reserve (on amalgamation)

Capital Reserve has been created pursuant to the scheme of amalgamation with Satva Jewellery and Design Limited approved by the Hon'ble National Company Law Tribunal. Refer to note 46.

(v) Capital Redemption Reserve

The Company has bought back 1,99,947 equity shares during the year. Accordingly, Section 69 of Companies Act, 2013 require to create capital redemption reserve equal to nominal value of shares bought back where the Company purchases its own shares out of free reserves or security premium account. Therefore, the Company has transferred the amount equal to nominal value to capital redemption reserve out of its free reserves.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

17 BORROWINGS

		Note	As at 31st March 2023	As at 31st March 2022
(i)	**Non-current borrowings**			
	Term loans			
	From banks (secured)	(a)	357.79	81.95
	From others (secured)	(b)	2,364.48	3,572.76
			2,722.27	**3,654.71**
	Deposits from shareholders and directors			
	Related parties (unsecured) (refer to note 38)	(c)		
	- From Directors		772.41	858.95
	- From Others		296.36	113.48
	From others (unsecured)	(c)	1,797.85	1,595.42
			2,866.62	**2,567.85**
	Total non-current borrowings (including current maturities)		**5,588.89**	**6,222.56**
	Less : Current maturities of non-current borrowings (refer to note 17(ii))		1,624.71	2,319.77
			3,964.18	**3,902.79**

Notes:

(a) - Vehicle loans from banks amounting to Rs. 357.79 (31st March 2022: Rs. 81.95) carrying interest rate in the range of 6.90% to 9.50% (previous year 6.90% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(b) - Term loan from Tata Capital Financial Services Limited amounting to Rs. 117.27 (31st March 2022: Rs. 292.72) carrying interest rate equal to LTLR less 8.75% (presently 10.80%) (previous year 9.00%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru 560058 (Karnataka). The loan is to be repaid in 52 monthly installments of Rs. 14.65 as per the repayment schedule in equal annual installments commencing from 30th July 2018. The last instalment would be repaid on 20th November 2023.

- Term loan from Tata Capital Financial Services Limited amounting to Rs. 18.77 (31st March 2022: Rs. 18.77) carrying interest rate equal to 10.80% (previous year 9.00%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru 560058 (Karnataka). The loan is to be repaid in 4 monthly installments of Rs. 4.69 as per the repayment schedule in equal installments commencing from 20th August 2023. The last instalment would be repaid on 20th November 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. Nil (31st March 2022: Rs. 330.17) carrying interest rate of 9.35% (previous year 7.80%) is secured by pari passu charge by way of hypothecation of equipment procured out of the term loan, Mortgage of leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru. The loan of Rs. 1,200 was to be repaid in 43 instalments of Rs.21.13 and last instalment was paid on 5th October, 2022. The loan of Rs. 1,000 was to be repaid in 46 monthly installments of Rs. 20.83 as per the repayment schedule in equal monthly installments commencing from 5th January 2018. The last instalment was repaid on 5th March 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 158.63 (31st March 2022: Rs. 407.43) carrying interest rate of 9.35% (previous year 7.80%) is secured by way of first pari passu charge over movable fixed assets of the Company (except for specific vehicles pledged against respective loans). The loan is to be repaid in 48 instalments of Rs.20.83 as per the repayment schedule in equal monthly installments commencing from 5th September 2019. The Last instalment would be paid on 5th December 2023.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

- Term loan from Bajaj Finance Limited amounting to Rs. 444.44 (31st March 2022: Rs. 665.52) carrying interest rate of 9.35% (previous year 7.80%) is secured by way of first pari passu charge over movable fixed assets of the Company (except for specific vehicles pledged against respective loans). Also, it is secured by way of second pari passu charge over leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru. The loan is to be repaid in 18 instalments of Rs. 55.55 as per the repayment schedule in equal quarterly installments commencing from 5th September 2021. The Last instalment would be paid on 5th March 2025.
- Term loan from Bajaj Finance Limited amounting to Rs. 357.83 (31st March 2022: Rs. 513.00) carrying interest rate of 9.35% (previous year 8.00%) is secured by way of second pari passu charge over leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru over movable fixed assets, current assets and movable fixed assets of the Company (except for specific vehicles pledged against respective loans). The loan is to be repaid in 48 instalments as per the repayment schedule commencing from 5th April 2022 with one year of moratorium from the drawdown. The last instalment would be paid on 5th March 2025.
- Term loan from Bajaj Finance Limited amounting to Rs. 1234.56 (31st March 2022: Rs. 1300.00) carrying interest rate of 9.30% (previous year 7.50%) is secured by way of extention of charge over leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru over movable fixed assets, current assets and movable fixed assets of the Company (except for specific vehicles pledged against respective loans). The loan is to be repaid in 48 instalments as per the repayment schedule commencing from 5th January 2023 with one year of moratorium from the drawdown. The last instalment would be paid on 5th December 2026.
- Vehicle loans from Daimler Financial Services, Kotak Mahindra Prime Limited and Toyota Financial Services India Limited amounting to Rs. 32.98 (31st March 2022: Rs. 45.15) carrying interest rate in range of 7.43% to 9.50% (previous year 7.43% to 9.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(c) Deposits from shareholders and directors amounting to Rs. 2,866.62 (31st March 2022: Rs. 2,567.85) carrying interest rates in the range of 9.50% to 11.25% (previous year 9.50% to 11.25%) per annum are repayable in 1 years to 3 years from the respective dates of deposit.

	Note	As at 31st March 2023	As at 31st March 2022
(ii) Current borrowings			
Loans repayable on demand	(a)	1,032.67	296.15
From banks (secured)			
Liability against utilisation of bill discounting facility	(b)	580.99	154.91
From bank (secured)	(c)	0.00	146.10
From other (unsecured)			
Deposit from shareholders and directors (unsecured)			
Related parties (unsecured) (refer to note 38)	(d)	182.96	-
- From Directors	(d)	215.49	-
- From Others	(d)	378.41	20.05
From others (unsecured)			
		1,624.71	2,319.77
Current maturities of non-current borrowings [refer to note 17(i)]			
		4,015.23	**2,936.98**

Notes:

(a) Working capital borrowings from banks amounting to Rs. 1032.67 (31st March 2022: Rs. 296.15) carrying interest rate varying from 6.25% to 11.60% (previous year 6.25% to 8.90%) per annum are secured by hypothecation of stocks of stores and spares, raw materials

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

and components, finished goods and stock-in-process and book debts and other assets of the Company (both present and future), on pari passu basis except packaging unit (KPAC) and are further secured by a second charge on the entire fixed assets of the Company. These loans except loan from IDBI Bank amounting to Rs. 527.48 are also guaranteed by the Chairman & Managing Director of the Company and is repayable on demand.

(b) Liability against utilisation of bill discounting facility from bank amounting to Rs. 580.99 (31st March 2022: Rs. 154.91) carrying interest rate of 8.5%-8.77% (previous year: 7.15%) per annum is hypothecation of stocks of stores and spares, raw materials and components, finished goods and stock-in-process and book debts and other assets of the Company (both present and future), on pari passu basis and are further secured by a second charge on the entire movable fixed assets of the Company and immovable property situated at Haibtapur Road, Saddomajra, Derabassi, Mohali, Punjab. This facility is also guaranteed by the Chairman & Managing Director of the Company.

(c) Liability against utilisation of bill discounting facility from other amounting to Rs. Nil (31st March 2022: Rs. 146.10) was carrying interest rate of Nil (previous year: 5.50%) per annum.

(d) Deposits from shareholders and directors amounting to Rs. 776.86 (31st March 2022: Rs. 20.05) carrying interest rates in the range of 8% to 9% (previous year 8% to 9%) per annum are repayable within 1 year from the respective dates of deposit.

(e) The Company has filed quarterly statements of current assets with the banks in agreement with the books of accounts.

		Year ended 31st March 2023	Year ended 31st March 2022
(iii)	**Reconciliation of movements of liabilities to cash flows arising from financing activities**		
	Balance as at the beginning of the year (including current and non-current borrowings)	**6,839.77**	**7,770.17**
	Proceeds from non-current borrowings	1,729.61	2,431.48
	Repayment of non-current borrowings*	(2,363.28)	(2,356.05)
	Repayments of/proceeds from current borrowings (net)	1,773.31	(1,005.83)
	Balance as at the end of the year (including current and non-current borrowings)	**7,979.41**	**6,839.77**

*Repayment of non-current borrowings includes current maturities of non-current borrowings, disclosed under current borrowings in earlier year.

18 OTHER FINANCIAL LIABILITIES

	Non-Current	
	As at 31st March 2023	As at 31st March 2022
Interest accrued but not due (refer to note 38)	156.31	103.75
Security Deposits	1.06	1.06
	157.37	**104.81**

	Current	
	As at 31st March 2023	As at 31st March 2022
Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	7.29	-
Interest accrued but not due (refer to note 38)	143.31	255.80
Unpaid dividends*	27.47	26.60
Capital creditors	227.79	96.12
Employee related payables (refer to note 38)	1,459.75	1,055.49
Security Deposit		
- From related party (refer to note 38)	-	6.77
	1,865.61	**1,440.78**

* not due for deposit to investor education and protection fund

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

19 PROVISIONS

	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Provisions for employee benefits				
Liability for Employee Incentive*	-	-	300.00	-
Liability for compensated absences (refer to note 37)	-	-	375.80	369.56
	-	**-**	**675.80**	**369.56**

*Provision for employee incentive relates to provision made for likely payout of incentive to employees.

Provision for Employee Incentive

	As at 31st March 2023	As at 31st March 2022
Opening balance	**-**	**-**
Additions	300.00	-
Reversal/Utilisation	-	-
Closing balance	**300.00**	**-**

20 DEFERRED TAX LIABILITIES (NET)

	As at 31st March 2023	As at 31st March 2022
Deferred tax liabilities on		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	639.09	634.02
- MTM Gain on foreign exchange contracts	(1.07)	2.37
Deferred tax liabilities (A)	**638.02**	**636.38**
Deferred tax assets on		
- Expected credit loss allowance	0.70	1.76
- Provision for employee benefits	172.99	85.43
- Lease liabilities and Right of use assets (Net)	17.21	26.13
Deferred tax assets (B)	**190.90**	**113.31**
Net deferred tax liabilities (A - B)	**447.12**	**523.07**

(b) Movement in temporary differences:

2021-2022	As at 31st March 2021	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 31st March 2022
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	714.05	(80.03)	-	634.02
- MTM Gain/(loss) on foreign exchange contracts	-	2.37	-	2.37
- Expected credit loss allowance	(2.32)	0.56	-	(1.76)
- Provision for employee benefits	(85.95)	(2.70)	3.22	(85.43)
- Lease liabilities and Right of use assets (Net)	(29.07)	2.94	-	(26.13)
	596.71	**(76.86)**	**3.22**	**523.07**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

2022-2023	As at 31st March 2022	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 31st March 2023
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	634.02	5.07	-	639.09
- MTM Gain/(loss) on foreign exchange contracts	2.37	(3.44)	-	(1.07)
- Expected credit loss allowance	(1.76)	1.06	-	(0.70)
- Provision for employee benefits	(85.43)	(87.56)	-	(172.99)
- Lease liabilities and Right of use assets (Net)	(26.13)	8.92	-	(17.21)
	523.07	**(75.95)**	**-**	**447.12**

21 TRADE PAYABLES

	As at 31st March 2023	As at 31st March 2022
Dues of Micro Enterprises and Small Enterprises (refer to note below)	108.10	119.57
Trade payables to related parties (refer to note 38)	303.93	194.56
Other trade payables	2,275.71	1,748.02
	2,579.64	**1,942.58**
	2,687.74	**2,062.15**

Trade payables ageing schedule

As at 31st March 2023	Outstanding for following periods from the date of transaction					
	Unbilled	< 1 years	1 year to 2 years	2 years to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	3.79	104.30	-	-	-	**108.10**
Total outstanding dues of creditors other than micro enterprises and small enterprises	701.96	1,862.29	5.45	1.07	8.86	**2,579.64**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
Total	**705.76**	**1,966.60**	**5.45**	**1.07**	**8.86**	**2,687.74**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)
(All amounts are in Indian Rupees Lacs, except for share data)

As at 31st March 2022	Outstanding for following periods from the date of transaction					
	Unbilled	< 1 years	1 year to 2 years	2 years to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	3.79	115.77	-	-	-	**119.57**
Total outstanding dues of creditors other than micro enterprises and small enterprises	446.63	1,482.71	1.07	6.78	5.40	**1,942.58**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
Total	**450.42**	**1,598.48**	**1.07**	**6.78**	**5.40**	**2,062.15**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 31st March 2023	As at 31st March 2022
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	104.31	115.78
- Interest	3.79	3.79
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed date during each accounting year;	-	15.39
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006;	3.79	3.79
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	3.79	3.79
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	3.79	3.79

22 OTHER CURRENT LIABILITIES

	As at 31st March 2023	As at 31st March 2022
Advance from customers (refer to Note 52)	1,400.89	140.97
Advance received from a subsidiary company for sale of brand (Refer to Note 38)	-	1,300.00
Interest Payable on Income tax	12.00	-
Statutory dues	366.21	232.38
	1,779.10	**1,673.35**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

23 CURRENT TAX LIABILITIES (NET)

	As at 31st March 2023	As at 31st March 2022
Provision for income tax (net of advance tax)	119.27	35.80
	119.27	**35.80**

24 REVENUE FROM OPERATIONS

	Year ended 31st March 2023	Year ended 31st March 2022
Sale of products	28,600.64	20,451.87
Sale of services	734.15	406.53
Other operating revenues		
Export incentives	367.03	214.20
Scrap sales	778.79	723.53
	30,480.61	**21,796.13**

Revenue disaggregation as per industry vertical and geography has been included in segment information (refer to note 39)

a. Revenue from contracts with customers disaggregated based on nature of products and services

	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from sale of products		
- Precision and watch components	27,330.06	19,469.06
- Others	1,270.58	982.81
Sale of services	734.15	406.53
Other operating revenue	778.79	723.53
	30,113.58	**21,581.93**
Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss		
Total revenue from contracts with customers	30,113.58	21,581.93
Add: Items not included in disaggregated revenue:		
- Export Incentives	367.03	214.20
Revenue from operations as per the statement of profit and loss	**30,480.61**	**21,796.13**

b. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	Year ended 31st March 2023	Year ended 31st March 2022
Trade receivables (refer to note 10)	6,001.82	4,514.61
Advances from customers (refer to note 22)	1,400.89	140.97

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

25 OTHER INCOME

	Year ended 31st March 2023	Year ended 31st March 2022
Interest income		
Fixed deposits with banks*	36.12	35.72
Interest income from related parties* (refer to note 38)	58.67	1.38
Interest income from others*	20.47	20.16
Dividend income	0.35	0.24
Rental income (refer to note 38)	45.23	36.40
Liabilities/ provision no longer required written back	0.27	14.52
Provision for bad and doubtful debts no longer required written back (net)	4.19	0.98
Reversal of diminuition in the value of non-current investment	-	98.43
Exchange gain on foreign exchange fluctuations (net)	724.96	299.51
Net gain on sale of property, plant and equipment and intangible assets	-	0.21
Net change in fair value of financial assets (at FVTPL)	0.68	0.21
Profit from Sale of non current Investments (refer to note 50)	1,069.96	-
Profit from Sale of Brands (refer to note 51)	3,900.00	-
Miscellaneous income (refer to note 38)	19.52	32.80
	5,880.41	**540.56**

*on financial assets at amortised cost

26 COST OF RAW MATERIALS CONSUMED

	Year ended 31st March 2023	Year ended 31st March 2022
Inventory of raw materials at the beginning of the year	1,624.77	1,570.52
Purchases of raw materials	8,535.49	5,811.78
	10,160.26	**7,382.30**
Inventory of raw materials at the end of the year	2,403.74	1,624.77
	7,756.52	**5,757.53**

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP

	Year ended 31st March 2023	Year ended 31st March 2022
Opening stock		
Work-in-progress	842.57	777.10
Finished goods	30.90	57.44
Scrap	7.38	4.06
	880.85	**838.60**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
Less:		
Closing stock		
Work-in-progress	915.44	842.57
Finished goods	124.46	30.90
Scrap	-	7.38
	1,039.90	**880.85**
	(159.05)	**(42.25)**

28 EMPLOYEE BENEFITS EXPENSES

	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages* [refer to note 3 (c)]	9,235.87	5,717.58
Contributions to provident and other funds (refer to note 37)	558.13	484.70
Staff welfare expenses	365.86	288.43
	10,159.86	**6,490.71**

*net off reimbursement of salaries of Rs. Nil (previous year: Rs. 53.75) received for overseas employees under swiss labour laws on account of Covid-19.

29 FINANCE COSTS

	Year ended 31st March 2023	Year ended 31st March 2022
Interest expense on financial liabilities measured at amortised cost	768.15	665.14
Interest on lease liabilities (refer to note 41)	46.99	66.68
Other borrowing costs	35.85	21.98
	851.00	**753.79**

30 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on property, plant and equipment (refer to note 3)	1,017.27	918.97
Amortisation of other intangible asset (refer to note 4)	12.74	16.70
Depreciation of Right-of-use assets (refer to note 41)	228.87	223.21
Depreciation of investment property (refer to note 41)	12.15	16.21
	1,271.03	**1,175.09**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

31 OTHER EXPENSES

	Year ended 31st March 2023	Year ended 31st March 2022
Stores and spares consumed (refer to note 3(c))	1,246.48	995.28
Power, fuel, water and electricity charges (refer to note 3(c))	538.00	468.86
Contractual labour expenses (refer to note 38 and refer to note 3(c))	1,184.85	788.17
Insurance	43.61	34.57
Rent [refer to note 3(c) and 41]	22.91	5.83
Rates and taxes (refer to note 3(c))	45.35	24.59
Repair and maintenance		
- Plant and machinery	309.25	238.51
- Buildings	179.02	79.71
- Others (refer to note 3(c))	277.70	217.05
Legal and professional fees [refer to note (a) below, refer to note 3(c) and note 38]	551.45	498.46
Travelling and conveyance (refer to note 3(c))	640.18	413.70
Job charges (refer to note 38)	1,362.52	702.10
Bank Charges (refer to note 3(c))	62.92	52.57
Printing and stationery	36.01	34.09
Communication expenses (refer to note 3(c))	48.81	44.88
Commission	342.81	245.16
Events and exhibitions	148.52	136.59
Property, plant and equipment written off	33.14	13.48
Net loss on sale of property, plant and equipment	15.30	-
Donation	7.24	4.19
Bad debts/ advances / deposits written off	5.19	25.37
Directors' sitting fees (refer to note 38)	32.60	20.80
Security service charges (refer to note 3(c))	124.16	108.36
Corporate social responsibility expenditure [refer to note (b) below and note 38]	30.56	27.73
Miscellaneous expenses (refer to note 3(c))	269.30	281.49
	7,557.88	**5,461.54**

Note (a): Auditors' remuneration (excluding taxes as applicable)

	Year ended 31st March 2023	Year ended 31st March 2022
As Auditor		
- Statutory audit	25.50	14.30
- Limited review of quarterly results	7.50	6.00
In other capacity		
- Certification work*	5.02	2.82
- Others	7.50	-
- Reimbursement of expenses	1.72	0.65
	47.24	**23.77**

*Excluding Rs. 2.50 (31st March, 2022: Nil) which are considered as a part of expenses for buy back of equity shares (Refer to note 49)

*Excluding Nil (31st March, 2022: Rs. 18.00) which were considered as part of expenses for rights issue of equity shares.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Note (b): Detail of corporate social responsibility expenditure

	Year ended 31st March 2023	Year ended 31st March 2022
a. Gross amount required to be spent by the Company during the year	30.56	27.73
b. Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above [(refer to note c below and note 38)]	51.42	41.36
	51.42	**41.36**
c. Details related to spent / unspent obligations:		
(i) Contribution		
- Healthcare activities related to Covid-19 (brought forward from previous year)	13.63	21.57
- Supporting health activities	5.00	13.41
- Ensuring environmental sustainability	17.37	6.38
- Promotion of education	15.42	-
(ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
	51.42	**41.36**

	Year ended 31st March 2023	Year ended 31st March 2022
Excess CSR Expenditure eligible to be set-off against the CSR Spending mandate of succeeding three financial years (Refer to Note 14)	20.86	13.63
	20.86	**13.63**

Notes:

(a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 ("the Act"), in compliance with second proviso to sub section 5 of Section 135 of the Act.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act.

32 INCOME TAX EXPENSE

A. Amounts recognised in statement of profit and loss

	Year ended 31st March 2023	Year ended 31st March 2022
Current tax		
Current year	2,065.63	687.26
Changes in estimates related to prior years	10.98	0.52
	2,076.61	**687.78**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
Deferred tax		
Attributable to–		
Origination and reversal of temporary differences	(61.61)	(11.92)
Changes in estimates related to prior years	(14.34)	16.04
Changes in deferred tax due to change in rate	-	(80.98)
	(75.95)	**(76.86)**
	2,000.66	**610.92**

B. Reconciliation of effective tax rate

	Year ended 31st March 2023	Year ended 31st March 2022
Profit before tax	**8,923.78**	**2,740.28**
Tax at the Indian tax rate of 25.168% (previous year 25.168%)*	2,245.94	689.67
Effect of expenses/(Income) that are not deductible in determining taxable profit	14.82	(14.34)
Effect of reduction in tax rate**	-	(80.98)
Effect of income chargeable at lower rate of tax	(256.74)	-
Taxes for earlier years	(3.36)	16.57
Income tax expenses recognised in statement of profit and loss	**2,000.66**	**610.92**

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

** The Company had 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 Company had recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said Section. The impact of such change was recognised in the statement of profit and loss during previous year.

C. Income tax recognised in other comprehensive income

	Year ended 31st March 2023	Year ended 31st March 2022
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit (liability) / asset	(21.45)	12.81
	(21.45)	**12.81**
Bifurcation of the income tax recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Income tax on remeasurement of defined benefit (liability)/ asset	5.40	(3.22)
	5.40	**(3.22)**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

33 EARNINGS PER SHARE

		Year ended 31st March 2023	Year ended 31st March 2022
A.	Basic earnings per share		
i.	Profit for basic earning per share of Rs. 10 each		
	Profit for the year	6,923.12	2,129.36
ii.	Weighted average number of equity shares for (basic)		
	Balance at the beginning of the year	1,27,37,064	1,16,50,108
	Effect of fresh issue of shares	-	7,36,236
	Bonus element in rights issue	-	2,44,554
	Effect of equity buyback	(32,031)	-
		1,27,05,033	**1,26,30,898**
	Basic Earnings per share (face value of Rs. 10 each)	**54.49**	**16.86**
B.	Diluted earnings per share		
i.	Profit for diluted earning per share of Rs. 10 each		
	Profit for the year	6,923.12	2,129.36
ii.	Weighted average number of equity shares for (diluted)		
	Balance at the beginning of the year	1,27,37,064	1,16,50,108
	Effect of fresh issue of shares	-	7,36,236
	Bonus element in rights issue	-	2,44,554
	Effect of equity buyback	(32,031)	
		1,27,05,033	**1,26,30,898**
	Diluted Earnings per share (face value of Rs. 10 each)	**54.49**	**16.86**

34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities including their level in the fair value hierarchy:

	Note	Level of hierarchy	As at 31st March 2023			As at 31st March 2022		
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets								
- Non-current								
Non-derivative financial assets								
Investments:								
Investment in equity shares- other companies	(i)	3	49.39	-	-	48.71	-	-
Loans	(ii)	3	-	-	1,320.69	-	-	79.96
Other financial assets	(ii)	3	-	-	328.39	-	-	94.90
- Current								
Non-derivative financial assets								
Trade receivables	(iii)	3	-	-	6,001.82	-	-	4,514.61
Cash and cash equivalents	(iii)	3	-	-	505.04	-	-	1,336.37
Other bank balances	(iii)	3	-	-	710.07	-	-	296.81
Loans	(iii)	3	-	-	61.30	-	-	69.37
Other financial assets	(iii)	3	-	-	324.36	-	-	244.64
Derivative financial assets								
Forward contracts	(v)	2	3.05	-	-	9.43	-	-
Total financial assets			**52.44**	**-**	**9,251.67**	**58.14**	**-**	**6,636.66**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Note	Level of hierarchy	As at 31st March 2023			As at 31st March 2022		
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities								
- Non-current								
Non-derivative financial liabilities								
Borrowings	(iv)	3	-	-	3,964.18	-	-	3,902.79
Other financial liabilities	(ii)	3	-	-	157.37	-	-	104.81
- Current								
Non-derivative financial liabilities								
Borrowings	(iii)	3	-	-	4,015.23	-	-	2,936.98
Trade payables	(iii)	3	-	-	2,687.76	-	-	2,062.15
Other financial liabilities	(iii)	3	-	-	1,858.32	-	-	1,440.78
Derivative financial liabilities								
Forward contracts	(v)	2	7.29	-	-	-	-	-
Total financial liabilities			**7.29**	**-**	**12,682.86**	**-**	**-**	**10,447.51**

(i) The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(ii) Fair value of non-current financial assets and non- current financial liablilites has not been disclosed as there is no significant differences between carrying value and fair value.

(iii) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(iv) The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

(v) The fair value of derivative financial instrument has been determined using valuation techniques with market observable input. The model incorporate various input include the credit quality of counter-parties and foreign exchange forward rate.

(vi) There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31st March 2023 and 31st March 2022.

B. Financial risk management

(i) Risk Management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (ii))
- liquidity risk (see (iii))
- market risk (see (iv))

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans.

Particulars	As at 31st March 2023	As at 31st March 2022
Non-derivative financial assets		
Investments	49.39	48.71
Trade receivables	6,001.82	4,514.61
Loans	1,381.99	149.33
Other financial assets	652.75	339.54
Derivative financial asset		
Forward contracts	3.05	9.43
	8,089.00	**5,061.62**

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties. The Company enters into derivative contracts with bank and financial institutions having high credit ratings.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31st March 2023	As at 31st March 2022
Within India	1,827.09	1,259.62
Outside India	4,174.73	3,254.99
	6,001.82	**4,514.61**

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	As at 31st March 2023	As at 31st March 2022
Revenue from top customer	4,785.68	4,041.64
Revenue from top five customers	15,309.01	9,900.22

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Loss allowance	Carrying amount
31st March 2023			
Less than 6 Months	5,839.06	-	5,839.06
More than 6 Months	165.54	2.78	162.76
	6,004.60	**2.78**	**6,001.82**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Particulars	Gross carrying amount	Loss allowance	Carrying amount
31st March 2022			
Less than 6 Months	4,352.23	-	4,352.23
More than 6 Months	169.35	6.97	162.38
	4,521.58	**6.97**	**4,514.61**

The movement in the allowance for impairment in respect of trade receivables is as follows

	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning of the year	6.97	7.95
Impairment allowance created	1.00	-
Impairment loss reversed	(5.19)	(0.98)
Balance as at the end of the year	**2.78**	**6.97**

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Investments mainly include investments made by the Company in its subsidiary companies and associates. The loans primarily represents security deposits given and loans given to employees and related parties. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalents and other bank balances anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximise liquidity and supplement cash requirements as necessary. As at 31st March 2023, the Company has available Rs. 2,265.72 (31st March 2022: Rs. 2,848.94) in form of undrawn committed borrowing limits.

The following table provides details regarding the contractual maturities of significant financial liabilities on an undiscounted basis:

	Less than 1 Year	1 to 2 Years	2 to 5 Years	Total	Carrying amount
31st March 2023					
Non-derivative financial liabilities					
Borrowings	4,215.11	1,110.05	3,046.69	8,371.85	7,979.41
Trade payables	2,687.76	-	-	2,687.76	2,687.76
Other financial liabilities	1,858.32	0.56	156.81	2,015.69	2,015.69
Lease liabilities	207.61	95.57	40.95	344.13	305.88
	8,968.80	**1,206.18**	**3,244.45**	**13,419.43**	**12,988.74**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Less than 1 Year	1 to 2 Years	2 to 5 Years	Total	Carrying amount
31st March 2022					
Non-derivative financial liabilities					
Borrowings	2,936.98	1,606.16	2,304.88	6,848.02	6,839.77
Trade payables	2,062.15	-	-	2,062.15	2,062.15
Other financial liabilities	1,481.52	64.08	40.73	1,586.32	1,545.59
Lease liabilities	295.51	187.51	81.11	564.13	478.09
	6,776.15	**1,857.75**	**2,426.72**	**11,060.62**	**10,925.60**

(iv) Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

Exposure to interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

	As at 31st March 2023	As at 31st March 2022
Fixed rate borrowings	6,758.19	6,250.86
Floating rate borrowings	1,613.66	597.16
Total borrowings (gross of transaction cost)	**8,371.85**	**6,848.02**

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant

	Profit or Loss	
	Strengthening	Weakening
For the year ended 31st March 2023		
Interest rate (0.5% movement)	8.07	(8.07)
For the year ended 31st March 2022		
Interest rate (0.5% movement)	2.99	(2.99)

(ii) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk:

Assets	As at 31st March 2023		As at 31st March 2022	
	Amount (Rs.)	Amount in foreign currency	Amount (Rs.)	Amount in foreign currency
Loans				
CHF	1,244.60	14.00	-	-
Trade receivables				
HKD	-	-	0.13	0.01
USD	892.14	10.93	354.43	4.70
EUR	114.22	1.29	341.01	4.12
CHF	1,502.57	16.90	1,873.87	23.14
GBP	48.88	0.49	58.66	0.60
Other financial assets				
CHF	92.37	1.08	21.00	0.26
Bank balances in foreign currency				
CHF	27.21	0.31	13.15	0.16
USD	0.20	0.00	0.11	0.00
Total (A)	**3,922.20**		**2,662.38**	

Liabilities	As at 31st March 2023		As at 31st March 2022	
	Amount (Rs.)	Amount in foreign currency	Amount (Rs.)	Amount in foreign currency
Trade payables				
HKD	60.60	5.74	46.91	4.81
USD	59.52	0.72	37.51	0.49
EUR	12.73	0.14	7.64	0.09
CHF	550.32	6.07	480.13	5.81
JPY	7.48	0.12	8.51	13.60
GBP	39.29	0.38	0.38	-
Commission payable in foreign currency				
CHF	479.28	5.29	233.43	2.83
EUR	4.76	0.05	3.56	0.04
USD	0.59	0.01	0.23	-
Total (B)	**1,214.58**		**818.30**	
Net exposure in respect of recognised assets and liabilities (A-B)	**2,707.62**		**1,844.08**	

Forward contracts outstanding as at the end of the year

Liabilities	As at 31st March 2023		As at 31st March 2022	
	Amount (Rs.)	Amount in foreign currency	Amount (Rs.)	Amount in foreign currency
Exports				
CHF	1,511.30	17.00	485.88	6.00

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31st March 2023 and 31st March 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2023				
HKD (1% movement)	(0.61)	0.61	(0.45)	0.45
USD (1% movement)	8.32	(8.32)	6.23	(6.23)
EUR (1% movement)	0.97	(0.97)	0.72	(0.72)
CHF (1% movement)	18.37	(18.37)	13.75	(13.75)
GBP (1% movement)	0.10	(0.10)	0.07	(0.07)
JPY (1% movement)	(0.07)	0.07	0.02	(0.02)
31st March 2022				
HKD (1% movement)	(0.47)	0.47	(0.35)	0.35
USD (1% movement)	3.17	(3.17)	2.37	(2.37)
EUR (1% movement)	3.30	(3.30)	2.47	(2.47)
CHF (1% movement)	11.94	(11.94)	8.94	(8.94)
GBP (1% movement)	0.58	(0.58)	0.44	(0.44)
JPY (1% movement)	(0.09)	0.09	0.02	(0.02)

35 CAPITAL MANAGEMENT

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities excluding deferred tax liabilities, provisions and other current liabilities, less cash and cash equivalents and other bank balances. Total equity comprises all components of equity as shown in balance sheet.

The Company's adjusted net debt to total equity ratio was as follows:

	As at 31st March 2023	As at 31st March 2022
Total liabilities excluding deferred tax liabilities, provisions and other current liabilities	13,115.29	10,961.39
Less: cash and cash equivalents and other bank balances	1,215.11	1,633.18
Adjusted net debt	**11,900.18**	**9,328.21**
Total equity	**25,322.98**	**21,657.31**
Net debt to total equity ratio	**0.47**	**0.43**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(ii) Dividend

	As at 31st March 2023	As at 31st March 2022
Equity shares		
Dividends on equity shares declared and paid:		
Final dividend for the year ended 31st March 2022 of Rs. 3.00 (31st March 2021 of Rs. 1.50) per fully paid equity shares*	382.11	191.06
Interim dividend for the year ended 31st March 2023 of Rs. 2.00 (31st March 2022 of Rs. Nil) per fully paid equity shares	250.74	-

*Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of the shareholders.

Proposed dividends on Equity shares:#

	31st March 2023	31st March 2022
Proposed dividend for the year ended on 31st March 2023: Rs. 2 per equity share	250.74	-

#Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

36 CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

		As at 31st March 2023	As at 31st March 2022
(ia)	**Claims against the Company not acknowledged as debts, under dispute**		
	- Demand raised by Punjab State Electricity Board for payment of penalty for usage of additional power against sanctioned load. Amount paid under protest Rs. 2.96 (31st March 2022: Rs. 2.96)	3.73	3.73
	- Demand raised for Income tax (assessment year 2004-05 to assessment year 2012-13 and assessment year 2018-19 and 2019-20)	84.75	84.75
	- Claims against the Company filed by employees not acknowledged as debt (to the extent ascertainable)	265.81	242.23
		354.30	**330.71**
(ib)	- Custom duty saved against EPCG Licenses, pending redemption	221.47	112.10
(ic)	- Guarantees issued to banks on behalf of subsidiary company, namely Ethos Limited (amount outstanding Rs.Nil (31st March 2022: Rs. 1,676.26)	-	5,635.00
(id)	- Guarantee issued to bank on behalf of subsidiary company, namely Estima AG (amount outstanding Rs. 766.72 (31st March 2022: Rs. 382.01)	785.90	400.00
(ie)	- Guarantee issued to bank on behalf of subsidiary company, namely Pylania SA (amount outstanding Rs. 1,377.95 (31st March 2022: Rs. Nil)"	1,696.83	-
(ii)	**Commitments**		
	- Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	2,992.72	124.27

(iii) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(iv) Pursuant to recent judgement by Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowance which are common for all employees, However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision. Further, management also believes that the impact of the same on the Company will not be material.

37 EMPLOYEE BENEFITS

A. Liabilities relating to employee benefits

	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Liability for gratuity	-	-	-	-
Liability for compensated absences	-	-	375.80	369.56
	-	**-**	**375.80**	**369.56**

	Current	
	31st March 2023	31st March 2022
Advance payment for gratuity	100.42	173.93
	100.42	**173.93**

For details about the related employee benefit expenses, refer to note no. 28.

B. Defined Benefit Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed at least five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn salary for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Remeasurement gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(i) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

Particulars	As at 31st March 2023	As at 31st March 2022
(ii) Reconciliation of present value of defined benefit obligation		
Present value of obligation at the beginning of the year	989.39	913.07
Current Service cost	76.13	69.64
Interest cost	71.04	62.00
Benefits paid	(50.33)	(62.96)
Actuarial (gains) losses recognised in other comprehensive income		
- Change in financial assumptions	(18.23)	(36.76)
- Experience adjustments	35.85	44.40
Present value of obligation at the end of the year	**1,103.85**	**989.39**
(iii) Reconciliation of the present value of plan assets		
Plan assets at the beginning of the year, at fair value	1,163.32	798.87
Return on plan assets recognised in other comprehensive income	(3.81)	20.44
Contributions	-	350.00
Benefits paid	(38.75)	(60.23)
Interest income	83.51	54.24
Plan assets at the end of the year, at fair value	**1,204.27**	**1,163.32**
(iv) Amount recognised in the balance sheet		
Present value of the defined benefit obligations at the end of the year	1,103.85	989.39
Fair value of plan assets at the end of the year	1,204.27	1,163.32
Net (asset)/ liability recognised in the balance sheet*	**(100.42)**	**(173.93)**

* Shown under the head "Other current assets"

(v) Plan assets

Plan assets comprise of the following:

Particulars	As at 31st March 2023	As at 31st March 2022
Policy of insurance	1,204.27	1,163.32
	1,204.27	**1,163.32**

(vi) Amount recognised in the Statement of Profit and Loss

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current service cost	76.13	69.64
Interest cost (net)	(12.48)	7.76
Amount recognised in the Statement of profit and loss	**63.65**	**77.40**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(vii) Remeasurements recognised in other comprehensive income		
Actuarial gain/loss on the defined benefit obligation	17.62	7.64
Return on plan assets (excluding interest income)	3.83	(20.44)
Amount recognised in other comprehensive income	**21.45**	**(12.80)**

(viii) Actuarial assumptions

a) **Economic assumptions:** The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31st March 2023	As at 31st March 2022
Discount rate (per annum)	7.36%	7.18%
Expected rate of return on plan assets (per annum)	7.36%	7.18%
Salary increase (per annum)	4.00%	4.00%
Expected average remaining working lives of employees (years)	21.35	20.91

b) **Demographic assumptions:**

Particulars	As at 31st March 2023	As at 31st March 2022
Retirement age	58 years	58 years
Mortality	Indian assured lives mortality (2012-14) Ultimate	Indian assured lives mortality (2012-14) Ultimate
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
45 and above	1%	1%

(ix) Sensitivity analysis on defined benefit obligation on account of change in significant assumptions:

Particulars	As at 31st March 2023		As at 31st March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(48.48)	52.25	(44.31)	47.80
Future salary growth (0.5% movement)	52.97	(49.47)	49.07	(45.83)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(All amounts are in Indian Rupees Lacs, except for share data)

(x) Expected future benefit payments

Particulars	As at 31st March 2023	As at 31st March 2022
The expected maturity analysis of undiscounted defined benefit liability is as follows:		
Within 1 year	99.43	80.71
1-2 years	39.21	52.18
2-5 years	150.99	123.01
Over 5 years	814.21	733.49

(xi) Weighted average duration and expected employers contribution for next year of the defined benefit plan

Particulars	As at 31st March 2023	As at 31st March 2022
Weighted average duration (in years)	16.67	16.49
Expected Employers contribution for the next year	79.11	65.39

C. Defined Contribution Plan

The Company makes contribution towards employees' provident fund, superannuation fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The expense recognised towards contribution of these plans is as follows:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Provident fund (including social security for overseas employees)	386.01	322.92
Superannuation fund	3.80	3.26
Employees' state insurance scheme	29.81	28.03
Pension fund	74.86	53.10
	494.48	**407.31**

38 RELATED PARTIES:

a) Related parties and nature of relationship where control exists:

Name of party	Description of relationship
Pylania SA	Subsidiary
Kamla International Holdings SA	Subsidiary
Ethos Limited	Subsidiary
Mahen Distribution Limited	Subsidiary
Estima AG	Subsidiary of Pylania SA and Kamla International Holdings SA
Kamla Tesio Dials Limited	Subsidiary
Cognition Digital LLP	Subsidiary of Ethos Limited
Pasadena Retail Private Limited	Joint Venture of Ethos Limited
Silvercity Brands AG	Subsidiary of Ethos Limited (W.e.f 31st March, 2023)

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

b) Key managerial personnel (KMP) of the Company, their close family members and related entities

(i) Names of KMP	Names of their close family members (refer note 1)
- Mr. Yashovardhan Saboo (Chairman and Managing Director)	Mr. R.K. Saboo (Father), Mrs. Usha Devi Saboo (Mother), Mrs. Anuradha Saboo (Spouse) Mr. Pranav Shankar Saboo (Son), Mrs. Malvika Singh (Son's spouse) Mrs. Satvika Saboo Suri (Daughter)
- Mr. Sanjeev Kumar Masown (Chief Financial Officer and Director)	Mrs. Neeraj Masown (Spouse), Mr. Lal Chand Masown (Father)
- Mr. Brahm Prakash Kumar (Company Secretary)	

(ii) Related entities of KMP

- Vardhan Properties & Investments Limited
- VBL Innovations Private Limited
- Dream Digital Technology Private Limited
- KDDL Ethos Foundation
- Saboo Ventures LLP
- Saboo Housing Projects LLP
- Shri. R.K. Saboo a/c Tara Chand Mahendra Kumar HUF
- Shri. Yasho Vardhan Saboo a/c Yasho Vardhan HUF
- Veena Kanoria Family Trust
- RKS JS Family Trust
- UDS JS Family Trust
- ASP Saboo Family Trust

(iii) Non-executive Directors	Names of their close family members (refer note 1)		
- Mr. Anil Khanna	Mrs. Alka Khanna (Spouse)	Ms. Salonee Khanna (Daughter)	Mr. Saahil Khanna (Son)
- Mrs. Ranjana Agarwal			
- Mr. Praveen Gupta			
- Mr. Jai Vardhan Saboo			
- Mr. Sanjiv Sachar			
- Mrs. Neelima Tripathi			
- Mr. Nagarajan Subramanian			

Note:

1. With respect to the key managerial personnel, disclosure has been given for those relatives with whom the Company has made transactions during the year.

c) Related party transactions

Year ended 31st March 2023

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
1	**Purchase of raw material and components**					
	Estima AG	51.21	-	-	-	-
	Pylania SA	109.40	-	-	-	-
2	**Sale of goods and services**					
	Pylania SA	3,026.19	-	-	-	-
	Estima AG	286.74	-	-	-	-
	Ethos Limited	18.38	-	-	-	-

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
3	**Sale of brand**					
	Ethos Limited	3,900.00	-	-	-	-
4	**Purchase of property, plant and equipment**					
	Ethos Limited	28.58	-	-	-	-
5	**Guarantee income**					
	Ethos Limited	7.46	-	-	-	-
	Estima AG	5.13	-	-	-	-
	Pylania SA	5.63	-	-	-	-
6	**Job work charges paid**					
	Pylania SA	35.54	-	-	-	-
	Kamla Tesio Dials Limited	130.52	-	-	-	-
7	**Payment of lease liabilities**					
	Mr. Yashovardhan Saboo	-	-	11.46	-	-
	Mrs. Anuradha Saboo	-	-	-	-	19.10
	Saboo Housing Projects LLP	-	-	-	6.00	-
8	**Compensation to key managerial personnel***					
	Short-term employee benefits					
	Mr. Yashovardhan Saboo	-	-	285.80	-	-
	Mr. Sanjeev Kumar Masown	-	-	155.00	-	-
	Mr. Brahm Prakash Kumar	-	-	33.57	-	-
	One time payment for value creation award					
	Mr. Yashovardhan Saboo	-	-	1,900.00	-	-
9	**Interest income**					
	Kamla International Holding SA	57.64	-	-	-	-
	Mr. Sanjeev Kumar Masown	-	-	1.03	-	-
10	**Interest paid/ accrued**					
	Mr. Sanjeev Kumar Masown	-	-	8.08	-	-
	Mrs. Usha Devi Saboo	-	-	-	-	3.11
	Mrs. Neeraj Masown	-	-	-	-	4.69
	Mr. Lal Chand Masown	-	-	-	-	1.61
	Mr. Anil Khanna	-	-	13.40	-	-
	Mrs. Alka Khanna	-	-	-	-	2.19
	Mr. Praveen Gupta	-	-	2.93	-	-
	Mrs. Ranjana Agarwal	-	-	80.12	-	-
	Ms. Salonee Khanna	-	-	-	-	0.57
	Mr. Saahil Khanna	-	-	-	-	0.25
	ASP Saboo Family Trust	-	-	-	0.14	-
	Mr. R.K. Saboo	-	-	-	-	4.13
	RKS JS Family Trust	-	-	-	2.08	-
	UDS JS Family Trust	-	-	-	0.16	-
	Veena Kanoria Family Trust	-	-	-	1.33	-
	Mr. Brahm Prakash Kumar	-	-	4.41	-	-

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
11	**Deposits from shareholders accepted/renew**					
	Mrs. Usha Devi Saboo	-	-	-	-	110.00
	Mr. Anil Khanna	-	-	160.92	-	-
	Mrs. Ranjana Agarwal	-	-	196.50	-	-
	Mr. Sanjeev Kumar Masown	-	-	28.69	-	-
	Mrs. Alka Khanna	-	-	-	-	0.40
	Ms. Salonee Khanna	-	-	-	-	1.85
	Mrs. Neeraj Masown	-	-	-	-	22.20
	Mr. Lal Chand Masown	-	-	-	-	11.91
	Mr. Saahil Khanna	-	-	-	-	4.50
	ASP Saboo Family Trust	-	-	-	5.00	-
	Mr. R.K. Saboo	-	-	-	-	120.00
	RKS JS Family Trust	-	-	-	200.00	-
	UDS JS Family Trust	-	-	-	5.00	-
	Veena Kanoria Family Trust	-	-	-	140.00	-
	Mr. Brahm Prakash Kumar	-	-	41.26	-	-
12	**Deposits from shareholders repaid**					
	Mrs. Alka Khanna	-	-	-	-	1.33
	Mr. Anil Khanna	-	-	68.56	-	-
	Mr. Lal Chand Masown	-	-	-	-	9.18
	Mrs. Neeraj Masown	-	-	-	-	16.36
	Ms. Salonee Khanna	-	-	-	-	1.50
	Mrs. Ranjana Agarwal	-	-	200.00	-	-
	Mr. Sanjeev Kumar Masown	-	-	21.13	-	-
	Mrs. Usha Devi Saboo	-	-	-	-	5.00
	RKS JS Family Trust	-	-	-	200.00	-
	Mr. Brahm Prakash Kumar	-	-	30.38	-	-
13	**Rent received**					
	Ethos Limited	29.24	-	-	-	-
	Kamla Tesio Dials Limited	14.64	-	-	-	-
	Cognition Digital LLP	-	-	-	0.60	-
	Mahen Distribution Limited	-	-	-	0.60	-
	Vardhan Properties and Investment Limited	-	-	-	0.15	-
14	**Repayment of loan given by the Company**					
	Mr. Sanjeev Kumar Masown	-	-	5.00	-	-
15	**Reimbursement of expenses paid by the Company**					
	Pylania SA	77.94	-	-	-	-
	Ethos Limited	43.68	-	-	-	-
16	**Management consultancy fees paid**					
	Mrs. Satvika Saboo	-	-	-	-	15.00

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
17	**Reimbursement of expenses received by the Company**					
	Ethos Limited	4.75	-	-	-	-
	Pylania SA	25.97	-	-	-	-
	Estima AG	26.63	-	-	-	-
18	**Investments made (Refer to Note 5)**					
	Kamla International Holding SA	846.70	-	-	-	-
19	**CSR contribution made**					
	KDDL Ethos Foundation	-	-	-	9.10	-
20	**Dividend paid**					
	Mr. Yashovardhan Saboo	-	-	112.69	-	-
	Mr. Sanjiv Sachar	-	-	0.08	-	-
	Mr. Sanjeev Kumar Masown	-	-	0.07	-	-
	Mr. Anil Khanna	-	-	0.16	-	-
	Mr. R.K. Saboo	-	-	-	-	99.47
	Mrs. Usha Devi Saboo	-	-	-	-	8.49
	Mrs. Anuradha Saboo	-	-	-	-	22.44
	Mr. Pranav S Saboo	-	-	-	-	39.95
	Mrs. Satvika Saboo	-	-	-	-	7.57
	Mrs. Alka Khanna	-	-	-	-	0.01
	Vardhan Properties and Investment Limited	-	-	-	1.80	-
	Dream Digital Technology Private Limited	-	-	-	1.47	-
	Saboo Ventures LLP	-	-	-	1.36	-
21	**Director sitting fee**					
	Mr. Anil Khanna	-	-	8.03	-	-
	Mrs. Ranjana Agarwal	-	-	6.58	-	-
	Mr. Praveen Gupta	-	-	5.78	-	-
	Mr. Sanjiv Sachar	-	-	4.68	-	-
	Mr. Jai Vardhan Saboo	-	-	1.55	-	-
	Mrs. Neelima Tripathi	-	-	3.00	-	-
	Mr. Nagarajan Subramanian	-	-	3.00	-	-
22	**Events and exhibition**					
	Ethos Limited	4.64	-	-	-	-
23	**Employee benefit expense**					
	Mr. R.K. Saboo	-	-	-	-	32.88
24	**Contractual labour expenses**					
	Mahen Distribution Limited	276.63	-	-	-	-

**(Excluding provision for leave encashment and gratuity as they are determined on an actuarial basis for the Company as a whole)*

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Year ended 31st March 2022

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
1	**Purchase of raw material and components**					
	Estima AG	49.10	-	-	-	-
	Pylania SA	142.88	-	-	-	-
2	**Sale of goods and services**					
	Pylania SA	1,606.61	-	-	-	-
	Estima AG	217.82	-	-	-	-
	Ethos Limited	1.12	-	-	-	-
3	**Guarantee Income**					
	Ethos Limited	29.83	-	-	-	-
	Estima AG	2.00				
4	**Job work charges paid**					
	Pylania SA	16.27	-	-	-	-
	Kamla Tesio Dials Limited	17.57	-	-	-	-
5	**Job work charges received**					
	Estima AG	1.01	-	-	-	-
6	**Payment of lease liabilities**					
	Mr. Yashovardhan Saboo	-	-	10.92	-	-
	Mrs. Anuradha Saboo	-	-	-	-	18.20
	Saboo Housing Project LLP	-	-	-	3.50	-
7	**Compensation to key managerial personnel***					
	Short-term employee benefits					
	Mr. Yashovardhan Saboo	-	-	188.10	-	-
	Mr. Sanjeev Kumar Masown	-	-	139.94	-	-
	Mr. Brahm Prakash Kumar	-	-	29.57	-	-
8	**Interest income**					
	Mr. Sanjeev Kumar Masown	-	-	1.38	-	-
9	**Interest paid/ accrued**					
	Mr. Sanjeev Kumar Masown	-	-	7.38	-	-
	Mrs. Usha Devi Saboo	-	-	-	-	0.62
	Mrs. Neeraj Masown	-	-	-	-	4.42
	Mr. Lal Chand Masown	-	-	-	-	1.45
	Mr. Anil Khanna	-	-	8.72	-	-
	Mrs. Alka Khanna					2.46
	Mr. Praveen Gupta	-	-	0.98	-	-
	Mrs. Ranjana Agarwal	-	-	77.31	-	-
	Ms. Salonee Khanna	-	-	-	-	0.53
	Mr. Brahm Prakash Kumar	-	-	4.07	-	-

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
10	**Deposits from shareholders accepted/renew**					
	Mr. Praveen Gupta	-	-	30.00	-	-
	Mrs. Ranjana Agarwal	-	-	380.45	-	-
	Mrs. Alka Khanna	-	-	-	-	21.80
	Ms. Salonee Khanna	-	-	-	-	1.65
	Mrs. Neeraj Masown	-	-	-	-	21.42
	Mr. Lal Chand Masown	-	-	-	-	6.54
11	**Deposits from shareholders repaid**					
	Mr. Yashovardhan Saboo	-	-	110.00	-	-
	Mrs. Alka Khanna	-	-	-	-	22.80
	Mr Lal Chand Masown	-	-	-	-	5.44
	Mrs. Neeraj Masown	-	-	-	-	16.23
	Ms. Salonee Khanna	-	-	-	-	1.50
	Mrs. Ranjana Agarwal	-	-	178.00	-	-
	Vardhan Properties and Investment Limited	-	-	-	30.00	-
12	**Rent received**					
	Ethos Limited	21.98	-	-	-	-
	Kamla Tesio Dials Limited	5.18	-	-	-	-
	Cognition Digital LLP	-	-	-	0.60	-
	Mahen Distribution Limited	-	-	-	0.60	-
13	**Repayment of loans given by the Company**					
	Mr. Sanjeev Kumar Masown	-	-	6.00	-	-
14	**Reimbursement of expenses paid by the Company**					
	Pylania SA	57.13	-	-	-	-
	Estima AG	40.00	-	-	-	-
15	**Management consultancy fees paid**					
	Mrs. Satvika Saboo	-	-	-	-	14.54
16	**Reimbursement of expenses received by the Company**					
	Ethos Limited	5.17	-	-	-	-
17	**Investments made (refer to Note 5)**					
	Ethos Limited	2,676.93	-	-	-	-
	Mahen Distribution Limited	237.93	-	-	-	-
	Kamla Tesio Dials Limited	20.00				
18	**Payment made for acquisition of equity shares of MDL and KTDL**					
	Mr. Yashovardhan Saboo	-	-	248.22	-	-
	Mr. R.K. Saboo	-	-	-	-	2.85
	Mrs. Usha Devi Saboo	-	-	-	-	2.40
	Mrs. Anuradha Saboo	-	-	-	-	4.18
	Mr. Pranav S Saboo	-	-	-	-	0.10
	Mrs. Satvika Saboo	-	-	-	-	0.13
	Shri. Yasho Vardhan Saboo a/c Yasho Vardhan HUF	-	-	-	-	0.05

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
19	**Dividend paid**					
	Shri. R.K. Saboo a/c Tara Chand Mahendra Kumar HUF	-	-	-	-	1.17
	Shri. Yasho Vardhan Saboo a/c Yasho Vardhan HUF	-	-	-	-	0.83
	Mr. R.K. Saboo	-	-	-	-	28.60
	Mr. Yashovardhan Saboo	-	-	29.28	-	-
	Mrs. Usha Devi Saboo	-	-	-	-	2.55
	Mrs. Anuradha Saboo	-	-	-	-	6.55
	Mr. Pranav S Saboo	-	-	-	-	12.16
	Mrs. Satvika Saboo	-	-	-	-	2.27
	Vardhan Properties and Investment Limited	-	-	-	0.54	-
	Dream Digital Technology Private Limited	-	-	-	0.26	-
	Mr. Sanjiv Sachar	-	-	0.02	-	-
	Mr. Sanjeev Kumar Masown	-	-	0.03	-	-
	Mr. Anil Khanna	-	-	0.04	-	-
20	**Director sitting fee**			-		
	Mr. Anil Khanna	-	-	5.40	-	-
	Mrs. Ranjana Agarwal	-	-	5.40	-	-
	Mr. Praveen Gupta	-	-	5.10	-	-
	Mr. Sanjiv Sachar	-	-	3.70	-	-
	Mr. Jai Vardhan Saboo	-	-	1.20	-	-
21	**Events and exhibition**					
	Ethos Limited	19.51	-	-	-	-
22	**Employee benefit expense**					
	Mr. R.K. Saboo	-	-	-	-	30.00
23	**Contractual labour expenses**					
	Mahen Distribution Limited	39.04	-	-	-	-

**(Excluding provision for leave encashment and gratuity as they are determined on an actuarial basis for the Company as a whole)*

d) Balances due from/to the related parties

As at 31st March 2023

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
1	**Loans**					
	Mr. Sanjeev Kumar Masown	-	-	16.97	-	-
	Kamla International Holding SA	1,244.60	-	-	-	-
2	**Other current assets**					
	Mr. Yashovardhan Saboo	-	-	9.04	-	-
3	**Trade receivables**					
	Pylania SA	845.38	-	-	-	-
	Estima AG	168.99	-	-	-	-

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
4	**Other financial assets**					
	Pylania SA	5.63	-	-	-	-
	Kamla International Holdings SA	58.23	-	-	-	-
	Estima AG	28.55	-	-	-	-
5	**Other current assets**					
	Kamla Tesio Dials Limited	9.00	-	-	-	-
6	**Payables**					
	Kamla Tesio Dials Limited	14.66	-	-	-	-
	Mahen Distribution Limited	29.53	-	-	-	-
	Estima AG	13.19	-	-	-	-
	Ethos Limited	13.17	-	-	-	-
	Pylania SA	231.91	-	-	-	-
	Mrs. Satvika Saboo	-	-	-	-	1.13
	Mr. Jai Vardhan Saboo	-	-	0.34	-	-
7	**Advance received for supply of goods**					
	Pylania SA	1.05	-	-	-	-
8	**Guarantees taken***					
	Mr. Yashovardhan Saboo	-	-	5,250.00	-	-
9	**Guarantees given**					
	Pylania SA	1,696.83	-	-	-	-
	Estima AG	785.90	-	-	-	-
10	**Deposits from shareholders and directors**					
	Mr. Sanjeev Kumar Masown	-	-	65.51	-	-
	Mr. Praveen Gupta	-	-	30.00	-	-
	Mr. Lal Chand Masown	-	-	-	-	15.27
	Mrs. Neeraj Masown	-	-	-	-	43.62
	Mr. Anil Khanna	-	-	160.92	-	-
	Mrs. Alka Khanna	-	-	-	-	22.20
	Mrs. Ranjana Agarwal	-	-	698.94	-	-
	Mrs. Usha Devi Saboo	-	-	-	-	110.00
	Ms. Salonee Khanna	-	-	-	-	5.00
	Mr. Saahil Khanna	-	-	-		4.50
	ASP Saboo Family Trust	-	-	-	5.00	-
	Mr. R.K. Saboo	-	-	-	-	120.00
	UDS JS Family Trust	-	-	-	5.00	-
	Veena Kanoria Family Trust	-	-	-	140.00	-
	Mr. Brahm Prakash Kumar	-	-	41.26	-	-
11	**Interest accrued but not due**					
	Mr. Sanjeev Kumar Masown	-	-	12.82	-	-
	Mr. Lal Chand Masown	-	-	-	-	3.92
	Mrs. Neeraj Masown	-	-	-	-	4.65
	Mr. Anil Khanna	-	-	13.87	-	-
	Mrs. Alka Khanna	-	-	-	-	0.03
	Mrs. Ranjana Agarwal	-	-	145.78	-	-

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
	ASP Saboo Family Trust	-	-	-	0.14	-
	Ms. Salonee Khanna	-	-	-	-	0.94
	Mr. Saahil Khanna	-	-	-	-	0.25
	Mr. Brahm Prakash Kumar	-	-	1.15	-	-
12	**Employee related payables**					
	Mr. Yashovardhan Saboo	-	-	0.30	-	-
	Mr. Sanjeev Kumar Masown	-	-	3.86	-	-
	Mr. R.K. Saboo	-	-	-	-	2.00
	Mr. Brahm Prakash Kumar	-	-	1.05	-	-
13	**Lease Liabilities**					
	Saboo Housing Projects LLP	-	-	-	7.79	-

As at 31st March 2022

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
1	**Loans**					
	Mr. Sanjeev Kumar Masown	-	-	21.97	-	-
2	**Trade receivables**					
	Pylania SA	891.07	-	-	-	-
	Estima AG	149.00	-	-	-	-
	Ethos Limited	1.32	-	-	-	-
3	**Other financial assets**					
	Mahen Distribution Limited	0.71	-	-	-	-
	Kamla International Holdings SA	4.04	-	-	-	-
	Kamla Tesio Dials Limited	6.01				
	Estima AG	16.96	-	-	-	-
4	**Other current assets**					
	Kamla Tesio Dials Limited	16.00	-	-	-	-
5	**Payables**					
	Kamla Tesio Dials Limited	4.72	-	-	-	-
	Mahen Distribution Limited	10.86				
	Estima AG	17.23	-	-	-	-
	Ethos Limited	0.68	-	-	-	-
	Pylania SA	159.94	-	-	-	-
	Mrs. Satvika Saboo	-	-	-	-	1.13
6	**Advance received for sale of brand**					
	Ethos Limited	1,300.00	-	-	-	-
7	**Guarantees taken***					
	Mr. Yashovardhan Saboo	-	-	10,913.00	-	-
8	**Guarantees given**					
	Ethos Limited	5,635.00	-	-	-	-
	Estima AG	400.00	-	-	-	-

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Subsidiaries	Associates	Key Management Personnel (KMP)	Related entities of KMP	Other related parties
9	**Deposits from shareholders and directors**					
	Mr. Sanjeev Kumar Masown	-	-	57.95	-	-
	Mr. Praveen Gupta	-	-	30.00	-	-
	Mr. Lal Chand Masown	-	-	-	-	12.54
	Mrs. Neeraj Masown	-	-	-	-	37.78
	Mr. Anil Khanna	-	-	68.56	-	-
	Mrs. Alka Khanna	-	-	-	-	23.13
	Mrs. Ranjana Agarwal	-	-	702.44	-	-
	Mrs. Usha Devi Saboo	-	-	-	-	5.00
	Ms. Salonee Khanna	-	-	-	-	4.65
	Mr. Brahm Prakash Kumar	-	-	30.38	-	-
10	**Interest accrued but not due**					
	Mr. Sanjeev Kumar Masown	-	-	13.06	-	-
	Mr. Lal Chand Masown	-	-	-	-	2.31
	Mrs. Neeraj Masown	-	-	-	-	6.41
	Mr. Anil Khanna	-	-	13.91	-	-
	Mrs. Alka Khanna	-	-	-	-	0.07
	Mrs. Ranjana Agarwal	-	-	96.13	-	-
	Mrs. Usha Devi Saboo	-	-	-	-	0.94
	Ms. Salonee Khanna	-	-	-	-	0.72
	Mr. Brahm Prakash Kumar	-	-	8.17	-	-
11	**Security deposit received**					
	Ethos Limited	6.77	-	-	-	-
12	**Employee related payables**					
	Mr. Yashovardhan Saboo	-	-	2.03	-	-
	Mr. Sanjeev Kumar Masown	-	-	7.94	-	-
	Mr. R.K. Saboo	-	-	-	-	1.74
	Mr. Brahm Prakash Kumar	-	-	1.65	-	-
13	**Lease Liabilities**					
	Saboo Housing Projects LLP	-	-	-	12.57	-
	Mr. Yashovardhan Saboo	-	-	10.76	-	-
	Mrs. Anuradha Saboo	-	-	-	-	17.94

* Guarantees taken by the Company includes personal guarantees of Mr. Yashovardhan Saboo for working capital borrowings and term loans. The original sanctioned limits of working capital borrowings and term loans by the continuing banks has been disclosed above. However, at the reporting date, the balance amount of term loans in respect of which personal guarantees have been given stands at Rs.1086.18 (31st March 2022: Rs. 3,978.67) of Mr. Yashovardhan Saboo.

e) Terms and conditions of transactions with related parties

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

39 OPERATING SEGMENTS

(a) Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chairman and Managing Director to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Company's Chairman and Managing Director reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Precision and watch components	Manufacturing and distribution of dials, watch hands and precision components
Others	Manufacturing and distribution of packaging boxes

(b) Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Chairman and Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Year ended 31st March 2023	Precision and watch components	Others	Total
Segment revenue:			
- External revenues	29,210.03	1,270.58	30,480.61
Total segment revenue	**29,210.03**	**1,270.58**	**30,480.61**
Segment profit before income tax	**7,889.78**	**103.68**	**7,993.46**
Segment assets	**22,346.11**	**663.98**	**23,010.09**
Segment assets include:			
- Capital expenditure during the year	2,696.94	78.56	2,775.50
Segment liabilities	**5,768.21**	**203.64**	**5,971.85**

Year ended 31st March 2022	Precision and watch components	Others	Total
Segment revenue:			
- External revenues	20,812.49	983.64	21,796.13
Total segment revenue	**20,812.49**	**983.64**	**21,796.13**
Segment profit before income tax	**4,412.62**	**67.97**	**4,480.59**
Segment assets	**18,240.35**	**479.49**	**18,719.85**
Segment assets include:			
- Capital expenditure during the year	1,147.65	41.28	1,188.93
Segment liabilities	**3,377.08**	**153.32**	**3,530.41**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(c) Reconciliations of information on reportable segments to Ind AS measures

		As at 31st March 2023	As at 31st March 2022
i.	**Revenues**		
	Total revenue for reportable segments	30,480.61	21,796.13
	Total revenue	**30,480.61**	**21,796.13**
ii.	**Profit before income tax**		
	Total profit before tax for reportable segments	7,993.46	4,480.59
	Finance Cost	(851.00)	(753.79)
	Unallocated amounts:		
	Corporate expenses	1,781.33	(986.51)
	Consolidated profit before tax	**8,923.78**	**2,740.29**
iii.	**Assets**		
	Total assets for reportable segments	23,010.09	18,719.85
	Unallocated amounts	18,330.21	16,464.84
	Consolidated total assets	**41,340.29**	**35,184.68**
iv.	**Liabilities**		
	Total liabilities for reportable segments	5,971.85	3,530.41
	Unallocated amounts	10,045.45	9,996.96
	Consolidated total liabilities	**16,017.30**	**13,527.37**

v. Other material items

	Reportable segment total	Adjustments	Consolidated total
Year ended 31st March 2023			
Finance cost	-	851.00	851.00
Depreciation and amortisation expense	1,074.76	196.27	1,271.03
Capital expenditure during the year	2,775.50	291.29	3,066.79
Year ended 31st March 2022			
Finance cost	-	753.79	753.79
Depreciation and amortisation expense	1,014.40	160.69	1,175.09
Capital expenditure during the year	1,203.44	92.25	1,295.69

(d) Information about geographical segment

Revenue by geographical markets	Year ended 31st March 2023	Year ended 31st March 2022
India	**10,632.34**	**9,003.90**
Outside India		
Switzerland	14,866.67	10,043.69
Germany	697.93	585.44
Czech Republic	817.15	479.88
France	440.33	478.55

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Revenue by geographical markets	Year ended 31st March 2023	Year ended 31st March 2022
USA	1,960.09	380.83
United Kingdom	461.74	325.00
Portugal	-	256.07
China	356.69	107.90
Other Countries	247.67	134.87
Total outside India	**19,848.27**	**12,792.22**
Total	**30,480.61**	**21,796.13**

*In presenting the geographical information, segment revenue has been based on the geographic location of the customers.

(e) Major customer

Revenue from three customers of the Company's Precision and watch components segment is Rs.12,054.38 (Year ended 31st March 2022: Rs. 6,749.12) which individually constitute more than 10 percent of the Company's total revenue.

40 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

41 COMPANY AS A LESSEE

The Company has lease contracts for various items of plant and equipment, building and land used in its operations. Leases of plant and equipment generally have lease terms between 3-5 years, while buildings generally have lease terms between 1-10 years, while leasehold land has lease term of 99 years. The Company obligations under its leases are secured by the lessor's title to the leased assets.

The Company has certain leases with lease terms of 12 months or less and certain leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Plant and equipment	Building	Leasehold land*	Total
As at 1st April 2021	**222.80**	**279.17**	**548.20**	**1,050.17**
Additions	-	100.54	-	100.54
Prepaid portion of security deposits	-	2.97	-	2.97
Deletions	-	-	-	-
Depreciation expense	(120.58)	(96.35)	(6.28)	(223.21)
As at 31st March 2022	**102.22**	**286.33**	**541.92**	**930.48**

Particulars	Plant and equipment	Building	Leasehold land $	Total
As at 1st April 2022	**102.22**	**286.33**	**541.92**	**930.48**
Additions	74.35	-	-	74.35
Prepaid portion of security deposits	-	1.05	-	1.05
Deletions	-	-	-	-
Depreciation expense	(103.69)	(118.90)	(6.31)	(228.89)
As at 31st March 2023	**72.88**	**168.49**	**535.62**	**776.99**

* Includes leasehold land of Rs. 5.67 (31st March 2022: Rs. 5.67) situated at Parwanoo for which the Company is in the process of completing formalities for transferring the title deed in its own name.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

The carrying amounts of lease liabilities and the movements during the year:

Particulars	Total
As at 1st April 2021	601.13
Additions	100.54
Deletions	-
Accretion of interest	66.68
Payments	(290.26)
As at 31st March 2022	**478.09**

Particulars	Total
As at 1st April 2022	**478.09**
Additions	74.35
Deletions	-
Accretion of interest	46.99
Payments	(293.56)
As at 31st March 2023	**305.88**

	31st March 2023	31st March 2022
Current	178.45	238.66
Non-current	127.43	239.43
	305.88	**478.09**

The details regarding the maturity analysis of lease liabilities as at 31st March 2023 and 31st March 2022 on an undiscounted basis is disclosed in Note 34.

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11.98%.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit and loss for the year ended 31st March 2022 and 31st March 2023:

For the year ended 31st March 2022

Particulars	Plant and equipment	Building	Land	Investment property	Total
Depreciation expense of right-of-use assets and investment property	120.58	96.35	6.28	16.21	239.42
Interest expense on lease liabilities	21.83	44.85	-	-	66.68
Expense relating to short-term leases (included in other expenses)	-	5.83	-	-	5.83
Total amount recognised in profit and loss	**142.41**	**147.03**	**6.28**	**16.21**	**311.93**

For the year ended 31st March 2023

Particulars	Plant and equipment	Building	Land	Investment property	Total
Depreciation expense of right-of-use assets and investment property	103.67	118.90	6.31	12.16	241.03
Interest expense on lease liabilities	10.28	36.71	-	-	46.99
Expense relating to short-term leases (included in other expenses)	-	22.91	-	-	22.91
Total amount recognised in profit and loss	**113.95**	**178.51**	**6.31**	**12.16**	**310.93**

The Company had total cash outflows for leases of Rs. 293.56 in 31st March 2023 (Rs. 290.26 in 31st March 2022).

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Company as a lessor

The Company has entered into operating lease on its investment property portfolio consisting of building. These lease has term of 4 years. The lease include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Company on this property during the year is Rs. 27.97 (31st March 2022: Rs. 21.98). The Investment property comprises of the sub lease portion of the right-of-use asset and therefore, the fair value of the investment property cannot be measured reliably.

The carrying amounts of investment property recognised and the movements during the year:

Particulars	Total
As at 1st April 2021	28.36
Depreciation expense	(16.21)
As at 31st March 2022	**12.16**

Particulars	Total
As at 1st April 2022	12.16
Depreciation expense	(12.16)
As at 31st March 2023	**0.00**

42 DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013:

		As at 31st March 2023	As at 31st March 2022
a)	**Investment ***		
	Investment in subsidiary: Pylania SA		
	Balance as at the year end	281.24	281.24
	Maximum amount outstanding at any time during the year	281.24	281.24
	Investment in subsidiary: Ethos Limited		
	Balance as at the year end	11,371.40	11,385.41
	Maximum amount outstanding at any time during the year	11,385.41	11,385.41
	Investment in subsidiary: Mahen Distribution Limited		
	Balance as at the year end	936.00	936.00
	Maximum amount outstanding at any time during the year	936.00	936.00
	Investment in subsidiary: Kamla International Holdings SA		
	Balance as at the year end	1,944.36	1,097.66
	Maximum amount outstanding at any time during the year	1,944.36	1,097.66
	Investment in subsidiary: Kamla Tesio Dials Limited		
	Balance as at the year end	30.46	30.46
	Maximum amount outstanding at any time during the year	30.46	30.46
	Investment in associate: Kamla Tesio Dials Limited		
	Balance as at the year end	-	-
	Maximum amount outstanding at any time during the year	-	108.89
	Investment in Company: Karolview Developers Private Limited		
	Balance as at the year end	43.65	43.70
	Maximum amount outstanding at any time during the year	43.70	44.10
	Investment in Company: Shivalik Waste Management Limited		
	Balance as at the year end	5.74	5.01
	Maximum amount outstanding at any time during the year	5.74	5.01

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		As at 31st March 2023	As at 31st March 2022
c)	**Guarantees given**		
	Guarantees given to subsidiaries:		
	Balance as at the year end		
	Ethos Limited**	-	5,635.00
	Estima AG#	785.90	400.00
	Pylania SA##	1,696.83	-
	(Guarantees have been given for the purpose of borrowings taken by subsidiary company)		

* Investments are net off provision for diminution in the value of investment, other than temporary.

** Also, the Company had given security for certain loans taken by Ethos Limited (subsidiary company) from IDBI Bank Limited by providing exclusive mortgage and charge on all the immovable fixed assets of the tool room unit (Eigen) of the Company at Bangalore. During current year Ethos Limited has paid the entire amount due from banks hence there is no guarantee as on 31st March, 2023.

** Also, the Company had given security for certain loans taken by Ethos Limited (subsidiary company) from the Jammu & Kashmir Bank Limited by providing exclusive first charge on assets of Ornapac unit at Chandigarh of the Company. Also, these are further secured by the first and exclusive charge over land and building, machinery and office equipment of the Parwanoo unit of the Company. During current year Ethos Limited has paid the entire amount due from banks hence there is no guarantee as on 31st March, 2023.

43 LIST OF SUBSIDIARIES AND ASSSOCIATE WITH OWNERSHIP % AND PLACE OF BUSINESS:

	Principal place of business	Method used to account for the investment	Proportion of ownership As at 31st March 2023	Proportion of ownership As at 31st March 2022
Subsidiaries				
Ethos Limited	India	At cost	61.07%	63.53%
Mahen Distribution Limited	India	At cost	100.00%	100.00%
Kamla International Holdings SA	Switzerland	At cost	100.00%	100.00%
Pylania SA	Switzerland	At cost	37.75%	37.75%
Kamla Tesio Dials Limited	India	At cost	69.99%	69.99%

44 RATIO ANALYSIS

Ratios	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	1.09	1.17	(6.93%)	
Debt Equity Ratio	Total Debt	Shareholder's Equity	0.33	0.34	(3.17%)	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.61	1.22	114.68%	The earnings for debt service has increased during the year due to sale of brand and some non current investments.
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	29.47%	10.93%	169.62%	Profit has increased due to sale of brand and some non current investments.
Inventory Turnover Ratio	Cost of goods sold	Average Total Inventory	2.27	2.10	7.94%	

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Ratios	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	% Change	Remarks
Trade Receivable turnover Ratio	Net credit sales = Gross credit sales- sales return- export incentives	Average Trade Receivable	5.73	5.62	1.83%	
Trade Payable turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.59	3.28	9.57%	
Net Capital Turnover Ratio	Net credit sales = Gross credit sales- sales return- export incentives	Working capital = Current assets – Current liabilities	30.41	14.63	107.86%	Revenue from operations has increased during this current year.
Net Profit Ratio	Net Profit After Tax	Net credit sales = Gross credit sales - sales return- export incentives	22.99%	9.87%	133.01%	The revenue of the Company has improved significantly in the current year as against the previous year. This has led to an increase in net profit during the current year as compared to the previous year. Further profit has increased due to sale of brand and some non current investments.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	28.70%	11.85%	142.32%	Profit has increased due to sale of brand and some non current investments.
Return on Investment	Income on Investment	Average Investment	7.54%	-	100.00%	Sale of some part of non current investments

45 OTHER STATUTORY INFORMATION

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company does not have any transactions with companies struck off.
3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) except disclosed in Note 47(c) with the understanding that the Intermediary shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
   b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
6. The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(All amounts are in Indian Rupees Lacs, except for share data)

7. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

46 BUSINESS COMBINATION

1 Pursuant to the Scheme of Amalgamation ["the Scheme"] under Section 230 and 232 of the Companies Act, 2013 among the Company and its erstwhile wholly owned subsidiary company, namely Satva Jewellery and Design Limited, [Transferor Company] approved by Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") vide its order dated 23rd November, 2022, the Transferor Company stand amalgamated with the Company w.e.f. 1st April, 2019 (the appointed date). A certified true copy of the Order has been received by the Transferor Company and the Company on 23rd November, 2022 and the Company has filed the order with the Registrar of Companies (ROC), Himachal Pradesh.

In terms of the NCLT order, the Scheme of Amalgamation is effective from 1st December, 2022, the date on which the order was filed with the ROC, Himachal Pradesh.

With effect from the appointed date, all the business undertakings , assets , liabilities , rights and obligations of the Transferor Company stood transferred to and vested in the Company.

The transferor company is in the business of all types of jewellery items and good or articles and precious metals.

2 Since Satva Jewellery and Design Limited is the entity under the common control, the amalgamation has been accounted for in terms of 'Appendix C' of Indian Accounting Standard 103 (Ind AS 103) by applying "pooling of interest" method of accounting on the appointed date, where in all the assets and the liabilities of the Transferor companies have been accounted for at their book values as appearing in the books as on appointed date i.e 1st April, 2019.

The impact of the Scheme in these Ind AS financial statements is given below:

(a) All assets, liabilities and reserves of the amalgamating company have been recorded in the books of account of the Company at their existing carrying amounts and in the same form.

(b) To the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the amalgamating Company and the Company, have been eliminated.

(c) Since there is no consideration payable by the Company under the Scheme as the said amalgamation is between the Holding Company and its wholly owned subsidiary company, therefore the difference between the net assets of the amalgamating company and the value of investment in the amalgamating company have been transferred to capital reserve as under:

Particulars	Amount
A. Net assets/ (liabilities) of the amalgamating company as on 1st April 2019	(61.33)
B. Value of investment in the amalgamating company as on 1st April 2019	-
C. Consideration payable by the Company, if any	-
D. Retained earnings as on 1st April 2019*	(361.33)
E. Capital Reserve (E = A-B-C-D) {Cr./(Dr.)}	**300.00**

* As per the scheme, the identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company.

(d) The balance of assets and liabilities transferred from the transferor company as on 1st April, 2019 are as follows:

	As at 1st April 2019
Assets	
Non-current assets	
Property, plant and equipment	82.66
Financial assets	
- Loans	0.95
Income tax assets (net)	2.16
Total non-current assets	**85.77**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	As at 1st April 2019
Current assets	
Financial assets	
- Cash and cash equivalents	2.49
- Other bank balances	20.28
- Other financial assets	0.54
Total current assets	**23.32**
Total assets (A)	**109.09**
Equity and Liabilities	
Equity	
Other equity	(361.33)
Total (B)	**(361.33)**
Liabilities	
Current liabilities	
Financial liabilities	
- Borrowings	103.94
- Trade payables	55.39
- Other financial liabilities	10.80
Other current liabilities	0.30
Total current liabilities (C)	**170.42**
Total liabilities (D)	**(190.91)**
Net assets/ liabilities (A) - (D)	**300.00**

3 Transferor company (i.e Satva Jewellery and Design Limited) is a wholly owned subsidiary of the Company and its entire share capital was held by the Company. Upon the Scheme becoming effective, the shares held by the Company in the Transferor Companies stood cancelled and extinguished without any further application, act, instrument or deed and no shares are issued to the shareholders of the Transferor Company.

4 As per the Scheme of Amalgamation, the authorised share capital of the Company will automatically increase by the authorised share capital of Transferor Companies without any further act or deed on the part of the Company on the effective date as defined in the Scheme. In order to intimate the ROC regarding the Scheme and to get its authorised share capital increased as per the Scheme, the Company has filed necessary forms with regional ROC to incorporate the increase in authorised share capital. Pending this, no impact on authorised share capital has been given.

47 a) Impairment indicators were identified in relation to investment made in equity shares of a foreign subsidiary of the Company, Kamla International Holdings SA. As on 31st March 2023, the Company is carrying investment of Rs. 1,944.36 in said subsidiary. An impairment assessment has been carried out by comparing the carrying value of the investment in subsidiary to its recoverable amount to determine whether an impairment provision was required to be recognised. The recoverable amount was determined to be the higher of the fair value less cost of disposal, and the value in use, determined by discounting future cash flows, as a result no impairment provision was required to be made in relation to this investment.

b) The Company is currently using SAP for maintaining electronic books of accounts wherein daily backup is being taking place, however, two of the units of the Company which does not have material transactions are using standalone software (Tally) for the purpose of maintaining electronic books of accounts. Considering, the size of the units and associated risks for data restoration the Company is taking periodic backup of electronic books of accounts for these units. However, as required by the amended proviso to Companies (Accounts) Rules, 2014, subsequent to the year end, the scheduled backup of electronic books of accounts for these units has been changed to daily from periodic.

(All amounts are in Indian Rupees Lacs, except for share data)

c) During the year, the Company has granted loan of CHF 1,400,000 (Rs. 1244.60) and made further investment of CHF 1,000,000 (Rs. 846.70) in equity shares of its wholly owned subsidiary Kamla International Holdings SA with a understanding that the subsidiary company will further invest these funds in wholly owned subsidiaries of the Group naming Pylania SA and Estima AG. Mentioned below are the details for fund transferred to and utilisation by the said subsidiary.

Date	Particulars	Amount in CHF
Cash Inflow		
12-08-2022	Loan from KDDL Limited	14,00,000
20-09-2022	Equity infusion by KDDL Limited	10,00,000
		24,00,000
Cash outflow		
26-08-2022	Loan to Estima AG	4,50,000
28-09-2022	Loan to Estima AG	3,00,000
10-11-2022	Acquisition of Shares of Pylania SA from Minority Shareholder	3,49,000
07-02-2023	Loan to Estima AG	50,000
16-02-2023	Investment in Shares of Estima SA	5,00,000
23-02-2023	Loan to Estima AG	1,50,000
		17,99,000
Unutilised fund balance as at the year end		**6,01,000**

During the year, the Company has given guarantee of EURO 19,00,000 against which subsidiary company naming Pylania SA has taken loan amounting CHF 15,50,000 from a bank. The subsidiary company has invested certain amount from these funds in wholly owned subsidiary of the Group naming Estima AG. Mentioned below are the details of funds borrowed and utilisation by the said subsidiary.

Date	Particulars	Amount in CHF
Cash Inflow		
08-07-2022	UBS Loan Drawdown	4,00,000
08-08-2022	UBS Loan Drawdown	4,00,000
28-09-2022	UBS Loan Drawdown	7,50,000
		15,50,000
Cash outflow		
12-07-2022	Loan to Estima AG	2,00,000
12-07-2022	Radexpo Loan Repaid	2,04,500
28-09-2022	Payment for Holding Company Invoices	2,55,302
30-09-2022	Payment for Holding Company Invoices	1,07,992
12-12-2022	Advance for purchase of Property	1,50,000
15-12-2022	Loan to Estima AG	1,00,000
08-02-2023	Payment for Holding Company Invoices	5,14,249
16-03-2023	Payment for Holding Company Invoices	17,957
		15,50,000
Unutilised fund balance as at the year end		**-**

48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

49 The Board of Directors at its meeting held on 18th January, 2023, approved a proposal to buyback the equity shares of the Company through open market route. This scheme includes buy back of fully paid-up equity shares having a face value of Rs. 10 each of the Company at a price not exceeding Rs. 1200 per equity share ("Maximum Buyback Price") and for an aggregate amount not exceeding Rs. 2100 Lacs ("Maximum Buyback Size"), from the shareholders of the Company (other than the promoters, the promoters group and persons in control of the Company) payable in cash via "Open Market" route through the stock exchange mechanism which is less than 10% of the aggregate of the total paid-up share capital and free reserves of the Company, based on the latest audited standalone and audited consolidated financial statements of the Company as on 31st March 2022, in accordance with the provisions under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations"), as amended and the Companies Act, 2013, as amended, and other applicable provisions (the process hereinafter referred to as the "Buyback"). The Company has bought back 1,99,947 equity shares for an aggregate amount of Rs. 2100 Lacs being 1.57% of the total paid up equity share capital at average price of Rs. 1050 per equity share. The equity shares bought back were extinguished on 14th February, 2023. Capital redemption reserve was created to the extent of share capital extinguished (Rs. 19.99 Lacs). The excess cost of buyback of Rs. 2103.69 Lacs (including Rs. 23.69 Lacs (net of tax) towards transaction cost of buy back) over par value of shares were offered from securities premium (Rs. 2080.00 Lacs) and retained earnings (Rs.23.69 Lacs) and corresponding tax on buyback of Rs. 484.86 Lacs were offset from retained earnings.

50 During the first quarter, Ethos Limited, (a subsidiary company) completed its Initial Public Offering (IPO) of its equity shares which have been listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) with effect from 30th May, 2022. The subsidiary company has made an offer for sale of the equity shares of the Ethos Limited held by certain existing shareholders of the subsidiary company, which have been agreed by these existing shareholders (including 1,40,081 equity shares held by the Company). Based on the above offer for sale, gain amounting to Rs. 1069.96 Lacs (net of share of offer expenses) is accounted for in other income during the current financial year.

51 The Company has entered into an agreement dated 1st January, 2022 with its subsidiary company i.e. Ethos Limited for transfer of brand-name "Ethos" and "Summit" (including trademarks, trade names, logos and all related rights) for an agreed amount of Rs. 3,900 Lacs. Profit on sale of the aforesaid brands amounting to Rs. 3,900 Lacs is accounted for in other income during the year.

52 During the year, the Company has initiated the process of setting up of a new plant for manufacturing steel bracelets for watches. The expansion will involve a capital expenditure of Rs. 2500 Lacs to be executed over next two years. As on 31st March 2023, the Company has procured or given advances for procurement of machines and materials of Rs. 1,111.14 Lacs. Also, the Company has received advance of Rs. 1,221.15 Lacs from a major customer for this product which will be adjusted against future sales to that customer.

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of **KDDL Limited**

Report on the Audit of the Consolidated Ind AS Financial Statements

OPINION

We have audited the accompanying consolidated Ind AS financial statements of KDDL Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture comprising of the consolidated Balance sheet as at 31st March 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture as at 31st March 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

EMPHASIS OF MATTER

We draw attention to Note 49 to the consolidated Ind AS financial statements, which describes that as per subsidiary's management assessment the recoverable amount of tangible assets of Estima AG is in excess of carrying amount thereof as at 31st March 2023. The auditors of Estima AG has also included an Emphasis of Matter in their audit opinion on the financial information of Estima AG for the year ended 31st March 2023.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
Inventory *(as described in Note 13 of the consolidated Ind AS financial statements)*	
Ethos Limited, a subsidiary of the Holding Company is in business of trading of watches, accessories & luxury items and rendering of related after sale services. The total value of inventory as at 31st March 2023 is Rs. 33,987.29 lakhs. These inventories mainly consist of watches at various stores of the company. The company has a plan wherein inventory is physically verified on a periodic basis to ascertain the existence of inventory. Also, the company's management reviews the inventory age listing to identify slow-moving and obsolete inventories and then estimates the amount of allowance. We have identified inventory existence and allowance of inventories as a key audit matter due to additional risk on account of number of stores at which inventory is kept and due to judgement exercised by the company's management in identifying the slow-moving and obsolete inventories and assessing the amount of allowance for inventories considering the nature of the retail industry.	Our audit procedures amongst others included the following: • We evaluated the design and tested the implementation of internal controls relating to physical inventory counts on a test basis, valuation of inventory and allowances for inventory; • We have reviewed the physical verification reports for the verification conducted by the management during the year. • Observed the stock take process at few stores post year end and reviewed the rollback reconciliation of stock to reconcile with the inventory as at 31st March 2023. We read and assessed Group's accounting policy with regard to inventories and its compliance with applicable accounting standards. • We analyzed the ageing and quantitative movement to analyze any significant variances. • We understood how the company's management identifies the slow-moving and obsolete inventories and assesses the amount of allowance for inventories. • We performed the substantive testing on the quantitative movement of inventory by selecting samples of sales and purchases made at the retail outlets and also tested the underlying sales to collection reports and bank statements. • We assessed and tested, on sample basis, the value at which the inventory is valued i.e. lower of cost or net realizable value after considering post period sales data, retrospective review of provision for inventory obsolescence, actual write offs, compared whether the watches have a continuing active market and obtain management representation for future salability. • We read and assessed the relevant disclosures related to inventories in the consolidated Ind AS financial statements.
Accounting of Leases as per Ind AS 116 *(as described in Note 45 of the consolidated Ind AS financial statements)*	
As described in Note 45 to the consolidated Ind AS financial statements, the Group, and its joint venture is following Ind AS 116 Leases (Ind AS 116 or the 'standard') for accounting various leases entered by the Group. In case of one of the subsidiary company, namely, Ethos Limited, the application and accounting of leases under Ind AS 116 is complex and is an area of focus in our audit as the company has a large number of leases with different contractual terms which involves evaluation as per the provisions of Ind AS 116 in case of any changes in terms of existing leases. Ind AS 116 requires the Group to recognize a right-of-use (ROU) asset and a lease liability arising from a lease arrangement on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Application of the Standard involves significant judgements and estimates including, determination of the discount rates and the lease term.	Our audit procedures included the following: • We assessed and tested processes and controls designed and implemented by the Group in respect of the lease accounting standard (Ind AS 116); • We assessed the Group's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; • We have evaluated the basis of determination of lease modification/re-assessment and related adjustments in case of lease terminations/modifications; • We tested the lease data by reviewing the reconciliation of company's operating lease commitments to data used in computing the ROU asset and the lease liabilities provided by the management;

Key audit matters	How our audit addressed the key audit matter
Additionally, the Standard mandates remeasuring the carrying amount of lease liabilities and right of use assets to reflect any re-assessment or lease modification as per Ind AS 116 for any changes in lease /terms. We have identified accounting of leases as a key audit matter as the application of this Standard is complex considering the number of leases with different contractual terms and adjustment to the carrying amount of lease liabilities and right of use assets on the balance sheet date to reflect changes in terms of existing leases.	• We read and assessed the key terms and conditions of each lease with the underlying lease contracts; • We have evaluated the computation of lease liabilities and assessed the underlying assumptions, estimates including the applicable discount rates and the lease term. • We assessed the Group's presentation and disclosures related to Ind AS 116.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of their respective companies.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31st March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose financial statements include total assets of Rs 36,476.48 lakhs as at 31st March 2023, and total revenues of Rs 7,207.54 lakhs and net cash inflows of Rs 2,445.05 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 50 lakhs for the year ended 31st March 2023, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of such other auditors.

Three of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditors under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total assets of Rs 44.97 lakhs as at 31st March 2023, and total revenues of Rs Nil lakhs and net cash inflows of Rs 44.97 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of such subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except as disclosed in note 50 to the consolidated financial statement the backup of the books of account and other books and papers maintained in electronic mode in relation to two units of the Holding Company has not been maintained on servers physically located in India on daily basis;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated

INDEPENDENT AUDITOR'S REPORT (Contd.)

Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture, none of the directors of the Group's companies, and its joint venture, incorporated in India, is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;

(g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Based on the consideration of reports of other auditors, the provisions of clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") are not applicable to three subsidiary companies incorporated in India, four subsidiary companies incorporated outside India, and a joint venture companies incorporated in India;

(h) In our opinion, the managerial remuneration for the year ended 31st March 2023 has been paid / provided by the Holding Company and its subsidiary company incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Based on the consideration of reports of other auditors, the provisions of Section 197 read with Schedule V to the Act are not applicable to three subsidiary companies incorporated in India, four subsidiary companies incorporated outside India, and a joint venture company incorporated in India;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and joint venture, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and joint venture in its consolidated Ind AS financial statements – Refer Note 41(i) to the consolidated Ind AS financial statements;

ii. The Group, and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and joint venture, incorporated in India during the year ended 31st March 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 58 to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint venture to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, as disclosed in the Note 57 to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, and joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. Also, as stated in note 37(ii) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Group and its joint venture only w.e.f. 1st April 2023, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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per Anil Gupta
Partner
Membership Number: 87921
UDIN: 23087921BGXAUK8446

Place of Signature: New Delhi
Date: 26th May 2023

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE

Re: KDDL Limited ("the Holding Company")

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ subsidiary/ joint venture	Clause number of the CARO report which is qualified or is adverse
1.	KDDL Limited	L33302HP1981PLC008123	Holding Company	Clause 3(vii)(a)

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921
UDIN: 23087921BGXAUK8446

Place of Signature: New Delhi
Date: 26th May 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF KDDL LIMTED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of KDDL Limited (hereinafter referred to as the "Holding Company") as of and for the year ended 31st March 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated In AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind

ANNEXURE 2 (Contd.)

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

OPINION

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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per Anil Gupta
Partner
Membership Number: 87921
UDIN: 23087921BGXAUK8446

Place of Signature: New Delhi
Date: 26th May 2023

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,742.36	15,991.86
Capital work-in-progress	3	1,341.64	227.33
Intangible assets	4	64.20	56.92
Intangible assets under development	4	-	1.91
Right-of-use assets	45	11,497.38	10,490.16
Investment properties	3(a)	213.36	137.67
Equity accounted investees	5	207.15	157.47
Financial assets			
- Investments	6	49.39	48.71
- Loans	7	81.76	83.62
- Other financial assets	8	2,781.49	1,201.96
Income tax asset (net)	9	584.38	568.69
Deferred tax assets (net)	10	1,780.41	906.86
Other non-current assets	11	1,446.59	301.99
Total non-current assets		**38,790.11**	**30,175.15**
Current assets			
Inventories	12	38,097.83	27,952.46
Financial assets			
- Trade receivables	13	6,243.24	4,540.68
- Cash and cash equivalents	14	5,836.58	5,203.41
- Other bank balances	15	20,784.50	512.39
- Loans	7	100.79	96.31
- Other financial assets	8	1,735.93	930.59
Other current assets	16	4,463.53	4,535.23
Total current assets		**77,262.40**	**43,771.07**
Total assets		**1,16,052.51**	**73,946.22**
Equity and Liabilities			
Equity			
Equity share capital	17	1,262.42	1,282.42
Other equity	18	44,366.32	23,967.69
Equity attributable to owners of the Company		**45,628.74**	**25,250.11**
Non-controlling interests	39	24,586.12	5,802.25
Total equity		**70,214.86**	**31,052.36**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	7,333.91	7,724.34
- Lease liabilities	45	9,332.41	8,483.47
- Other financial liabilities	20	204.52	171.71
Provisions	21	192.35	142.35
Deferred tax liabilities (net)	10	447.12	523.07
Total non-current liabilities		**17,510.31**	**17,044.94**
Current liabilities			
Financial liabilities			
- Borrowings	19	5,421.24	7,773.95
- Lease liabilities	45	2,557.79	2,525.37
- Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		159.05	206.49
- total outstanding dues of creditors other than micro enterprises and small enterprises		12,646.67	10,356.37
- Other financial liabilities	20	2,951.92	2,404.54
Other current liabilities	23	3,308.04	1,744.33
Provisions	21	1,066.36	781.82
Current tax liabilities (net)	24	216.27	56.05
Total current liabilities		**28,327.34**	**25,848.92**
Total liabilities		**45,837.65**	**42,893.86**
Total equity and liabilities		**1,16,052.51**	**73,946.22**
Significant accounting policies	2		
Notes to the consolidated Ind AS financial statements	3-60		

The accompanying notes form an integral part of the consolidated Ind AS financial statements

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

Particulars	Note	Year ended 31st March 2023	Year ended 31st March 2022
REVENUE FROM OPERATIONS	25	1,11,944.51	81,624.09
Other income	26	1,931.43	1,534.04
Total income (I)		**1,13,875.94**	**83,158.13**
EXPENSES			
Cost of raw materials consumed	27	8,645.80	6,148.12
Purchases of stock-in-trade	28	63,385.06	46,327.49
Changes in inventories of finished goods, work-in-progress, stock-in-trade and scrap	29	(9,153.41)	(5,294.19)
Employee benefits expenses	30	17,400.38	12,038.08
Finance costs	31	2,396.01	2,477.21
Depreciation and amortisation expense	32	4,939.46	4,538.15
Other expenses	33	15,552.05	11,690.81
Total expenses (II)		**1,03,165.35**	**77,925.67**
Profit before share of equity accounted investees and income tax (III= I-II)		**10,710.59**	**5,232.46**
Share of profit/(loss) of equity accounted investees (net of income tax, if any) (IV)	5	49.68	(3.60)
Profit before income tax (V= III+IV)		**10,760.27**	**5,228.86**
Income tax expense:	34		
- Current tax		4,038.96	1,692.32
- Current tax for earlier years		(33.20)	(23.55)
- Deferred tax credit		(942.35)	(101.92)
- Deferred tax charge for earlier years		(1.15)	23.15
- Deferred tax (credit) due to change in rate		-	(80.98)
Total income tax expense (VI)		**3,062.26**	**1,509.02**
Profit for the year (VII= V- VI)		**7,698.01**	**3,719.84**
Other comprehensive income / (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit (liability) / asset		(44.90)	14.44
Income tax on remeasurement of defined benefit (liability) / asset		11.39	(3.62)
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(14.08)	60.31
Other comprehensive income / (expense) for the year (net of income tax)		**(47.59)**	**71.13**
Total comprehensive income for the year (net of income tax)		**7,650.42**	**3,790.97**
Profit attributable to:			
Owners of the Company		5,358.92	3,195.33
Non-controlling interest		2,339.09	524.52
Profit for the year		**7,698.01**	**3,719.84**
Other comprehensive income / (expense) attributable to:			
Owners of the Company		(50.59)	62.73
Non-controlling interest		3.00	8.40
Other comprehensive income / (expense) for the year		**(47.59)**	**71.13**
Total comprehensive income attributable to:			
Owners of the Company		5,308.33	3,258.05
Non-controlling interest		2,342.09	532.92
Total comprehensive income for the year		**7,650.42**	**3,790.97**
Earnings per share [nominal value of share Rs. 10 (previous year Rs. 10)]			
Basic (Rs.)	35	42.18	25.30
Diluted (Rs.)		42.18	25.30
Significant accounting policies	2		
Notes to the consolidated Ind AS financial statements	3-60		

The accompanying notes form an integral part of the consolidated Ind AS financial statements

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

A. EQUITY SHARE CAPITAL

	Note	
Balance as at 1st April 2021	17	**1,165.01**
Changes in equity share capital during the year		108.70
Balance as at 31st March 2022	17	**1,273.71**
Share capital bought back during the year	51	(19.99)
Balance as at 31st March 2023		**1,253.72**

B. OTHER EQUITY

	Reserves and surplus						Other comprehensive income	Adjustment in other equity	Total other equity attributable to owners of the Company	Attributable to Non-controlling interest	Total
	Capital reserve	Securities premium	General reserve	Employee stock options outstanding reserve	Retained earnings	Capital Redemption Reserve	Exchange differences on translation of foreign operations	Changes in proportion of non controlling interest*			
Balance as at 31st March 2021	**367.47**	**12,741.03**	**2,776.20**	**47.37**	**3,057.80**	**-**	**(90.25)**	**(1,331.76)**	**17,567.88**	**4,069.49**	**21,637.33**
Total comprehensive income for the year ended 31st March 2022											
Profit for the year	-	-	-	-	3,195.33	-	-	-	3,195.33	524.52	3,719.85
Other comprehensive income for the year (net of income tax)	-	-	-	-	10.52	-	52.21	-	62.73	8.40	71.13
	-	**-**	**-**	**-**	**3,205.85**	**-**	**52.21**	**-**	**3,258.07**	**532.91**	**3,790.98**
Issue of equity share for cash	-	2,391.30	-	-	-	-	-	-	2,391.30	-	2,391.30
Issue of equity share for cash in a subsidiary company	-	1,653.79	-	-	-	-	-	-	1,653.79	1,387.13	3,040.92
Share issue expense	-	(93.56)	-	-	-	-	-	-	(93.56)	-	(93.56)
Dividend	-	-	-	-	(191.06)	-	-	-	(191.06)	-	(191.06)
Share options lapsed	-	-	-	(9.41)	-	-	-	-	(9.41)	-	(9.41)
Share options exercised	-	-	-	(37.96)	-	-	-	-	(37.96)	-	(37.96)
Issue of ESOP for cash in a subsidiary company	-	153.18	-	-	-	-	-	(105.81)	47.37	105.81	153.18
Business combination during the year (refer to note 48)	0.73	-	-	-	-	-	-	-	0.73	19.46	20.19
	0.73	**4,104.71**	**-**	**(47.37)**	**(191.06)**	**-**	**-**	**(105.81)**	**3,761.20**	**1,512.40**	**5,273.60**
Changes in ownership interests in subsidiaries that do not result in loss of control											
Acquisition of non-controlling interests*	-		-	-	-	-	-	(619.46)	(619.46)	(312.55)	(932.01)
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(619.46)**	**(619.46)**	**(312.55)**	**(932.01)**
Balance as at 31st March 2022	**368.20**	**16,845.74**	**2,776.20**	**(0.00)**	**6,072.60**	**-**	**(38.04)**	**(2,057.03)**	**23,967.69**	**5,802.25**	**29,769.94**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Reserves and surplus						Other comprehensive income	Adjustment in other equity	Total other equity attributable to owners of the Company	Attributable to Non-controlling interest	Total
	Capital reserve	Securities premium	General reserve	Employee stock options outstanding reserve	Retained earnings	Capital Redemption Reserve	Exchange differences on translation of foreign operations	Changes in proportion of non controlling interest*			
Total comprehensive income for the year ended 31st March 2023											
Profit for the year	-	-	-	-	5,358.92	-	-		5,358.92	2,339.09	7,698.01
Other comprehensive income for the year (net of income tax)	-	-	-	-	(36.51)	-	(14.08)		(50.59)	3.00	(47.59)
	-	**-**	**-**	**-**	**5,322.41**	**-**	**(14.08)**	**-**	**5,308.33**	**2,342.09**	**7,650.42**
Proceeds from sale of shares of subsidiary (net of tax)	-	1,082.00	-	-	-	-	-	-	1,082.00	-	1,082.00
Issue of equity share for cash in a subsidiary company	-	21,834.09	-	-	-	-	-	(906.38)	20,927.71	16,572.29	37,500.00
Share issue expense	-	(3,531.05)	-	-	-	-	-	-	(3,531.05)	-	(3,531.05)
Buy back of equity shares	-	(2,080.00)	-	-	(19.99)	19.99	-	-	(2,080.00)	-	(2,080.00)
Expenses for buy back of equity shares (Net of tax)	-	-	-	-	(23.69)	-	-	-	(23.69)	-	(23.69)
Tax on buy back of equity shares	-	-	-	-	(484.86)	-	-	-	(484.86)	-	(484.86)
Dividend	-	-	-	-	(632.85)	-	-	-	(632.85)	-	(632.85)
	-	**17,305.04**	**-**	**-**	**(1,161.40)**	**19.99**	**-**	**(906.38)**	**15,257.26**	**16,572.29**	**31,829.55**
Changes in ownership interests in subsidiaries that do not result in loss of control											
Acquisition of non-controlling interests*	-	-	-	-	-	-	-	(166.96)	(166.96)	(130.51)	(297.47)
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(166.96)**	**(166.96)**	**(130.51)**	**(297.47)**
Balance as at 31st March 2023	**368.20**	**34,150.78**	**2,776.20**	**-**	**10,233.61**	**19.99**	**(52.12)**	**(3,130.36)**	**44,366.32**	**24,586.12**	**68,952.44**

* Adjustment to carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiaries on account of changes in proportion of the equity held by non-controlling interests.

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
Cash flow from operating activities		
Profit before income tax	10,760.27	5,228.86
Adjustments for :		
Depreciation and amortisation expenses	4,939.46	4,538.15
Property, plant and equipment written off	33.14	25.43
Net loss on sale of property, plant and equipment	2.49	11.56
Impairment of investment property	-	152.24
Advances / deposits / bad debts written off	21.18	294.51
Interest expense	2,356.11	2,429.03
Interest income	(1,252.29)	(260.82)
Dividend income	(0.35)	(0.24)
Share of loss/ (profit) of equity accounted investees (net of income tax, if any)	(49.68)	3.60
Liabilities / provision no longer required written back	(147.69)	(122.37)
Gain on account of conversion of an associate into subsidiary company (refer to note 47)	-	(11.11)
Expense on employee stock option scheme	-	(9.41)
Expected credit loss on trade receivables/Provision for doubtful debts written back	(9.92)	(86.70)
Provision for bad and doubtful advances	-	15.00
Rent Concessions	-	(804.46)
Profit on deletion of lease liability & Right to use assets	(26.84)	(34.42)
Unrealised foreign exchange (gain)/ loss	(119.93)	(64.71)
Change in fair value of derivative contracts	13.67	(9.43)
Net change in fair value of financial assets (at FVTPL)	(0.68)	(0.21)
Effect of exchange rates on translation of operating cash flows	(14.08)	60.31
Operating cash flow before working capital changes	**16,504.85**	**11,354.84**
Changes in working capital:		
(Increase)/Decrease in loans	(2.62)	6.30
(Increase)/Decrease in other financial assets	(1,197.67)	8.01
Decrease/(Increase) in other current and non current assets	94.87	(2,123.06)
(Increase) in inventories	(10,145.37)	(5,408.04)
(Increase) in trade receivables	(1,668.94)	(403.23)
Increase in provisions	289.64	85.85
Increase in trade payables	2,419.39	1,914.08
Increase in other financial liabilities	552.24	310.93
Increase in other current liabilities	1,597.01	245.59
Cash generated from operating activities	**8,443.41**	**5,991.27**
Income tax (paid), net	(3,855.84)	(1,751.08)
Net cash generated from operating activities (A)	**4,587.57**	**4,240.19**
Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances, capital creditors)	(7,177.42)	(2,666.25)
Proceeds from sale of property, plant and equipment	123.58	21.98
Payment for purchase of investments in subsidiaries	(297.47)	(957.93)
Proceeds from sale of shares of subsidiary (net of tax)	1,082.00	-
Investment in equity accounted investees	-	(75.01)
Payment towards purchase of investments	(112.76)	-
Fixed deposit placed/matured (net)	(21,091.96)	(6.31)
Interest received	797.60	107.31
Dividend received	0.35	0.24
Net cash (used) in investing activities (B)	**(26,676.08)**	**(3,575.98)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
Cash flow from financing activities		
Proceeds from issue of equity share capital (including premium) in subsidiary	37,500.00	2,500.00
Share issue expenses	(3,531.05)	(93.56)
Buy Back of equity Shares	(2,099.99)	-
Expense on buy back of equity shares (net of tax)	(23.69)	-
Tax on buy back of equity shares	(484.86)	-
Amount received on allotment of stock options in the subsidiary company	-	125.70
Amount received on allotment of equity shares on rights issue in the subsidiary company	-	541.73
Amount received on allotment of equity shares on private placement basis in the subsidiary company	-	2,500.00
Proceeds from non-current borrowings	3,387.64	4,657.11
Repayment of non-current borrowings	(6,072.75)	(3,731.73)
Proceeds from/repayments of current borrowings (net)	(58.03)	(1,009.56)
Principal portion of lease payments	(2,676.75)	(1,455.07)
Interest portion of lease payments	(1,208.06)	(1,086.02)
Interest paid	(1,349.01)	(1,341.96)
Dividend paid on equity shares	(661.77)	(191.06)
Net cash from financing activities (C)	**22,721.69**	**1,415.57**
Net increase in cash and cash equivalents (A+B+C)	**633.17**	**2,079.79**
Additions pursuant to acquisition of subsidiary company, earlier was associate company	**-**	**32.97**
Cash and cash equivalents at the beginning of the year	**5,203.41**	**3,090.65**
Cash and cash equivalents at the end of the year (see below)	**5,836.58**	**5,203.41**
Components of cash and cash equivalents:		
Balances with banks		
- in current accounts	4,619.96	4,398.59
- in cash credit accounts	74.60	110.84
Deposits with original maturity of less than three months	705.00	500.00
Cheques, drafts on hand	71.94	4.81
Cash on hand	112.25	71.26
Credit cards receivable	252.83	117.91
	5,836.58	**5,203.41**

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(t).
3. Refer note to 19 for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies 2

Notes to the consolidated Ind AS financial statements 3-60

The accompanying notes form an integral part of the consolidated Ind AS financial statements

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

1. CORPORATE INFORMATION

KDDL Limited ('the Company' or 'the Parent Company'), is a public limited company domiciled in India and was incorporated in January 1981 under the provisions of the Companies Act applicable in India. The Company is listed on BSE Limited and National Stock Exchange (NSE) of India Limited in India. The registered office of the Company is located at Plot No.3, Sector III, Parwanoo, Himachal Pradesh, India – 173220.

These consolidated Ind AS financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in a joint venture. The Group is primarily engaged in the business of manufacturing dials, watch hands and precision components and retail trading of premium and luxury watches, accessories and other luxury items and rendering of related after sale services. Currently, the Group has its manufacturing facilities, at Parwanoo (Himachal Pradesh) and Derabassi (Punjab) – dial manufacturing, Bengaluru (Karnataka) - hands and precision components manufacturing and retail stores of watches across the country. During the year, the Group has initiated the process of setting up of a new plant for manufacturing steel bracelets for watches at Bangalore (Karnataka).

The consolidated Ind AS financial statements were approved for issue in accordance with a resolution of the directors on 26th May 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated Ind AS financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

The consolidated Ind AS financial statements provide comparative information in respect of the previous year.

Basis of measurement

The consolidated Ind AS financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required under relevant Ind AS.

- Certain financial assets and liabilities are measured at fair value (Refer accounting policy regarding financial instruments in Note q)
- Defined benefit plans- plan assets are measured at fair value

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held for primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held for primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of liability for at least twelve after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Basis of consolidation

The consolidated Ind AS financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiaries as at 31st March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

S. No.	Name	Notes	Country of incorporation	31st March 2023	31st March 2022
				Percentage of Ownership	Percentage of Ownership
1	Pylania SA*	(a)	Switzerland	100.00%	85.00%
2	Kamla International Holdings SA		Switzerland	100.00%	100.00%
3	Ethos Limited**	(b)	India	61.07%	75.55%
4	Mahen Distribution Limited		India	100.00%	100.00%
5	Cognition Digital LLP***	(c)	India	99.99%	99.99%
6	Kamla Tesio Dials Limited****		India	100.00%	69.99%
7	Estima AG*	(d)	Switzerland	100.00%	95.50%
8	Pasadena Retail Private Limited	(e)	India	50.00%	50.00%
9	Silvercity Brands AG*****	(f)	Switzerland	100.00%	-

Notes:

(a) Includes 62.25% (31st March 2022: 47.25%) held through Kamla International Holdings SA

(b) Includes 9.76% (31st March 2022: 12.43%) held through Mahen Distribution Limited

(c) Includes 99.99% (31st March 2022: 99.99%) held through Ethos Limited.

(d) Includes 100.00% (31st March 2022: 95.50%) held through Kamla International Holdings SA and Pylania SA

(e) Includes 50% (31st March 2022: 50%) held through Ethos Limited.

(f) Includes 100.00% (31st March 2022: Nil) held through Ethos Limited.

* During the year ended 31st March 2023, Kamla International Holdings SA (KIH), wholly owned subsidiary of the Holding Company has acquired 3000 equity shares (15%) of Pylania SA (a subsidiary of KDDL Limited) from its existing shareholder, which resulted in increase of KIH equity shareholding from 47.25% to 62.25%. Consequently, Pylania SA has become 100% subsidiary of the Holding Company (directly and indirectly through its wholly owned subsidiary, KIH)

Also, by virtue of the aforesaid acquisition, the holding of the Group in Estima AG has increased from 95.50% to 100%.

** During the year ended 31st March 2023, the Holding Company has sold 1,54,089 equity shares (including 14,008 equity shares held by its wholly owned subsidiary, Mahen Distribution Limited) under Initial Public Offering (IPO) of Ethos Limited. The equity shares are sold at Rs. 878 per share (including securities premium of Rs. 868 per share). Post aforesaid sale, the consolidated shareholding of the Holding Company (directly and indirectly through its other subsidiary, Mahen Distribution Limited) in Ethos Limited as at 31st March 2023 is 61.07%.

*** The percentage of holding denotes the share of profits in LLP.

**** During the year ended 31st March 2023, Kamla International Holdings SA (KIH), wholly owned subsidiary of the Holding Company has acquired 3,00,000 equity shares (30%) of Kamla Tesio Dials Limited (KTDL) (a subsidiary of KDDL Limited) from its existing shareholder. Post the said acquisition, KTDL has become wholly owned subsidiary of the Holding Company.

****** During the year ended 31st March 2023, Ethos Limited, has acquired 50,000 equity shares (100%) of Silvercity Brands AG from its existing shareholder. Post the said acquisition, Silvercity Brands AG has become wholly owned subsidiary of Ethos Limited w.e.f. 31st March 2023.

Consolidation procedure

(i) *Business Combinations*

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which control ceases.

(iii) *Non-controlling interests (NCI)*

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(iv) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

(v) *Equity accounted investees*

The Group's interests in equity accounted investees comprise interests in its joint venture.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated Ind AS financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

(vi) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) *Foreign currency transactions*

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

(viii) *Foreign operations*

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

c. Property, plant and equipment ('PPE')

Recognition and measurement

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if the recognition criteria is met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if,

(a) It is probable that future economic benefits associated with the item will flow to the entity, and

(b) The cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE of the Group's Indian entities is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with related amendments. The estimated useful lives of items of property, plant and equipment for the current and comparative period are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Buildings – factory	30 Years	30 Years
Roads	10 Years	10 Years
Plant and equipment*	15 Years	3- 15 Years
Furniture and fittings**	10 Years	3- 10 Years
Office equipment	5 Years	5 Years
Computers	3 Years	3 Years
Vehicles	8 Years	8 Years

Depreciation on improvements carried out on buildings taken on lease is provided over the period of the lease or useful life of assets, whichever is lower. Refer lease policy at point 'p' below for period of leases.

* The Parent Company, based on technical assessment made by technical expert and management estimate, depreciates tools included in plant and equipment over estimated useful lives of 3 and 15 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

** In one of the subsidiary company, furniture & fixture being in the nature of display furniture at stores are being depreciated over the estimated life of three years from the date of capitalisation on the basis of internal evaluation by the management basis which the management believes that this useful life best represents the period over which these asset will be used.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

In case of one of the subsidiary company, on an item of property, plant and equipment discarded during the year, accelerated depreciation is provided upto the date on which such item of property, plant and equipment is discarded.

Depreciation on the property, plant and equipment of the Group's foreign subsidiary Pylania SA has been provided on straight-line method based on the estimated useful life of assets using the rates stated as follows:

Particulars	Rate
Buildings – Factory	1.5% to 8.5%
Plant and machinery	10% to 15%
Office equipment	8.5% to 15%
Motor vehicles	48%

Depreciation on the property, plant and equipment of the Group's foreign subsidiary Estima AG has been provided on straight-line method based on the estimated useful life of assets using the rates stated as follows:

Particulars	Rate
Buildings – Factory	3.33%
Plant and machinery	6.67%
Furniture	10.00%
Office equipment	10.00%

Particulars	Rate
Motor vehicles	33.33%
Tools	33.33%

The depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derocogntion of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

d. Intangible assets

Acquired Intangible

Intangible assets that are acquired by the Group are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Technical know-how 4 Years
- Software 6 Years

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

e. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates investment property over 20 years from the date of original purchase.

Though the Group measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. Transfers are made to (or from) investment properties only when there is a change in use.

Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

f. Inventories

Inventories are valued at the lower of cost and net realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Traded Goods	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Scrap	Net realisable value

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Retirement and other employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Parent Company are also participants in the superannuation plan ("the Plan"), a defined contribution plan. The Group makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss. The social security costs, paid for the overseas employees by the Parent Company and paid by the overseas subsidiary, are in the nature of defined contribution schemes as per the laws of that country.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income)

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on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise. The Group presents the leave liability as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

h. Share based payments

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non- market vesting conditions at the vesting date.

i. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

j. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognised when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

k. Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

l. Revenue from contract with customer

Revenue from contracts with customers is recoganised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.

Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Also, in determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The Group disaggregates revenue from contracts with customers by geography.

Sale of services

The Group offers services in fixed term contracts and short term arrangement. Revenue from service is recognised when obligation is performed or services are rendered.

The Group earns revenue primarily from manufacturing of watches dials, watch hands and precision components, retail trading of premium and luxury watches, accessories and other luxury items and rendering related after sale services.

Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Group's refund liabilities arise from customers' right of return. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Customer loyalty programmes

For customer loyalty programmes, the fair value of the consideration received or receivable in respect of initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Contract balances

Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

m. Recognition of interest income or expense

Interest income or expense is accrued on a time basis and recognised using the effective interest method.

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The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

n. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o. Taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current income tax assets and liabilities are measured at the amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

Sales/value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

p. Leases

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and equipment	3- 5 Years
Building	1- 10 Years
Leasehold land	99 Years
Stores	2 – 10 Years
Furniture	4 – 5 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (r) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses

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(unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

q. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Group makes such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or

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effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVPL)
- Financial liabilities at amortised cost (loans and borrowings)

A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

r. Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest Group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

s. Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash at banks and on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

v. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received,

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(All amounts are in Indian Rupees Lacs, except for share data)

and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

w. Cash dividend

The Parent Company recognises a liability to pay dividend to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

x. Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

y. Foreign currencies

The consolidated Ind AS financial statements are presented in INR, which is also the Parent Company's functional currency. Functional currency is the currency of the primary economic environment in which the Group operates and is normally the currency in which the Group primarily generates and expends cash.

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Parent Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

z. Fair value measurement

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these consolidated Ind AS financial statements is included in the respective notes.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which were effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(iii) Ind AS 109 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

(iv) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI’s “Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for Financial Reporting under Indian Accounting Standard” without significantly changing its requirements.

(v) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent’s date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

All aforesaid amendments had no impact on the consolidated financial statement of the Group for the year ended 31st March 2023.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Revenue from contracts with customers

- The Group’s contracts with customers could include promises to transfer multiple products

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(All amounts are in Indian Rupees Lacs, except for share data)

and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and performance bonuses. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

b) Determining the lease term of contracts with renewal and termination options – Group as lessee

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

c) Defined benefit plans

The present value of the gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates for the respective countries.

d) **Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

e) **Property, plant and equipment**

Refer note 2.2(c) for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 3.

f) **Intangible assets**

Refer note 2.2(d) for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in note 4.

g) **Contingencies**

Refer note 2.2(j) and 41 for contingencies.

h) **Impairment of financial assets**

Refer note 2.2(q) for the policy to estimate the impairment of financial assets.

i) **Impairment of non-financial assets**

Refer note 2.2(r) for the policy to estimate the impairment of non-financial assets.

j) **Share-based payments**

Refer note 2.2(h) for share-based payments.

k) **Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

l) **Provision for slow and obsolete inventory**

Ethos Limited, a subsidiary of the Parent Company is in business of retail trading of premium and luxury watches, accessories and other luxury items and rendering of related after sale services and consists of inventory of watches at various stores of the subsidiary company. The subsidiary company on a periodic basis and at each reporting date assess the inventory age listing to identify slow-moving allowance and obsolete inventories and then estimates the amount of inventory provision. In doing so, it estimates the net relisable value of aged inventory based on current selling price of such/similar aged inventory and likely sales volume based discount offered and past sales trend. Also, the subsidiary company reviews catalogues of various brands to verify whether all inventory items are appearing in them.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Gross carrying amount

	Freehold land	Leasehold land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment*	Vehicles	Total	Capital work in progress
Balance as at 1st April 2021	694.12	0.00	5,632.37	2,340.33	9,596.70	2,323.62	521.90	560.18	21,669.22	488.22
Addition due to business combination (Refer to note 48)	-	-	-	-	81.46	-	0.73	8.92	91.11	-
Additions (Refer to note c below)	-	-	79.27	533.33	795.29	517.90	348.23	355.38	2,629.39	782.75
Disposals/Capitalisation during the year	-	-	-	(122.77)	(50.99)	(32.85)	(3.42)	(61.41)	(271.45)	(1,043.64)#
Transferred to investment properties	-	-	(469.68)	-	-	-	-	-	(469.68)	-
Exchange differences on translation	30.06	-	76.93	-	66.92	12.67	1.82	1.07	189.48	-
Balance as at 31st March 2022	**724.18**	**0.00**	**5,318.89**	**2,750.88**	**10,489.38**	**2,821.34**	**869.26**	**864.14**	**23,838.07**	**227.33**
Additions (Refer to note c below)	-	-	697.12	933.43	904.05	833.15	342.17	1,100.21	4,810.13	1,921.73
Disposals/Capitalisation during the year	-	-	-	(234.41)	(80.14)	(129.34)	(125.29)	(241.22)	(810.41)	(807.42)#
Transferred to investment properties	(71.12)	-	-	-	-	-	-	-	(71.12)	
Exchange differences on translation	63.14	-	121.02	-	144.52	27.64	8.81	2.34	367.48	
Balance as at 31st March 2023	**716.20**	**0.00**	**6,137.02**	**3,449.91**	**11,457.81**	**3,552.79**	**1,094.94**	**1,725.47**	**28,134.15**	**1,341.64**
Accumulated Depreciation										
Balance as at 1st April 2021	-	-	612.21	1,059.12	3,398.65	706.86	339.35	181.70	6,297.89	-
Addition due to business combination (Refer to note 48)	-	-	-	-	77.21	-	0.69	8.47	86.38	-
Depreciation for the year	-	-	181.39	362.35	802.24	236.86	141.02	82.64	1,806.50	-
Disposals	-	-	-	(122.77)	(36.76)	(26.08)	(2.82)	(29.34)	(217.77)	-
Transferred to investment properties	-	-	(163.58)	-	-	-	-	-	(163.58)	-
Exchange differences on translation	-	-	11.38	-	21.93	2.07	0.59	0.82	36.79	-
Balance as at 31st March 2022	**-**	**-**	**641.40**	**1,298.70**	**4,263.27**	**919.71**	**478.83**	**244.29**	**7,846.21**	**-**
Depreciation for the year	-	-	193.81	454.16	782.29	321.07	189.03	166.15	2,106.51	-
Disposals	-		-	(234.41)	(46.43)	(126.83)	(111.33)	(132.23)	(651.23)	-
Transferred to investment properties	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation	-	-	14.40	-	60.85	8.77	3.95	2.33	90.30	-
Balance as at 31st March 2023	**-**	**-**	**849.61**	**1,518.45**	**5,059.98**	**1,122.72**	**560.48**	**280.54**	**9,391.79**	**-**
Carrying amount (net)										
At 31st March 2022	**724.18**	**0.00**	**4,677.48**	**1,452.18**	**6,226.11**	**1,901.63**	**390.43**	**619.85**	**15,991.86**	**227.33**
At 31st March 2023	**716.20**	**0.00**	**5,287.41**	**1,931.46**	**6,397.83**	**2,430.07**	**534.46**	**1,444.93**	**18,742.36**	**1,341.64**

Notes:

a. Refer to note 19 for information on property, plant and equipment are pledged as security by the group.

b. Refer to note 41(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. The Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the group.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
Rent	108.51	48.25
Power and Fuel	2.28	0.35
Rates and Taxes	30.21	4.11
Repairs and maintenance- others	29.45	15.68
Legal and professional fees	43.43	-
Salaries and wages	39.44	-
Travelling and conveyance	11.34	-
Security service charges	3.58	-
Bank charges	2.55	-
Contractual labour expenses	1.35	-
Stores and spares consumed	1.31	-
Communication expenses	1.17	-
Miscellaneous Expenses	3.03	-
Expenses capitalised by the Group	**277.65**	**68.39**

d. Addition amount is net of reimbursement received for property, plant and equipment by a subsidiary company of Rs.1.09 as at 31st March 2023 (31st March 2022: Nil) from brands.

e. Deletion amount includes re-imbursement received for property, plant and equipment by a subsidiary company of Rs. 2.36 (previous year Rs Nil) from brands.

Represents capital work in progress capitalised during the current year and previous year.

*Including block of computers.

Capital work in progress (CWIP) Ageing Schedule

As at 31st March 2023	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	1,225.65	12.52	1.18	13.13	1,252.48
Material purchased for inhouse development of tools	49.13	11.86	6.25	21.92	89.16
Projects temporarily	-	-	-	-	-
Total	**1,274.78**	**24.38**	**7.43**	**35.05**	**1,341.64**

As at 31st March 2022	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	118.57	1.18	8.17	5.10	133.02
Material purchased for inhouse development of tools	46.94	16.24	7.27	23.86	94.31
Projects temporarily suspended	-	-	-	-	-
Total	**165.51**	**17.42**	**15.44**	**28.96**	**227.33**

3 (a) Investment properties

Cost

	Building	Total
Opening balance at 1st April 2021	**-**	**-**
Additions	-	-
Balance transfer from Property, plant and equipment	469.68	469.68
Disposal	-	-
Closing balance at 31st March 2022	**469.68**	**469.68**
Additions	-	-
Exchange differences on translation	45.94	45.94
Balance transfer from Property, plant and equipment	71.12	71.12
Disposal	-	-
Closing balance at 31st March 2023	**586.74**	**586.74**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Depreciation and impairment

	Building	Total
Opening balance at 1st April 2021	**-**	**-**
Balance transfer from Property, plant and equipment	163.58	163.58
Depreciation for the year	16.20	16.20
Impairment during the year (Refer to note 32)	152.24	152.24
Closing balance at 31st March 2022	**332.02**	**332.02**
Balance transfer from Property, plant and equipment	-	-
Exchange differences on translation	32.94	32.94
Depreciation for the year	8.42	8.42
Impairment during the year	-	-
Closing balance at 31st March 2023	**373.38**	**373.38**
Carrying amount (net)		
31st March 2022	**137.67**	**137.67**
31st March 2023	**213.36**	**213.36**

Note:

(a) During the year, the group had transferred one of its land situated at Grandval, Switzerland from property, plant and equipment to investment property as it is not being used for business purpose and being held as investment property. And in previous year, the group had transferred one of its building situated at Grandval, Switzerland from property, plant and equipment to investment property as it is not being used for business purpose and being held as investment property.

(b) The fair values of the properties as on 31st March 2023 are Rs. 213.36 (Previous year : Rs. 137.67). The concerned building is transferred to Investment property from existing property after a change in use, the management determined the fair value based on the best available quotation from the market.

(c) The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Gross carrying amount

	Technical know-how	Softwares	Total	Intangible Assets under development*
Balance as at 1st April 2021	68.22	187.41	255.63	5.61
Additions	5.61	21.70	27.31	1.91
Disposals	-	(16.24)	(16.24)	(5.61)
Balance as at 31st March 2022	**73.83**	**192.87**	**266.70**	**1.91**
Additions	-	32.11	32.11	7.70
Disposals	-	(1.14)	(1.14)	(9.61)
Balance as at 31st March 2023	**73.83**	**223.84**	**297.67**	**-**
Accumulated amortisation				
Balance as at 1st April 2021	28.59	170.24	198.83	-
Amortisation for the year	12.94	14.09	27.03	-
Disposals	-	(16.08)	(16.08)	-
Balance as at 31st March 2022	**41.53**	**168.25**	**209.78**	**-**
Amortisation for the year	10.81	13.99	24.80	-
Disposals	-	(1.11)	(1.11)	-
Balance as at 31st March 2023	**52.34**	**181.13**	**233.47**	**-**
Carrying amount (net)				
At 31st March 2022	**32.30**	**24.62**	**56.92**	**1.91**
At 31st March 2023	**21.49**	**42.71**	**64.20**	**-**

*Rs Nil related to development of employee payroll software (31st March 2022: Rs. 1.91 related to development of business intelligence software)

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(All amounts are in Indian Rupees Lacs, except for share data)

Intangible assets under development (IAUD) Ageing Schedule

As at 31st March 2023	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at 31st March 2022	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	1.91	-	-	-	1.91
Total	**1.91**	**-**	**-**	**-**	**1.91**

5 EQUITY ACCOUNTED INVESTEES

	As at 31st March 2023	As at 31st March 2022
Non-current investments		
Unquoted investments (fully paid up)		
Investment in equity shares (at cost)		
of Joint venture:		
- Pasadena Retail Private Limited, 17,50,000 (31st March 2022: 17,50,000) equity shares of Rs. 10 each fully paid up	207.15	157.47
	207.15	**157.47**

See accounting policies in Notes 2.2(b)(v).

	Note	As at 31st March 2023	As at 31st March 2022
Interest in joint venture	(a)	207.15	157.47
		207.15	**157.47**

(a) The following table summarizes the financial information and the carrying amount of the Group's interest in associates:

Name of associate	Principal activity	Principal place of business	Percentage ownership interest	
			As at 31st March 2023	As at 31st March 2022
Kamla Tesio Dials Limited	Manufacture of dials and accessories	India	0%	0%

	Year ended 31st March 2023	Year ended 31st March 2022
Other income	-	0.64
Employee benefit expense	-	(0.84)
Other expenses	-	(19.79)
(Loss) for the period from 01 April 2021 to 21 November 2021	-	**(19.99)**
Other comprehensive income	-	-
Total comprehensive income/(loss)	**-**	**(19.99)**
Group's share of profit (30%)	-	(19.99)
Group's share of other comprehensive income/(loss) (30%)	-	(6.00)
Group's share of total comprehensive income/(loss)	**-**	**-**
	-	**(6.00)**

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(All amounts are in Indian Rupees Lacs, except for share data)

(b) The following table summarises the financial information and the carrying amount of the Group's interest in Joint Venture:

Name of joint venture	Principal activity	Principal place of business	Percentage ownership interest	
			As at 31st March 2023	As at 31st March 2022
Pasadena Retail Private Limited	Trading of luxury watches	India	50%	50%

	As at 31st March 2023	As at 31st March 2022
Current assets [including cash and cash equivalents of Rs. 39.60 (31st March 2022: Rs. 38.98)]	598.97	580.39
Non-current assets [including deferred tax assets of Rs.8.85 (31st March 2022: Rs. 9.83)]	164.17	242.71
Current liabilities [including current tax liabilities of Rs.4.10 (31st March 2022: Rs. 4.50)]	331.38	406.79
Non-current liabilities	17.47	101.38
Net assets	**414.29**	**314.94**
Group's share of net assets (50%)	207.15	157.47
Carrying amount of the Company's interest in joint venture	**207.15**	**157.47**

	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations	1,064.76	858.27
Other income	4.41	25.43
Purchases of stock-in-trade	(756.49)	(692.63)
Changes in inventories of stock-in-trade	22.79	37.25
Depreciation and amortisation expense	(88.59)	(88.67)
Finance costs	(25.40)	(42.20)
Other expenses	(88.06)	(91.04)
Profit before tax for the year	**133.42**	**6.41**
Tax expense		
- Current income tax charge	(33.10)	(4.50)
- Deferred tax credit	(0.97)	2.89
Other comprehensive income	-	-
Total comprehensive income	**99.35**	**4.80**
Group's share of profit (50%)	49.68	2.40
Group's share of other comprehensive income (50%)	-	-
Group's share of total comprehensive income	**49.68**	**2.40**

6 INVESTMENTS

	As at 31st March 2023	As at 31st March 2022
Non-current investments		
Unquoted investments (fully paid up)		
Other Companies (Fair value through Statement of Profit and Loss):		
- Karolview Developers Private Limited 5,00,000 (31st March 2022: 5,00,000) equity shares of Rs.10 each fully paid up	43.65	43.70
- Shivalik Waste Management Limited 17,500 (31st March 2022: 17,500) equity shares of Rs. 10 each fully paid up	5.74	5.01
	49.39	**48.71**
Aggregate amount of unquoted investments	49.39	48.71

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

7 LOANS* (AT AMORTISED COST)

(Unsecured and considered good)

	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Loan to employees				
- to related parties (refer to note 43)	4.96	10.44	12.01	11.53
- to others	76.80	73.18	88.78	84.78
	81.76	**83.62**	**100.79**	**96.31**

*The Group's exposure to credit and currency risk, and loss allowances related to other non current financial assets are disclosed in note 36.

8 OTHER FINANCIAL ASSETS

(Unsecured and considered good)

	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Deposit accounts with original maturity more than 3 months and maturing after 12 months from the reporting date*	865.46	15.82	-	-
Derivatives financial instruments (Fair value through Statement of Profit and Loss)	-	-	3.05	9.43
Interest accrued but not due on deposits**	4.80	0.22	356.90	20.07
Recoverable from / balance with government authorities	-	-	183.73	114.73
Right to return assets	-	-	6.84	34.74
Security deposits	1,798.47	1,185.92	988.13	511.23
Recoverable from others	-	-	207.79	250.90
Application Money in a company***	112.76	-	-	-
Less: Allowance for bad and doubtful advances recoverable				
- Recoverable from others	-	-	(10.51)	(10.51)
	2,781.49	**1,201.96**	**1,735.93**	**930.59**

*These deposits include restricted bank deposits amounting to Rs. 115.24 (31st March 2022 : Rs. 9.61) on account of deposits pledged as security for bank guarantees.

**Includes interest for the period from 30th May 2022 to 31st March 2023 on unutilised proceeds from IPO received amounting to Rs.306.25 which have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank and monitoring agency bank account. Refer note no. 55.

***The Subsidiary company has applied for equity rights of 6.25%, Switzerland based company "HAUTE-RIVE WATCHES SA". The Subsidiary company has received the letter for allotment of equity shares on 28th April 2023.

9 INCOME TAX ASSET (NET)

	As at 31st March 2023	As at 31st March 2022
Advance income-tax (net of provision)	584.38	568.69
	584.38	**568.69**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

10 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

	As at 31st March 2023	As at 31st March 2022
Deferred tax assets on		
- Expected credit loss allowance	5.46	15.26
- Provision for employee benefits	421.55	230.74
- Provision- other expense	38.57	37.95
- Intercompany profit elimination	919.80	0.71
- Lease liabilities and Right of use assets (Net)	389.86	354.48
- Others#	5.54	4.52
Deferred tax assets (A)	**1,780.78**	**643.66**
Deferred tax liabilities on		
- Excess depreciation as per Income Tax Act, 1961 over depreciation as per books (net)	441.29	250.23
- Income taxable on receipt basis under Income tax Act	7.27	7.27
- MTM gain on foreign exchange contracts	(1.07)	2.37
Deferred tax liability (B)	**447.49**	**259.87**
Net deferred tax assets / (liabilities) (A - B)	**1,333.29**	**383.79**
Aggregate of net deferred tax assets jurisdictions	1,780.41	906.86
Aggregate of net deferred tax liabilities jurisdictions	(447.12)	(523.07)
Net deferred tax assets / (liabilities)	**1,333.29**	**383.79**

Include primarily deposits amortisation and interest income thereon as per Ind AS 109.

2021-2022	As at 01st April 2021	Recognised in profit or loss during the year	Recognised in other comprehensive income	As at 31st March 2022
- Excess depreciation as per Income Tax Act, 1961 over depreciation as per books	(350.00)	99.77	-	(250.23)
- Income taxable on receipt basis under Income tax Act	(7.27)	-	-	(7.27)
- MTM Gain on foreign exchange contracts	-	(2.37)	-	(2.37)
- Expected credit allowance	28.11	(12.85)	-	15.26
- Intercompany profit elimination	0.70	0.01	-	0.71
- Provision for employee benefits	210.12	24.24	(3.62)	230.74
- Provision- other expense	36.41	1.54	-	37.95
- Lease liabilities and Right of use assets (Net)	287.15	67.33	-	354.48
- Minimum alternate tax credit entitlement	1.89	(1.89)	-	-
- Others#	20.55	(16.03)	-	4.52
	227.66	**159.75**	**(3.62)**	**383.79**

Include primarily deposits amortisation and interest income thereon as per Ind AS 109.

2022-2023	As at 01st April 2022	Recognised in profit or loss during the year	Recognised in other comprehensive income	As at 31st March 2023
- Excess depreciation as per Income Tax Act, 1961 over depreciation as per books	(250.23)	(191.06)	-	(441.29)
- Income taxable on receipt basis under Income tax Act	(7.27)	-	-	(7.27)
- MTM Gain on foreign exchange contracts	(2.37)	3.44	-	1.07
- Expected credit allowance	15.26	(9.80)	-	5.46
- Intercompany profit elimination	0.71	919.09	-	919.80
- Provision for employee benefits	230.74	184.82	5.99	421.55
- Provision- other expense	37.95	0.62	-	38.57
- Lease liabilities and Right of use assets (Net)	354.48	35.38	-	389.86
- Others#	4.52	1.02	-	5.54
	383.79	**943.51**	**5.99**	**1,333.29**

Include primarily deposits amortisation and interest income thereon as per Ind AS 109.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

11 OTHER NON-CURRENT ASSETS

(Unsecured and considered good)

	As at 31st March 2023	As at 31st March 2022
Capital advances	1,311.03	143.26
Prepaid expenses	31.43	54.60
Recoverable from / balance with government authorities	104.13	104.13
	1,446.59	**301.99**

12 INVENTORIES

(at lower of cost and net realisable value)

	As at 31st March 2023	As at 31st March 2022
Raw materials*#	2,403.74	1,624.77
Work-in-progress	1,087.26	1,002.96
Finished goods	157.90	44.40
Stock in trade*^	33,984.55	24,988.19
Stores and spares	464.38	284.76
Scrap	-	7.38
	38,097.83	**27,952.46**
*Includes goods-in-transit:		
- Raw materials	40.71	25.63
- Stock in trade	120.75	203.11
#Provision for inventory		
- Raw materials	72.26	94.88
^The write down of inventories as at year end amounted to:		
- Stock in trade	40.40	40.40

One of the Subsidiary Company mainly is in business of retail trading of premium and luxury watches, accessories & luxury items and rendering of related after sale services and consists of inventory of watches at various stores of the Subsidiary Company. The Subsidiary Company on a periodic basis physically verifies the inventory and makes an assessment of the inventory age listing to identify the slow-moving and obsolete inventories. The exercise has been carried out throughout the year and also at the year end. Considering the fact that, the Subsidiary Company mainly is into the business of trading of high-end luxury watches, the holding period for the same is higher and identification of slow-moving and obsolete inventories involved judgements considering the nature of the retail industry.

13 TRADE RECEIVABLES

(Unsecured, considered good, unless otherwise stated)

	As at 31st March 2023	As at 31st March 2022
Trade receivables from related parties (refer to note 43)	69.00	3.96
Trade receivables from others	6,213.02	4,588.71
Less : Allowance for expected credit loss	(38.78)	(51.99)
	6,243.24	**4,540.68**
Break-up of security details		
Trade receivable considered good- Unsecured	6,243.24	4,540.68
Trade receivable- credit impaired	34.87	36.20
Trade Receivables which have significant increase in Credit Risk	3.91	15.79
	6,282.02	**4,592.67**
Impairment Allowance (allowance for doubtful debts)		
Less : Allowance for expected credit loss	(38.78)	(51.99)
	6,243.24	**4,540.68**

Trade receivables are non-interest bearing and generally on terms of 0 to 120 days.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Trade receivables ageing schedule

As at 31st March 2023	Outstanding for following periods from the date of transaction					
	< 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	> 3 years	Total
Undisputed Trade Receivable- considered good	6,100.12	79.28	46.60	1.11	16.13	6,243.24
Udisputed Trade Receivable- which have significant increase in credit risk	3.91	-	-	-	-	3.91
Undisputed Trade Receivable- credit impaired	-	-	1.00	-	33.87	34.87
Disputed Trade Receivable- which have significant increase in credit risk*	-	-	-	-	-	-
Total	**6,104.03**	**79.28**	**47.60**	**1.11**	**50.00**	**6,282.02**

As at 31st March 2022	Outstanding for following periods from the date of transaction					
	< 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	> 3 years	Total
Undisputed Trade Receivable- considered good	4,364.60	159.28	4.81	11.99	-	4,540.68
Udisputed Trade Receivable- which have significant increase in credit risk	4.67	-	-	3.16	1.81	9.64
Undisputed Trade Receivable- credit impaired	-	-	-	1.78	34.42	36.20
Disputed Trade Receivable- which have significant increase in credit risk*	-	-	-	-	6.15	6.15
Total	**4,369.27**	**159.28**	**4.81**	**16.93**	**42.38**	**4,592.67**

* Disputed amount mainly includes amount recoverable on account of open reconciliation item with e-commerce platforms.

The group's exposure to credit and currency risk and loss allowances related to trade receivable are disclosed in Note 36 (B).

14 CASH AND CASH EQUIVALENTS

	As at 31st March 2023	As at 31st March 2022
Balances with banks		
- in current accounts*	4,619.96	4,398.59
- in cash credit accounts	74.60	110.84
Cheques, drafts on hand	71.94	4.81
Cash on hand	112.25	71.26
Others		
- Fixed Deposits with original maturity of less than 3 months**	705.00	500.00
- Credit cards receivable	252.83	117.91
	5,836.58	**5,203.41**

*Balance as on 31st March 2022 included Rs.2500 received on account of allotment of equity shares towards Pre-IPO placement by a subsidiary company. Balance as on 31st March 2023 included Rs.133.09 balance of unutilised Initial Public Offer (IPO) procced with monitoring agency bank account. Refer note no. 55.

**Fixed deposits include balance of Initial Public Offer (IPO) proceeds of Rs.500 which will be utilised as stated in the prospectus for IPO. Net unutilised proceeds from IPO as on 31st March 2023 have been temporarily invested in deposits with scheduled bank. Refer note no. 55.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

15 OTHER BANK BALANCES

	Note	As at 31st March 2023	As at 31st March 2022
Deposit accounts with original maturity more than 3 months and maturing within 12 months from the reporting date	(a)	20,728.13	485.81
Balance in unclaimed dividend accounts		56.37	26.58
		20,784.50	**512.39**

Note:

(a) Deposits include restricted bank deposits amounting to Rs. 1133.97 (31st March 2022: Rs. 470.51) on account of deposits pledged as security for deposits from shareholders, bank guarantee and margin money. Also, fixed deposits includes balance of Initial Public Offer (IPO) proceeds of Rs.19,000 which will be utilised as stated in the prospectus for IPO. Net unutilised proceeds from IPO as on 31st March 2023 have been temporarily invested in deposits with scheduled bank. Refer note no. 55.

16 OTHER CURRENT ASSETS

(Unsecured, considered good, unless otherwise stated)

	As at 31st March 2023		As at 31st March 2022	
Recoverable from / balance with government authorities		3,020.23		1,973.51
Duty Credit Scrips		16.17		1,010.94
Advances for supply of goods and services (refer to note 43 for related party disclosure)	855.51		576.77	
Advances for supply of goods and services- Credit impaired	4.49		4.49	
	860.00		**581.26**	
Less: Impairment Allowance for advance of supply of goods and services- credit impaired	(4.49)	855.51	(4.49)	576.77
Unamortised share issue expenses*		-		384.58
Advances to employees (refer to note 43 for related party disclosure)		131.51		114.87
Other advances#	55.04		78.01	
Other advances- Credit impaired	-		22.85	
	55.04		**100.86**	
Less: Impairment Allowance for other advances- credit impaired	-	55.04	(22.85)	78.01
Deposit under protest		52.53		49.76
Prepaid expenses		211.26		159.23
Advance payment for gratuity (Refer to note 42)		100.42		173.93
Prespent CSR expenditure (Refer to note 33)		20.86		13.63
		4,463.53		**4,535.23**

*During the year ended 31st March 2022, the subsidiary company has incurred expenses in connection with the Initial Public Offer (IPO) of equity shares of the subsidiary Company by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred till date, except for listing fees which shall be solely borne by the subsidiary Company, all other expenses will be shared between the subsidiary Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by the subsidiary Company in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

includes primarily claims receivable and includes Rs. Nil as impairment allowance for other advances as at 31st March 2023 (31st March 2022: Rs.22.85)

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

17 EQUITY SHARE CAPITAL

(i) Details of share capital

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each.	2,80,00,000	2,800.00	2,50,00,000	2,500.00
	2,80,00,000	**2,800.00**	**2,50,00,000**	**2,500.00**
Issued				
Equity shares of Rs. 10 each	1,27,11,397	1,271.14	1,29,11,344	1,291.13
	1,27,11,397	**1,271.14**	**1,29,11,344**	**1,291.13**
Subscribed and paid up capital				
Equity shares of Rs. 10 each fully paid up	1,25,37,117	1,253.71	1,27,37,064	1,273.71
Forfeited equity shares of Rs.10 each	1,74,280	8.71	1,74,280	8.71
	1,27,11,397	**1,262.42**	**1,29,11,344**	**1,282.42**

(ii) Rights, preferences and restrictions attached to shares

The Parent Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Parent Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Parent Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Parent Company, the holders of equity shares will be entitled to receive the residual assets of the Parent Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iii) Reconciliation of the shares outstanding at beginning and at the end of the year

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**1,27,37,064**	**1,273.71**	**1,16,50,108**	**1,165.01**
Add: shares issued during the year	-	-	10,86,956	108.70
Less: Shares extinguished on buy back during the year (Refer note no. 51)	1,99,947	19.99	-	-
Balance at the end of the year	**1,25,37,117**	**1,253.71**	**1,27,37,064**	**1,273.71**

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
Yashovardhan Saboo	22,67,407	18.09%	20,07,293	15.76%
Rajendra Kumar Saboo (RKS JS Family Trust)	14,16,683	11.30%	14,00,058	10.99%
Elevation Capital V FII Holdings Limited (formerly known as Saif India V FII Holdings Limited)	-	0.00%	10,08,400	7.92%
Elevation Capital V Limited (formerly known as Saif Partners India V Limited)	4,09,107	3.26%	7,54,716	5.93%
Pranav Shankar Saboo	7,99,051	6.37%	7,99,051	6.27%
Jupiter India Fund	6,72,521	5.36%	6,72,521	5.28%
R. K. Saboo	5,84,412	4.66%	5,84,412	4.59%

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(v) Equity shares of Rs. 10 each fully paid up held by

Promotors Shareholdings		As at 31st March 2023			As at 31st March 2022		
S. No.	**Promoter's Name**	**Number of shares**	**% of total shares**	**% change during the year**	**Number of shares**	**% of total shares**	**% change during the year**
1	Rajendra Kumar Saboo (HUF)	77,820	0.62%	0.01%	77,820	0.61%	(0.25%)
2	Yashovardhan Saboo (HUF)	55,052	0.44%	0.01%	55,052	0.43%	0.01%
3	Rajendra Kumar Saboo	5,06,592	4.04%	0.06%	5,06,592	3.98%	(9.25%)
4	Yashovardhan Saboo	22,12,355	17.65%	2.32%	19,52,241	15.33%	0.18%
5	Usha Devi Saboo	100	0.00%	0.00%	-	0.00%	0.00%
6	Anuradha Saboo	4,48,857	3.58%	0.15%	4,36,857	3.43%	(0.32%)
7	Asha Devi Saboo [Veena Kanoria Family Trust]	10,925	0.09%	(0.08%)	20,925	0.16%	(0.10%)
8	Satvika Saboo	1,51,328	1.21%	0.02%	1,51,328	1.19%	0.02%
9	Pranav Shankar Saboo	7,99,051	6.37%	0.10%	7,99,051	6.27%	0.43%
10	Vardhan Properties and Investment Private Limited	36,003	0.29%	0.00%	36,003	0.28%	0.01%
11	Dream Digital Technology Private Limited	29,415	0.23%	0.00%	29,415	0.23%	0.10%
12	Saboo Ventures LLP	52,840	0.42%	0.34%	10,038	0.08%	100.00%
13	Usha Devi Saboo (UDS JS Family Trust)	1,69,800	1.35%	0.02%	1,69,800	1.33%	(0.12%)
14	Rajendra Kumar Saboo (RKS JS Family Trust)	14,16,683	11.30%	0.31%	14,00,058	10.99%	100.00%
15	Swades Capital LLC	3,24,150	2.59%	0.04%	3,24,150	2.54%	(0.24%)
	Total	**62,90,971**	**50.18%**		**59,69,330**	**46.87%**	

(vi) Bonus shares, shares buyback and issue of shares for consideration other than cash (during five years immediately preceding 31st March 2023)

During the five years immediately preceding 31st March 2023, no bonus shares have been issued. In relation to Buy back, the Parent Company bought back 1,99,947 equity shares for an aggregate amount of Rs. 2099.99 being 1.57% of the total paid up equity share capital at average price of Rs. 1050 per equity share. The equity shares bought back were extinguished on 14th February 2023.

Further, no shares have been issued for consideration other than cash except during the year ended 31st March 2020, 16,500 equity shares of Rs. 10 each was issued under employee stock option plans for which only exercise price had been received in cash.

18 OTHER EQUITY

(also refer to Statement of Changes in Equity)

Nature and purpose of reserves

(i) Capital reserve

Reserve created under the scheme of arrangement (Business combination). This will be utilised in accordance with the provisions of Companies Act, 2013.

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilised in accordance with the applicable provisions of the Companies Act, 2013.

The Subsidiary Company, at its IPO meeting held on 26th May 2022 approved allotment of 42,71,070 Equity Shares of Rs. 10 each pursuant to Initial Public Offering at a securities premium of Rs.868 per share under Fresh Issue and offer for sale of 3,10,430 Equity Shares at an Offer Price of Rs.878 per Equity Share, to the respective applicants in various categories, in terms of the basis of allotment approved in consultation with the authorised representative of BSE Limited. The equity shares of the Subsidiary Company were listed on BSE Limited and National Stock Exchange of India Limited on 30th May 2022. The total offer expenses in relation to share issued amounting to Rs. 3,531.05 has been adjusted against securities premium. Refer note 55.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(iii) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, however, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(iv) Employee stock options outstanding reserve

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve.

(v) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

During the year ended 31st March 2017, the Parent Company had issued 377,356 share warrants at Rs. 265 per share warrant (including securities premium of Rs 255 per share warrant) on a preferential allotment basis to certain promoters and promoter entities ('warrant holders') and had also received 25% application money amounting to Rs 66.25 per share warrant. The warrants were to be converted into equivalent number of equity shares on payment of balance 75% amount at any time on or before the end of eighteen months from the date of allotment failing which these would stand forfeited. During the year ended 31st March 2018, the Parent Company has allotted 113,206 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants. During the year ended 31st March 2019, the Parent Company had allotted remaining 264,150 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants.

(vi) Capital Redemption Reserve

The Parent Company has bought back 1,99,947 equity shares during the year. Accordingly, Section 69 of Companies Act, 2013 require to create capital redemption reserve equal to nominal value of shares bought back where the Company purchases its own shares out of free reserves or security premium account. Therefore, the Company has transferred the amount equal to nominal value to capital redemption reserve out of its free reserves.

(vii) Exchange differences on translation of foreign operations

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

19 BORROWINGS

	Note	As at 31st March 2023	As at 31st March 2022
(i) Non-current borrowings			
Term-loans			
From banks (secured)	(a)	2,457.67	1,744.16
From others (secured)	(b)	2,814.54	3,982.67
		5,272.21	**5,726.83**
Deposits from shareholders / directors			
Related parties (unsecured) (refer to note 43)			
From Directors	(c)	772.41	1,092.37
From others	(c)	433.17	624.69
From others (unsecured)	(c)	2,298.11	3,428.21
		3,503.69	**5,145.27**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Note	As at 31st March 2023	As at 31st March 2022
Other loans			
From related parties (unsecured) (refer to note 43)	(d)	-	440.11
From banks (unsecured)	(d)	106.68	118.77
From others (unsecured)	(d)	355.60	492.45
		462.28	1,051.33
Total non-current borrowings (including current maturities)		**9,238.18**	**11,923.43**
Less : Current maturities of non-current borrowings (refer to note 19(ii))		1,904.27	4,199.09
		7,333.91	**7,724.34**

(a) Vehicle loans from banks amounting to Rs. 357.79 (31st March 2022: Rs. 81.95) carrying interest rate in the range of 6.90% to 9.50% (previous year 6.90% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

Vehicle loans from banks amounting to Rs.118.08 (31st March 2022: Rs.194.75) are secured against hypothecation of the specified vehicle purchased from proceeds of the said loan. The rate of interest on vehicle loans varies from 7.10% to 9.25% per annum (31st March 2022: 7.10% to 9.25%). The above loans are repayable in monthly instalments within a period of next two to four years as per repayment schedule.

Term loan from Bank of Maharashtra amounting to Rs. Nil (31st March 2022: Rs. 389.00) taken by subsidiary Ethos Limited carrying interest rate equal to Nil (31st March 2022: 7.50%). The loan was availed under Guarantee Emergency Credit Line Scheme launched by the Government of India in light of the present outbreak of COVID-19. The same was secured by second charge by way of hypothecation on entire current assets on pari passu basis of the subsidiary Company. This was also secured by 360,000 shares of Parent Company held by Sh. Y.Saboo, Managing Director of the Subsidiary Company and second charge on entire property, plant and equipment of the Subsidiary Company. Further, it was compulsorily covered under Guaranteed Emergency credit line operated by National Credit Guarantee Trustee Company Limited. The loan was to be repaid in 48 equal monthly instalments of Rs. 8.10 as per the repayment schedule commencing from 30st April 2022 with one year of moratorium from the drawdown. However, during the year, the Subsidiary Company has repaid all the outstanding loan amount.

Term loan from IDBI Bank Limited amounting to Rs. Nil (31st March 2022: Rs. 320.83) taken by subsidiary Ethos Limited carrying interest rate equal to Nil (31st March 2022: 8.80%). The loan was availed under Guarantee Emergency Credit Line Scheme launched by the Government of India in light of the present outbreak of COVID-19. The Loan was secured by second charge on all the current assets on pari passu basis of the subsidiary Company both present and future and second charge on the fixed assets of the subsidiary Company both present and future. It was also secured by mortgage and second charge on all the immovable fixed assets of the tool room unit (Eigen) of KDDL Limited (Parent Company) at Bangalore. Further, it was compulsorily covered under Guaranteed Emergency credit line operated by National Credit Guarantee Trustee Company Limited. The loan was to be repaid in 35 equal monthly instalments of Rs. 9.17 and 36th Instalment of Rs. 9.05 as per the repayment schedule commencing from 31st March 2022 with one year of moratorium from the drawdown. However, during the year, the Subsidiary Company has repaid all the outstanding loan amount.

Term loan from the Jammu & Kashmir Bank Limited amounting to Rs. Nil (31st March 2022: Rs 176.00) taken by subsidiary Ethos Limited carrying interest rate equal to Nil (31st March 2022: 8.20%) was secured by Second charge on the stock and receivables on pari passu basis of the subsidiary Company. These limits were also secured by second charge on assets of Ornapac unit at Chandigarh of KDDL Limited (Parent company). This was further secured by the second charge over land and building, machinery and office equipment of the Parwanoo unit of KDDL Limited. Further, this was compulsorily covered under Guaranteed Emergency credit line operated by National Credit Guarantee Trustee Company Limited. The loan was to be repaid in 36 equal monthly instalments commencing from 31st March 2022 with one year of moratorium from the first drawdown. However, during the year, the Subsidiary Company has repaid all the outstanding loan amount.

Term loan from Credit Suisse taken by subsidiary, Estima AG amounting to Rs. 513.84 (31st March 2022: Rs. 487.50) carrying 5% interest rate is secured against mortgage of property. The loan is to be repaid in 108 quarterly installments of Rs. 4.76 each.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Term loan from Credit Suisse taken by subsidiary, Pylania SA amounting to Rs. 90.01 (31st March 2022: Rs. 94.13) is carrying interest rate of 1.65% secured against mortgage of property. The term loan is repayable in 40 quarterly installements.

Loan from SBI Bank taken by subsidiary Pylania SA, amounting to Rs. 1377.95 (31st March 2022 : Rs. Nil) carrying interest rate in the range of 1.60% to 2.25% and secured by standby letter of credit provided by holding company.

(b) Term loan from Tata Capital Financial Services Limited amounting to Rs. 117.27 (31st March 2022: Rs. 292.72) carrying interest rate equal to LTLR less 8.75% (presently 10.80%) (previous year 9.00%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru 560058 (Karnataka). The loan is to be repaid in 52 monthly installments of Rs. 14.65 as per the repayment schedule in equal annual installments commencing from 30th July 2018. The last instalment would be repaid on 20th November 2023.

Term loan from Tata Capital Financial Services Limited amounting to Rs. 18.77 (31st March 2022: Rs. 18.77) carrying interest rate equal to 10.80% (previous year 9.00%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru 560058 (Karnataka). The loan is to be repaid in 4 monthly installments of Rs. 4.69 as per the repayment schedule in equal installments commencing from 20th August 2023. The last instalment would be repaid on 20th November 2023.

Term loan from Bajaj Finance Limited amounting to Rs. Nil (31st March 2022: Rs. 330.17) carrying interest rate of 9.35% (previous year 7.80%) is secured by pari passu charge by way of hypothecation of equipment procured out of the term loan, Mortgage of leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru. The loan of Rs. 1,200 was to be repaid in 43 instalments of Rs.21.13 and last instalment would be paid on 05th October, 2022. The loan of Rs. 1,000 was to be repaid in 46 monthly installments of Rs. 20.83 as per the repayment schedule in equal monthly installments commencing from 5th January 2018. The last instalment would be repaid on 05th March 2023.

Term loan from Bajaj Finance Limited amounting to Rs. 158.63 (31st March 2022: Rs. 407.43) carrying interest rate of 9.35% (previous year 7.80%) is secured by way of first pari passu charge over movable fixed assets of the Parent Company (except for specific vehicles pledged against respective loans). The loan is to be repaid in 48 instalments of Rs. 20.83 as per the repayment schedule in equal monthly installments commencing from 5th September 2019. The Last instalment would be paid on 05th December 2023.

Term loan from Bajaj Finance Limited amounting to Rs. 444.44 (31st March 2022: Rs. 665.52) carrying interest rate of 9.35% (previous year 7.80%) is secured by way of first pari passu charge over movable fixed assets of the Parent Company (except for specific vehicles pledged against respective loans). Also, it is secured by way of extention of charge over leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru on pari passu. The loan is to be repaid in 18 instalments of Rs. 55.55 as per the repayment schedule in equal quarterly installments commencing from 05th September 2021. The Last instalment would be paid on 05th March 2025.

Term loan from Bajaj Finance Limited amounting to Rs. 357.83 (31st March 2022: Rs. 513.00) carrying interest rate of 9.35% (previous year 8.00%) is secured by way of second pari passu charge over leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru over movable fixed assets, current assets and movable fixed assets of the Parent Company (except for specific vehicles pledged against respective loans). The loan is to be repaid in 48 instalments as per the repayment schedule commencing from 05th April 2022 with one year of moratorium from the drawdown. The last instalment would be paid on 05th March 2025.

Term loan from Bajaj Finance Limited amounting to Rs. 1,234.56 (31st March 2022: Rs. 1,300.00) carrying interest rate of 9.30% (previous year 7.50%) is secured by way of extention of charge over leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru over movable fixed assets, current assets and movable fixed assets of the Parent Company (except for specific vehicles pledged against respective loans). The loan is to be repaid in 48 instalments as per the repayment schedule commencing from 05th January 2023 with one year of moratorium from the drawdown. The last instalment would be paid on 05th December 2026.

Vehicle loans from Daimler Financial Services, Kotak Mahindra Prime Limited and Toyota Financial Services India Limited amounting to Rs. 32.98 (31st March 2022: Rs. 45.15) carrying interest rate in range of 7.43% to 9.50% (previous year 7.43% to 9.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(All amounts are in Indian Rupees Lacs, except for share data)

Term loan from RC Tritec taken by subsidiary Estima AG, amounting to Rs. 360.05 (31st March 2022 : Rs. 327.92) carrying 5% interest rate is secured by hypothetication of machinery and equipment of the plant. The loan is also personally guaranteed by the Chairman and Chief Executive Officer (CEO) of the Group. The loan shall be repaid at the expiry of term of 4 years on 01st April 2023.

Secured Loan from independent sources taken by subsidiary Pylania SA, amounting to Rs. 90.01 (31st March 2022: Rs. 94.13) carrying interest rate of 5.00% is secured by hypothetication of machinery and equipment of the plant. The loan is also personally guaranteed by the Chairman and Chief Executive Officer (CEO) of the Parent Company and to be paid after the expiry of term of 4 years i.e. 01st April 2023.

(c) Deposits from shareholders and directors amounting to Rs. 2,866.62 (31st March 2022: Rs. 2,567.85) carrying interest rates in the range of 9.50% to 11.25% (previous year 9.50% to 11.25%) per annum are repayable in 1 years to 3 years from the respective dates of deposit.

Deposits from shareholders taken by subsidiary Ethos Limited, amounting to Rs. 637.07 (31st March 2022: Rs. 2,577.42) carrying interest rates in the range of 10.25% to 10.75% (previous year 8% to 11.25%) per annum and carry a maturity period from 24 to 36 months from the respective date of deposits.

(d) Unsecured loan from related party taken by subsidiary Estima AG, amounting to Rs. Nil (31st March 2022: Rs. 440.11) carried an interest rate of 5% and was repayable before or on the expiry of the loan i.e. 30th September 2022.

Unsecured bridged loan from Credit Suisse taken by subsidiary Estima AG, amounting to Rs. 106.68 (31st March 2022 : Rs. 118.77). The loan is to be repaid after expiry of 5 years i.e. 31st March 2025.The loan is interest free.

Unsecured loan from Radexpo AG by subsidiary Pylania SA amounting to Rs. Nil (31st March 2022: Rs. 167.62) carried interest rate of 5.00% p.a. was repayable before or on the expiry of the loan i.e. 03rd September 2022.

Unsecured loan from Amola taken by subsidiary Estima AG, amounting to Rs. Nil (31st March 2022 : Rs. 0.91) carried interest rate of 3.00%. The loan was to be repaid in 4 half yearly installments starting from 01st September 2019.

Unsecured loan from Phillip Losser taken by subsidiary Estima AG, amounting to Rs. 355.60 (31st March 2022 : Rs. 323.92) carries nil interest rate. The loan is to be repaid in 4 annual installments starting from 31st Dec 2019.

	Note	As at 31st March 2023	As at 31st March 2022
(ii) Current borrowings			
Loans repayable on demand			
From banks (secured)	(a)	1,965.25	2,495.84
Liability against bill discounted facility			
From bank (secured)	(b)	580.99	154.91
From other (unsecured)	(b)	0.00	146.10
Inter corporate deposits			
Inter Corporate deposit from related parties (unsecured) (refer to note 43)	(c)	150.00	150.00
Inter Corporate deposit from others (unsecured)	(c)	-	500.00
Deposits from shareholders / directors			
Related parties (unsecured) (refer to note 43)			
From Directors	(d)	182.96	-
From others	(d)	215.49	20.05
From others (unsecured)	(d)	422.28	107.96
Current maturities of non-current borrowings [refer note to 19(i)]		1,904.27	4,199.09
		5,421.24	**7,773.95**

Notes:

(a) Working capital borrowings from banks amounting to Rs. 1032.67 (31st March 2022: Rs. 296.15) carrying interest rate varying from 6.25% to 11.60% (previous year 6.25% to 8.90%) per annum are secured by hypothecation of stocks of stores and spares,

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

raw materials and components, finished goods and stock-in-process and book debts and other assets of the Parent Company (both present and future), on pari passu basis except packaging unit (KPAC) and are further secured by a second charge on the entire fixed assets of the Parent Company. These loans except loan from IDBI Bank amounting to Rs. 527.48 are also guaranteed by the Chairman & Managing Director of the Parent Company and is repayable on demand.

The cash credit overdraft facilities taken by subsidiary company, Ethos Limited amounting to Rs. Nil (31st March 2022 : Rs. 633.09) from IDBI Bank Limited were repayable on demand and were secured by first parri passu charge on all the current assets of the subsidiary company both present and future and second parri passu charge on the fixed assets of the subsidiary both present and future. These limits were also secured by exclusive mortgage and charge on all the immovable fixed assets of the tool room unit (EIGEN) at Bangalore of the Parent Company. These limits were guaranteed by personal guarantees of director of the subsidiary and his relative. The rate of interest as on 31st March 2023 is Nil (31st March 2022 : 9.50% to 10.50%) per annum. However, during the year, the Subsidiary Company has repaid the oustanding amounts and closed the loan facility with Bank.

The cash credit and overdraft facilities taken by subsidiary company, Ethos Limited amounting to Rs. Nil (31st March 2022 : Rs. 454.34) from The Jammu and Kashmir Bank Limited were repayable on demand and were secured by first pari passu charge on the stock and receivables of the subsidiary company. These limits were also secured by exclusive first charge on assets of KPAC unit at Chandigarh of the Parent Company. This was further secured by the first and exclusive charge over land and building, plant and machinery and office equipment of the Parwanoo unit of the Parent Company. These loans were guaranteed by personal guarantees of the director of the subsidiary company and his relative. The rate of interest as on 31st March 2023 is Nil (31st March 2022 : 8.35%) per annum. However, during the year, the Subsidiary Company has repaid the oustanding amounts and closed the loan facility with Bank.

The cash credit and overdraft facilities taken by subsidiary company, Ethos Limited amounting to Rs. Nil (31st March 2022 : Rs. 588.84) from Bank of Maharashtra were repayable on demand and were secured by first parri passu charge by way of hypothecation on entire current assets of the subsidiary company. These limits were also secured by 3,60,000 shares of Parent Company held in the name of Mr. Yashovardhan Saboo and second parri passu charge on entire fixed assets of the subsidiary company. Further, these limits were also guaranteed by director of the subsidiary company and his relative. The rate of interest as on 31st March 2023 is Nil (31st March 2022 : 11.00 %) per annum. However, during the year, the Subsidiary Company has repaid the oustanding amounts and closed the loan facility with Bank.

The cash credit and overdraft facilities taken by subsidiary company, Estima AG amounting to Rs. 766.72 (31st March 2022: Rs. 375.50) from Bank of India are repayable on demand and secured by Standby letter of credit provided by the Holding Company. The rate of interest as on 31st March 2023 is 1.25% (31st March 2022: 1.25%) per annum.

The cash credit and overdraft facilities taken by subsidiary company, Estima AG amounting to Rs. 165.86 (31st March 2022: Rs. 147.92) from Credit suissee bank are repayable on demand and are secured by first parri passu charge by way of hypothecation on entire current assets of the subsidiary company. The rate of interest as on 31st March 2023 is 5.00% (31st March 2022: 5.00%) per annum.

(b) Liability against utilisation of bill discounting facility from bank amounting to Rs. 580.99 (31st March 2022: Rs. 154.91) carrying interest rate of 8.50%- 8.77% (previous year: 7.15%) per annum is hypothecation of stocks of stores and spares, raw materials and components, finished goods and stock-in-process and book debts and other assets of the Parent Company (both present and future), on pari passu basis and are further secured by a second charge on the entire movable fixed assets of the Holding Company and immovable property situated at Haibtapur Road, Saddomajra, Derabassi, Mohali, Punjab. This facility is also guaranteed by the Chairman & Managing Director of the Parent Company.

Liability against utilisation of bill discounting facility from other amounting to Rs. Nil (31st March 2022: Rs. 146.10) carrying interest rate of Nil (previous year: 5.50%) per annum.

(c) Inter corporate deposit taken by Ethos Limited from related party and others amouting to Rs. Nil (31st March 2022 : Rs. 500) carried an interest rate of Nil (31st March 2022: 10%- 12%) per annum. However, during the year, the Subsidiary Company has repaid the oustanding amounts and closed the loan facility with Bank.

Inter corporate deposits taken by subsidiary, Mahen Distribution Limited from related party amounting to Rs 150.00 (31st March 2022: Rs. 150.00) carries interest rate of 13.25% p.a. and is repayable within 6 months.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(d) Deposits from shareholders / directors taken by the Holding Company amounting to Rs. 776.86 (31st March 2022: Rs. 20.05) carry interest rates in the range of 8.00% to 9.00% (previous year 8.00% to 9.00%) per annum and are repayable within 1 year from the respective dates of deposit.

-Deposits from shareholders / directors taken by subsidiary company, Ethos Limited amounting to Rs. 43.87 (31st March 2022: Rs. 107.96) carries interest rate of 9.50% (previous year 8.00% to 9.50%) per annum and are repayable within 1 year from the respective dates of deposit.

The Group's Indian entities have filed quarterly statements of current assets with the banks in agreement with the books of accounts.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Year ended 31st March 2023	Year ended 31st March 2022
Balance as at the beginning of the year (including current and non-current borrowings)*	**15,498.29**	**15,582.47**
Proceeds from non-current borrowings*	3,387.64	4,657.11
Repayment of non-current borrowings*	(6,072.75)	(3,731.73)
Repayments of / proceeds from current borrowings (net)	(58.03)	(1,009.56)
Balance as at the end of the year (including current and non-current borrowings)	**12,755.15**	**15,498.29**

* Non-current borrowings include current maturities of non-current borrowings

20 OTHER FINANCIAL LIABILITIES

	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Derivatives Financial instruments (Fair value through statement of Profit and Loss)	-	-	7.29	-
Interest accrued but not due (refer to note 43)	203.46	170.65	173.28	421.47
Unpaid dividends #	-	-	27.47	26.60
Capital creditors	-	-	418.78	183.61
Employee related payables (refer to note 43)	-	-	2,312.72	1,712.20
Security deposits	1.06	1.06	-	-
Refund liabilities	-	-	12.38	60.66
	204.52	**171.71**	**2,951.92**	**2,404.54**

not due for deposit to investor education and protection fund

21 PROVISIONS

	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Provisions for employee benefits (refer to note 42)				
Liability for gratuity	192.35	142.35	37.79	29.91
Liability for Employee Incentive`*	-	-	300.00	-
Liability for compensated absences	-	-	728.57	751.91
	192.35	**142.35**	**1,066.36**	**781.82**

*Provision for employee incentive relates to provision made for likely payout of incentive to employees.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Provision for Employee Incentive

	As at 31st March 2023	As at 31st March 2022
Opening balance	**-**	**-**
Additions	300.00	-
Reversal/Utilisation	-	-
Closing balance	**300.00**	**-**

22 TRADE PAYABLES*

	As at 31st March 2023	As at 31st March 2022
Dues of Micro Enterprises and Small Enterprises (refer to note below)	159.05	206.49
Trade payables to related parties (refer to note 43)	80.92	3.72
Other trade payables	12,565.75	10,352.65
	12,646.67	**10,356.37**
	12,805.72	**10,562.86**

Trade Payable Ageing Schedule

As at 31st March 2023	Outstanding for following periods from the date of transaction **					
	Unbilled	< 1 years	1 year to 2 years	2 years to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	3.79	155.26	-	-	-	**159.05**
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,673.71	10,470.12	5.91	1.51	8.42	**12,159.67**
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.77	76.96	268.23	141.04	**487.00**
Total	**1,677.50**	**10,626.15**	**82.87**	**269.74**	**149.46**	**12,805.72**

As at 31st March 2022	Outstanding for following periods from the date of transaction**					
	Unbilled	< 1 years	1 year to 2 years	2 years to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	3.79	202.70	-	-	-	**206.49**
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,443.25	8,454.64	1.99	6.78	5.40	**9,912.04**
Disputed dues of creditors other than micro enterprises and small enterprises	-	22.85	284.20	22.12	115.16	**444.33**
Total	**1,447.04**	**8,680.19**	**286.19**	**28.90**	**120.56**	**10,562.86**

**Note: Disputed dues of creditors mentioned above includes certain balances which are not paid on account of pending reconciliation with vendor. Payment for these balances will be released after final reconciliation with vendors.

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under :

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Particulars		As at 31st March 2023	As at 31st March 2022
(a)	The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
	- Principal	153.01	202.70
	- Interest	6.04	3.79
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed date during each accounting year;	-	15.39
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006;	3.79	3.79
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.04	3.79
(e)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	3.79	3.79

* The Group's exposure to currency and liquidity risk related to trade payables is disclosed in note 36B.

23 OTHER CURRENT LIABILITIES

	As at 31st March 2023	As at 31st March 2022
Advance from customers	2,155.53	893.85
Statutory dues	713.83	553.29
Deferred revenue	422.84	262.65
Corporate Social Responsibility payable	-	5.54
Interest payable-others	15.84	1.42
Other payables	-	27.58
	3,308.04	**1,744.33**

Below is the movement of Deferred revenue:-

	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning of the year	**262.65**	**213.28**
Add: Loyalty points created during the year	494.01	260.61
Less: Loyalty points redeemed/expired during the year	(333.82)	(211.24)
Balance as at the end of the year	**422.84**	**262.65**

24 CURRENT TAX LIABILITIES (NET)

	As at 31st March 2023	As at 31st March 2022
Provision for income tax (net of advance tax)	216.27	56.05
	216.27	**56.05**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

25 REVENUE FROM OPERATIONS

	Year ended 31st March 2023	Year ended 31st March 2022
Sale of products	1,09,424.73	79,641.26
Sale of services	1,373.96	1,045.10
Other operating revenue		
Export incentives	367.03	214.20
Scrap sales	778.79	723.53
	1,11,944.51	**81,624.09**

Notes:

a) Revenue disaggregation as per industry vertical and geography has been included in segment information (refer to note 44).

b) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price is as follows:

	Year ended 31st March 2023	Year ended 31st March 2022
Revenue as per contracted price	1,12,104.70	81,673.46
Less: (Creation)/Redemption of loyalty points	(160.19)	(49.37)
Revenue recognised	**1,11,944.51**	**81,624.09**

Revenue from contract with the customers differ from the revenue as per contracted price due to factors such as loyalty points. The timing of revenue recognition for sale of products is when goods are transferred at a point of time. Customers are entitled to loyalty points on purchase of products which results in allocation of a portion of the transaction price to the loyalty points. Revenue is recognised when the points are redeemed. The Loyalty points can be redeemed within one year from the date of creation. The performance obligation in relation to sale of services is satisfied upon completion of service.

c) **Revenue from contracts with customers disaggregated based on nature of products and services**

	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from sale of products		
- Precision and watch components	29,807.82	21,365.15
- Watch and watch accessories	78,346.33	57,293.30
- Others	1,270.58	982.81
Sale of services	1,373.96	1,045.10
Other operating revenue	778.79	723.53
	1,11,577.48	**81,409.89**
Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss		
Total revenue from contracts with customers	1,11,577.48	81,409.89
Add: Items not included in disaggregated revenue:		
- Export Incentives	367.03	214.20
Revenue from operations as per the statement of profit and loss	**1,11,944.51**	**81,624.09**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

d) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	Year ended 31st March 2023	Year ended 31st March 2022
Trade receivables (refer to note 13)	6,243.24	4,540.68
Advances from customers (refer to note 23)	2,155.53	893.85
Deferred revenue (refer to note No. 23)	422.84	262.65

26 OTHER INCOME

	Year ended 31st March 2023	Year ended 31st March 2022
Interest income		
Fixed deposits with banks*	1,116.83	93.97
Interest income from related parties* (refer to note 43)	1.03	1.38
Interest income from others*	134.43	165.47
Dividend income	0.35	0.24
Rental income	0.15	8.04
Liabilities / provision no longer required written back	147.69	122.37
Provision for doubtful debts written back	9.92	86.70
Gain on account of conversion of an associate into subsidiary company (refer to note 47)	-	11.11
Exchange gain on foreign exchange fluctuations (net)	444.43	190.10
Net change in fair value of financial assets (at FVTPL)	0.68	0.21
Rent Concessions (refer to note 2.3)	-	804.46
Miscellaneous income	75.92	49.99
	1,931.43	**1,534.04**

*on financial assets at amortised cost

27 COST OF RAW MATERIALS CONSUMED

	Year ended 31st March 2023	Year ended 31st March 2022
Inventory of raw materials at the beginning of the year	1,624.77	1,570.52
Purchases of raw materials	9,424.77	6,202.37
	11,049.54	**7,772.89**
Less: Inventory of raw materials at the end of the year	2,403.74	1,624.77
	8,645.80	**6,148.12**

28 PURCHASE OF STOCK-IN-TRADE

	Year ended 31st March 2023	Year ended 31st March 2022
Purchase of stock-in-trade	63,385.06	46,327.49
	63,385.06	**46,327.49**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK-IN-TRADE AND SCRAP

	Year ended 31st March 2023	Year ended 31st March 2022
Opening stock		
Work-in-progress	1,002.96	857.39
Finished goods	44.40	63.35
Stock-in-trade	24,988.19	19,809.39
Scrap	7.38	4.06
	26,042.93	**20,734.19**
Less:		
Closing stock		
Work-in-progress	1,087.26	1,002.96
Finished goods	157.90	44.40
Stock-in-trade	33,984.55	24,988.19
Scrap	-	7.38
	35,229.71	**26,042.93**
Adjustment for fluctuation in exchange rate	33.37	14.55
	(9,153.41)	**(5,294.19)**

30 EMPLOYEE BENEFITS EXPENSES

	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, wages and bonus	16,046.25	10,955.46
Contributions to provident and other funds (refer to note 42)	776.35	666.06
Share based payment expense	-	(9.41)
Staff welfare expenses	577.78	425.97
	17,400.38	**12,038.08**

31 FINANCE COSTS

	Year ended 31st March 2023	Year ended 31st March 2022
Interest expense on financial liabilities measured at amortised cost	1,139.54	1,320.79
Interest on delay in deposit of income tax	8.51	22.22
Interest on lease liabilities (refer to note 45)	1,208.06	1,086.02
Other borrowing costs	39.90	48.18
	2,396.01	**2,477.21**

32 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on property, plant and equipment (refer to note 3)	2,106.51	1,806.50
Depreciation on investment property (refer to note 3(a))	8.42	16.20
Amortisation of intangible asset (refer to note 4)	24.80	27.03
Depreciation of Right-of-use assets (refer to note 45)	2,799.73	2,688.42
	4,939.46	**4,538.15**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

33 OTHER EXPENSES

	Year ended 31st March 2023	Year ended 31st March 2022
Stores and spares consumed	1,249.56	996.79
Power, fuel and water charges [refer to note 3 (c)]	857.29	659.87
Contractual labour expenses	1,214.22	792.99
Insurance	166.37	148.15
Rent [(net of reimbursements of Rs. 46.93 (31st March 2022: Rs.45.55)] [refer to note 3 (c) and 45]	969.67	509.34
Rates and taxes [refer to note 3 (c)]	238.85	152.76
Repair and maintenance		
- Plant and machinery	359.37	280.05
- Buildings	179.17	81.11
- Others	945.20	784.77
Legal and professional fees	862.72	928.14
Travelling and conveyance	1,165.05	635.61
Job charges	1,196.46	668.25
Printing and stationery	68.90	58.19
Communication expenses	419.97	329.69
Commission	342.81	245.16
Events and exhibitions	106.41	91.93
Publicity and advertisement	2,763.36	2,282.08
Provision for impairment of investment property	-	152.24
Property, plant and equipment written off	33.14	25.43
Provision for bad and doubtful advances/ recoverable	-	15.00
Donation	7.24	6.69
Advances / deposits / bad debts written off (Refer to Note (b) below)	21.18	294.51
Loss on sale of property plant and equipment	2.49	11.56
Bank charges	664.71	533.09
Directors' sitting fees (refer to note 43)	138.03	76.86
Security service charges	127.05	110.04
Cost of service rendered	449.20	183.76
Corporate social responsibility expenditure (Refer to Note (a) below)	56.19	45.05
Miscellaneous expenses [refer to note 3 (c)]	947.44	591.70
	15,552.05	**11,690.81**

Note (a): Detail of corporate social responsibility expenditure

	Year ended 31st March 2023	Year ended 31st March 2022
a. Amount required to be spent by the Company during the year	56.18	45.05
b. Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above (refer to note 43 and note (c) below)	77.04	58.68
	77.04	**58.68**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Year ended 31st March 2023	Year ended 31st March 2022
c. Details related to spent / unspent obligations:		
(i) Contribution		
- Healthcare activities related to Covid-19	13.63	21.57
- Supporting health activities	18.66	13.41
- Ensuring environmental sustainability	29.33	18.16
- Promotion of education	15.42	-
(ii) Unspent amount in relation to:		
- Ongoing project*	-	5.54
- Other than ongoing project	-	-
	77.04	**58.68**

	Year ended 31st March 2023	Year ended 31st March 2022
Excess CSR Expenditure incurred by the Holding Company and eligible to be set-off against the CSR Spending mandate of succeeding three financial years (Refer to Note 16)	20.86	13.63
	20.86	**13.63**

* The unspent amount in relation to a subsidiary company of Rs. 5.54 for the financial year ended 31st March 2022 as per sub section (5) of Section 135 of Companies Act, was spent in the ongoing project- Million Tree Project on 30th September 2022. There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

** During the year ending 31st March 2023, a subsidiary company has transferred an amount of Rs.11.96 to KDDL Ethos Foundation, a CSR registered implementing agency towards various objects as mentioned in Section 135 of the Companies Act, 2013. The CSR obligation transferred by the subsidiary company as at 31st March 2023 which has been set off with liability towards CSR activities and shall be utilised in various objects namely environmental sustainability, training etc

Note (b): Movement of Advances / deposits/Bad debts written off

	Year ended 31st March 2023	Year ended 31st March 2022
Bad debts / Advances written off	50.18	294.51
Less: Provision for doubtful debts / advances adjusted	(29.00)	-
	21.18	**294.51**

34 INCOME TAX EXPENSE

A. Amounts recognised in statement of profit and loss

	Year ended 31st March 2023	Year ended 31st March 2022
Current tax		
Current year	4,038.96	1,692.32
Changes in estimates related to prior years	(33.20)	(23.55)
	4,005.76	**1,668.77**
Deferred tax		
Attributable to–		
Origination and reversal of temporary differences	(942.35)	(101.92)
Changes in estimates related to prior years	(1.15)	23.15
Effect of reduction in tax rate**	-	(80.98)
	(943.50)	**(159.75)**
Tax expense for the year	**3,062.26**	**1,509.02**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

B. Reconciliation of effective tax rate

	Year ended 31st March 2023	Year ended 31st March 2022
Profit before share of equity accounted investees and income tax	**10,710.59**	**5,232.46**
Tax at the Indian tax rate *	2,614.27	1,280.65
Tax expense of foreign subsidiaries as per the laws in their country	74.02	82.43
Effect of expenses that are not deductible in determining taxable profit	25.13	39.98
Loss/income in subsidiaries (including consolidation adjustments) on which deferred tax has not been recognised	383.18	187.38
Change in tax rate**	-	(80.98)
Effect of tax (benefit) / expense pertaining to prior years	(34.35)	(0.44)
Income tax expenses recognised in statement of profit and loss	**3,062.26**	**1,509.02**

*The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (except for one of the subsidiary where applicable rate is 34.944 %) payable by corporate entities in India on taxable profits under the Indian tax law.

**The Holding Company has 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 Company has recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said Section. The impact of such change is recognised in the statement of profit and loss.

C. Income tax recognised in other comprehensive income

	Year ended 31st March 2023	Year ended 31st March 2022
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit liability (asset)	11.39	(3.62)
Exchange differences on translation of foreign operations	-	-
	11.39	**(3.62)**
Bifurcation of the income tax recognised in other comprehensive income into		
Items that will not be reclassified to profit or loss	11.39	(3.62)
Items that will be reclassified to profit or loss	-	-
	11.39	**(3.62)**

35 EARNING PER SHARE

		Year ended 31st March 2023	Year ended 31st March 2022
A.	Basic earnings per share		
i.	Profit for basic earning per share of Rs. 10 each		
	Profit attributable to Owners of the Company	5,358.92	3,195.33
ii.	Weighted average number of equity shares (for basic)		
	Balance at the beginning of the year	1,27,37,064	1,16,50,108
	Effect of fresh issue of shares	-	7,36,236
	Bonus element in Rights Issue	-	2,44,554
	Effect of equity buyback	(32,031)	-
		1,27,05,033	**1,26,30,898**
	Basic earnings per share (face value of Rs. 10 each)	**42.18**	**25.30**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Year ended 31st March 2023	Year ended 31st March 2022
B.	Diluted earnings per share		
i.	Profit for diluted earning per share of Rs. 10 each		
	Profit for the year	5,358.92	3,195.33
ii.	Weighted average number of equity shares (for diluted)		
	Balance at the beginning of the year	1,27,37,064	1,16,50,108
	Effect of fresh issue of shares	-	7,36,236
	Bonus element in Rights Issue	-	2,44,554
	Effect of equity buyback	(32,031)	
		1,27,05,033	**1,26,30,898**
	Diluted earnings per share (face value of Rs. 10 each)	**42.18**	**25.30**

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities including their level in the fair value hierarchy:

	Note	Level of hierarchy	As at 31st March 2023			As at 31st March 2022		
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets								
Non-current								
Non-derivative financial assets								
Investment in equity shares-other companies	(i)	3	49.39	-	-	48.71	-	-
Loans	(ii)	3	-	-	81.76	-	-	83.62
Other financial assets	(ii)	3	-	-	2,781.49	-	-	1,201.96
Current								
Non-derivative financial assets								
Trade receivables	(iii)	3	-	-	6,243.24	-	-	4,540.68
Cash and cash equivalents	(iii)	3	-	-	5,836.58	-	-	5,203.41
Other bank balances	(iii)	3	-	-	20,784.50	-	-	512.39
Loans	(iii)	3	-	-	100.79	-	-	96.31
Other financial assets	(iii)	2	-	-	1,732.88	-	-	921.16
Derivative financial assets								
Forward contracts	(iv)	2	3.05	-	-	9.43	-	-
Total financial assets			**52.44**	**-**	**37,561.24**	**58.14**	**-**	**12,559.53**
Financial liabilities								
Non-current								
Non-derivative financial liabilities								
Borrowings	(v)	3	-	-	7,333.91	-	-	7,724.34
Other financial liabilities	(iii)	3	-	-	204.52	-	-	171.71

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

	Note	Level of hierarchy	As at 31st March 2023			As at 31st March 2022		
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Current								
Non-derivative financial liabilities								
Borrowings	(v)	3	-	-	5,421.24	-	-	7,773.95
Trade payables	(iii)	3	-	-	12,805.72	-	-	10,562.86
Other financial liabilities	(iii)	3	-	-	2,944.63	-	-	2,404.54
Derivative financial liabilities								
Forward contracts	(iv)	2	7.29	-	-	-	-	-
Total financial liabilities			**7.29**	**-**	**28,710.02**	**-**	**-**	**28,637.40**

Notes:

(i) The fair value in respect of unquoted equity investments cannot be reliably estimated. The Group has currently measured them at net book value as per the latest audited financial statements available.

(ii) Fair value of non-current financial assets and non-current financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(iii) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(iv) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs include the credit quality of counter-parties and foreign exchange forward rates.

(v) The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

(vi) There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31st March 2023 and 31st March 2022.

B. Financial risk management

(i) Risk management framework

The Parent Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (ii))
- liquidity risk (see (iii))
- market risk (see (iv))
- product price risk (see (v))

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Group and its JV's receivable from customers and loans.

Particulars	As at 31st March 2023	As at 31st March 2022
Non-derivative financial assets		
Investments	49.39	48.71
Trade receivables	6,243.24	4,540.68
Loans	182.55	179.93
Other financial assets	4,514.37	2,123.12
Derivative financial assets		
Forward contracts	3.05	9.43
	10,992.60	**6,901.87**

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties. The Group enters into derivative contracts with bank and financial institutions having high credit ratings.

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31st March 2023	As at 31st March 2022
Within India	2,298.55	1,533.21
Outside India	3,944.69	3,007.47
	6,243.24	**4,540.68**

The Group based on internal assessment which is driven by the historical experience / current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Loss allowance	Carrying amount
31st March 2023			
Less than 6 Months	6,104.03	3.91	6,100.12
More than 6 Months	177.99	34.87	143.12
	6,282.02	**38.78**	**6,243.24**
31st March 2022			
Less than 6 Months	4,369.27	4.67	4,364.60
More than 6 Months	223.40	47.32	176.08
	4,592.67	**51.99**	**4,540.68**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

The movement in the allowance for impairment in respect of trade receivables is as follows:

	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning of the year	**51.99**	**138.30**
Provision created during the year	1.00	3.87
Provision utilised/reversed during the year	(17.06)	(90.18)
Exchange differences on translation of foreign operations	2.85	-
Balance as at the end of the year	**38.78**	**51.99**

The movement in the allowance for bad and doubtful advances/recoverable is as follows: (Refer Note 8 & 16)

	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning of the year	**37.85**	**22.85**
Provision created during the year	-	15.00
Provision utilised/reversed during the year	(22.85)	-
Balance as at the end of the year	**15.00**	**37.85**

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The loans primarily represents security deposits given and loans given to employees. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Group holds cash and cash equivalents of Rs.5,836.58 at 31st March 2023 (31st March 2022: Rs.5,203.41). The cash and cash equivalents are mainly held with scheduled banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet its liabilties when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalents and other bank balances anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximise liquidity and supplement cash requirements as necessary. As at 31st March, 2023, the Group has available Rs. 2,265.72 (31st March 2022: Rs. 6,272.67) in form of undrawn committed borrowing limits.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

The following table provides details regarding the contractual maturities of significant financial liabilities on an undiscounted basis:

	Less than 1 Year	1 to 5 Years	More than 5 Years	Total	Carrying amount
31st March 2023					
Non-derivative financial liabilities					
Borrowings (including current maturities)	5,634.42	7,672.54	23.34	13,330.30	12,755.15
Trade payables	12,805.72	-	-	12,805.72	12,805.72
Other financial liabilities	2,951.92	204.52	-	3,156.44	3,156.44
Lease liabilities	3,704.42	9,584.40	2,476.32	15,765.14	11,890.20
	25,096.48	**17,461.47**	**2,499.66**	**45,057.60**	**40,607.51**
31st March 2022					
Non-derivative financial liabilities					
Borrowings (including current maturities)	7,848.41	7,780.18	33.40	15,661.99	15,498.29
Trade payables	10,562.86	-	-	10,562.86	10,562.86
Other financial liabilities	2,404.54	171.71	-	2,576.25	2,576.25
Lease liabilities	3,442.66	8,440.70	2,044.16	13,927.53	11,008.84
	24,258.48	**16,392.59**	**2,077.56**	**42,728.63**	**39,646.24**

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Exposure to interest rate risk

The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and CHF with a mix of fixed and floating rates of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

	As at 31st March 2023	As at 31st March 2022
Fixed rate borrowings	10,789.90	13,002.45
Floating rate borrowings	1,965.25	2,495.84
Total borrowings	**12,755.15**	**15,498.29**

Interest rate senstivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or Loss	
	Strengthening	**Weakening**
For the year ended 31st March 2023		
Interest rate (0.50% movement)	9.83	(9.83)
For the year ended 31st March 2022		
Interest rate (0.50% movement)	12.48	(12.48)

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

b. Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Group's exposure to currency risk:

Assets	As at 31st March 2023		As at 31st March 2022	
	Amount (Rs)	Amount in foreign currency	Amount (Rs)	Amount in foreign currency
Trade receivables				
HKD	-	-	0.13	0.01
USD	892.14	10.93	354.43	4.70
EUR	114.22	1.29	341.01	4.12
CHF	488.20	5.49	833.68	10.29
GBP	48.88	0.49	58.66	0.60
Other financial assets				
CHF	34.73	0.43	10.00	0.12
Bank balances in foreign currency				
CHF	27.21	0.31	13.15	0.16
USD	4.48	0.05	4.25	0.06
AED	-	-	0.39	0.02
AUD	-	-	0.13	0.00
CAD	-	-	1.82	0.03
EUR	1.96	0.02	0.98	0.01
Total (A)	**1,611.83**		**1,618.62**	

Liabilities	As at 31st March 2023		As at 31st March 2022	
	Amount (Rs)	Amount in foreign currency	Amount (Rs)	Amount in foreign currency
Trade payables				
HKD	60.60	5.74	46.91	4.81
USD	235.00	2.86	182.36	2.40
EUR	229.26	2.57	203.51	2.42
CHF	1,998.81	22.20	1,665.64	20.21
JPY	7.48	0.12	8.51	13.60
SGD	129.06	2.09	466.37	8.32
GBP	39.29	0.38	20.14	0.20
Commission payable in foreign currency				
CHF	479.28	5.29	233.43	2.83
EUR	4.76	0.05	3.56	0.04
USD	0.59	0.01	0.23	0.00
Total (B)	**3,184.14**		**2,830.65**	
Net exposure in respect of recognised assets and liabilities (A-B)	**(1,572.31)**		**(1,212.03)**	

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Forward contracts outstanding as at the end of the year

	As at 31st March 2023		As at 31st March 2022	
	Amount (Rs)	Amount in foreign currency	Amount (Rs)	Amount in foreign currency
Exports				
CHF	1,511.30	17.00	485.88	6.00

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31st March 2023 and 31st March 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2023				
HKD (1% movement)	0.61	(0.61)	0.45	(0.45)
USD (1% movement)	(6.61)	6.61	(4.95)	4.95
EUR (1% movement)	1.18	(1.18)	0.88	(0.88)
CHF (1% movement)	19.28	(19.28)	14.43	(14.43)
GBP (1% movement)	(0.10)	0.10	(0.07)	0.07
SGD (1% movement)	1.29	(1.29)	0.97	(0.97)
JPY (1% movement)	0.07	(0.07)	0.06	(0.06)
CAD (1% movement)	-	-	-	-
31st March 2022				
HKD (1% movement)	0.47	(0.47)	0.35	(0.35)
USD (1% movement)	(1.76)	1.76	(1.32)	1.32
EUR (1% movement)	(1.35)	1.35	(1.01)	1.01
CHF (1% movement)	10.42	(10.42)	7.80	(7.80)
GBP (1% movement)	(0.39)	0.39	(0.29)	0.29
SGD (1% movement)	4.66	(4.66)	3.49	(3.49)
JPY (1% movement)	0.09	(0.09)	0.06	(0.06)
CAD (1% movement)	(0.02)	0.02	(0.01)	0.01

HKD: Hong Kong Dollar, USD: US Dollar, EUR: Euro, CHF: Swiss Franc, GBP: Pound Sterling, SGD: Singapore Dollar, JPY: Japanese Yen, CAD: Canadian Dollar.

(v) Product price risk

In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. Since the Group operates in luxury category, the demand is reasonably inelastic to changes in price. However, the Group continually monitor and compares prices of its products in other developed markets as its customers tend to compare prices across markets. In the event that prices deviate significantly unfavorably from the markets, the Group negotiates with its principals for change of prices. The Group also manages the risk by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

37 CAPITAL MANAGEMENT

(i) Risk management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents and other bank balances. Total equity comprises all components of equity as shown in balance sheet.

The Group's adjusted net debt to total equity ratio was as follows:

	As at 31st March 2023	As at 31st March 2022
Total liabilities excluding deferred tax liabilities, provisions, other current liabilities and current tax liabilities	40,607.51	39,646.24
Less: cash and cash equivalents and other bank balances	26,621.08	5,715.80
Adjusted net debt	**13,986.43**	**33,930.44**
Total equity	**70,214.86**	**31,052.36**
Net debt to total equity ratio	**0.20**	**1.09**

(ii) Dividends (including corporate dividend tax)

	31st March 2023	31st March 2022
Equity shares		
Dividends on equity shares declared and paid:		
Final dividend for the year ended 31st March 2022 of Rs. 3.00 (31st March 2021 of Rs. 1.50) per fully paid equity shares*	382.11	191.06
Interim dividend for the year ended 31st March 2023 of Rs. 2.00 (31st March 2022 of Rs. Nil) per fully paid equity shares	250.74	-

*Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of the shareholders.

Proposed dividends on Equity shares:#

	31st March 2023	31st March 2022
Proposed dividend for the year ended on 31st March 2023: Rs. 2 per equity share	250.74	-

#Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March.

38 BUSINESS COMBINATION

(a) During the current year, "Kamla International Holdings SA"(KIH), wholly owned subsidiary of the Parent Company has acquired 3,000 equity shares (15%) of Pylania, SA (a subsidiary of KDDL Limited) from its existing shareholder, which resulted in increase of KIH equity shareholding from 47.25% to 62.25%. Consequently, Pylania SA has become 100% subsidiary of the Parent Company (directly and indirectly through its wholly owned subsidiary, Kamla International Holdings SA).

Also, by virtue of the aforsaid acquisition, the holding of the Group in Estima AG has increased from 95.50 % to 100 %.

The said transaction has resulted into decrease in other equity and non-controlling interest by Rs. 158.87 and Rs. 130.51 respectively.

Cash consideration paid to non-controlling shareholders	289.29
Carrying value of the additional interest in Pylania	(130.51)
Adjusted in other equity	**158.78**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(b) During the current year, "Kamla International Holdings SA"(KIH), wholly owned subsidiary of the Parent Company has acquired additional 30% equity shares of Rs. 10 each of KTDL. Post the said acquisition, KTDL has become wholly owned subsidiary of the Parent Company.

Cash consideration paid to non-controlling shareholders	8.18
Carrying value of the additional interest in KTDL	-
Adjusted in other equity	**8.18**

(c) During the year ended 31st March 2022, the Parent Company acquired an additional 0.47% interest in Ethos Limited and 1.28% interest in Mahen Distribution Limited, increasing its ownership interest to 75.55% in Ethos Limited and 100% in Mahen distribution Limited respectively. Total Cash consideration of Rs 937.93 was paid to the non-controlling shareholders. The carrying value of the net assets of Ethos Limited was Rs 16,183.29 and Mahen Distribution Limited is Rs. 513.68. The carrying value of the additional interest acquired at the date of acquisition was Rs 315.54. Following is a schedule of additional interest acquired in Ethos Limited:

Cash consideration paid to non-controlling shareholders	932.01
Carrying value of the additional interest in Ethos Limited and Mahen distribution limited	(312.55)
Adjusted in other equity	**619.46**

AS AT 31ST MARCH 2023

Particulars	Ethos Limited	Cognition Digital LLP	Silvercity Brands AG	Estima AG	Pylania SA	Kamla Tesio Dials Limited	Mahen Distribution Limited
NCI Percentage	**38.93%**	**38.93%**	**38.93%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Non-current assets	24,584.75	24.16	-	-	-	-	-
Current assets	63,449.14	520.01	44.97	-	-	-	-
Non-current liabilities	9,861.35	6.71	-	-	-	-	-
Current liabilities	15,054.86	58.51	-	-	-	-	-
Net Assets	**63,117.68**	**478.95**	**44.97**	**-**	**-**	**-**	**-**
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-
Elimination adjustments	491.92	-	-	-	-	-	-
	62,625.76	**478.95**	**44.97**	**-**	**-**	**-**	**-**
Net assets attributable to NCI	**24,382.15**	**186.47**	**17.51**	**-**	**-**	**-**	**-**
Revenue	78,440.52	412.85	-	1,117.49	1,803.37	-	-
Profit / (loss) for the year	5,956.43	73.39	-	(789.61)	225.92	-	-
OCI	(17.07)	(0.55)	-	(41.93)	32.59	-	-
Total comprehensive income	**5,939.36**	**72.84**	**-**	**(831.54)**	**258.50**	**-**	**-**
Profit / (loss) allocated to NCI	2,312.38	28.36	-	(35.53)	33.89	-	-
OCI allocated to NCI	-	-	-	(1.89)	4.89	-	-
Total comprehensive income / (expense) allocated to NCI	**2,312.38**	**28.36**	**-**	**(37.42)**	**38.78**	**-**	**-**
Cash flows from operating activities	(479.79)	265.26	-	-	-	-	-
Cash flows from investing activities	(25,659.93)	38.56	-	-	-	-	-
Cash flows from financing activities	24,813.72	(2.39)	45.12	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	**(1,326.00)**	**301.43**	**45.12**	**-**	**-**	**-**	**-**

Note:- Estima AG and Pylania SA is 100% acquired during the year so figures of are upto date of acquisition.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

AS AT 31ST MARCH 2022

Particulars	Ethos Limited	Cognition Digital LLP	Silvercity Brands AG	Estima AG	Pylania SA	Kamla Tesio Dials Limited	Mahen Distribution Limited
NCI Percentage	**24.45%**	**24.45%**	**0.00%**	**4.50%**	**15.00%**	**30.01%**	**0.00%**
Non-current assets	16,724.48	68.94	-	3,133.36	1,872.62	60.79	-
Current assets	33,243.75	398.51	-	534.35	892.57	38.60	-
Non-current liabilities	10,913.89	8.35	-	3,074.00	163.98	41.82	-
Current liabilities	16,291.93	53.01	-	1,953.13	1,147.77	36.84	-
Net Assets	**22,762.41**	**406.09**	**-**	**(1,359.42)**	**1,453.44**	**20.73**	**-**
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-
Elimination adjustments	-	-			26.50	-	-
	22,762.41	**406.09**	**-**	**(1,359.42)**	**1,479.94**	**20.73**	**-**
Net assets attributable to NCI (including preference share capital and its arrears attributable to NCI)	**5,566.38**	**99.31**	**-**	**(61.17)**	**191.52**	**6.22**	**-**
Revenue	57,362.74	365.63	-	2,009.25	1,911.34	-	-
Profit / (loss) for the year	2,268.34	70.47	-	(615.86)	(5.09)	(44.13)	-
OCI	1.34	(0.10)	-	(33.50)	64.01	-	-
Total comprehensive income	**2,269.68**	**70.36**	**-**	**(649.35)**	**58.92**	**(44.13)**	**-**
Profit / (loss) allocated to NCI	555.01	17.23	-	(27.71)	(0.76)	(19.24)	-
OCI allocated to NCI	0.33	(0.03)	-	(1.51)	9.60	-	-
Total comprehensive income / (expense) allocated to NCI	**555.33**	**17.21**	**-**	**(29.21)**	**8.83**	**(19.24)**	**-**
Cash flows from operating activities	1,684.60	(20.00)	-	(745.78)	(116.02)	(10.01)	-
Cash flows from investing activities	(2,324.96)	(52.53)	-	(681.52)	160.59	1.32	-
Cash flows from financing activities	2,653.11	(2.72)	-	1,408.82	(165.01)	2.58	-
Net (decrease) / increase in cash and cash equivalents	**2,012.75**	**(75.25)**	**-**	**(18.49)**	**(120.43)**	**(6.10)**	**-**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

40 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated Ind AS financial statements' of Division II of Schedule III

AS AT 31ST MARCH 2023

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
KDDL Limited	36.07%	25,322.99	89.93%	6,923.13	33.72%	(16.05)	90.28%	6,907.08
Subsidiaries								
Indian								
Ethos Limited	89.89%	63,117.68	77.68%	5,979.60	35.53%	(16.91)	77.94%	5,962.69
Mahen Distribution Limited	27.41%	19,243.10	-0.39%	(30.24)	-8773.99%	4,175.79	54.19%	4,145.54
Kamla Tesio Dials Limited	0.04%	30.20	0.12%	9.51	0.00%	-	0.12%	9.51
Cognition Digital LLP	0.68%	478.95	0.95%	73.39	1.16%	(0.55)	0.95%	72.84
Foreign					0.00%			
Kamla International Holdings SA	3.02%	2,120.36	-0.42%	(32.50)	-177.41%	84.44	0.68%	51.94
Pylania SA	2.83%	1,984.56	4.98%	383.66	-256.86%	122.25	6.61%	505.91
Estima AG	(3.78%)	(2,656.47)	-19.78%	(1,522.91)	463.20%	(220.45)	-22.79%	(1,743.36)
Silvercity Brands AG	0.06%	44.97	0.00%	-	0.33%	(0.16)		
Joint Venture								
Pasadana Retail Private Limited	0.30%	207.15	0.65%	49.68	-	-	0.65%	49.68
Elimination	(56.51%)	(39,678.64)	-53.72%	(4,135.29)	8774.33%	(4,175.95)	-108.64%	(8,311.40)
Total	**100.00%**	**70,214.86**	**100.00%**	**7,698.01**	**100.00%**	**(47.59)**	**100.00%**	**7,650.42**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

AS AT 31ST MARCH 2022

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
KDDL Limited	69.74%	21,657.31	57.24%	2,129.36	13.48%	9.59	56.42%	2,138.95
Subsidiaries								
Indian								
Ethos Limited	72.80%	22,604.94	60.92%	2,265.94	1.88%	1.34	59.81%	2,267.28
Mahen Distribution Limited	48.62%	15,097.55	-1.13%	(42.12)	20532.14%	14,603.83	384.12%	14,561.71
Kamla Tesio Dials Limited	0.07%	20.74	-1.19%	(44.13)	0.00%	-	-1.16%	(44.13)
Cognition Digital LLP	1.31%	406.09	1.89%	70.47	(0.15%)	(0.10)	1.86%	70.36
Foreign								
Kamla International Holdings SA	3.94%	1,222.83	0.28%	10.41	41.90%	29.80	1.06%	40.21
Pylania SA	4.68%	1,453.44	-0.14%	(5.09)	89.99%	64.01	1.55%	58.92
Estima AG	-4.38%	(1,359.42)	-16.56%	(615.86)	(47.10%)	(33.50)	-17.13%	(649.36)
Associates								
Kamla Tesio Dials Limited	0.00%	-	-0.16%	(6.00)	0.00%	-	-0.16%	(6.00)
Joint Venture								
Pasadana Retail Private Limited	0.51%	157.47	0.06%	2.40	0.00%	-	0.06%	2.40
Eliminations	-97.28%	(30,208.59)	-1.22%	(45.54)	(20532.14%)	(14,603.83)	-386.43%	(14,649.37)
Total	**100.00%**	**31,052.36**	**100.00%**	**3,719.84**	**100.00%**	**71.13**	**100.00%**	**3,790.97**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

41 CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

			As at 31st March 2023	As at 31st March 2022
(ia)	**Claims against the Group not acknowledged as debts, under dispute**			
	-	Demand raised by Punjab State Electricity Board for payment of penalty for usage of additional power against sanctioned load. Amount paid under protest Rs. 2.96 (31st March 2022: Rs. 2.96)	3.73	3.73
	-	Demand raised for Income tax	449.61	403.52
	-	Custom duty matters	12.97	12.90
	-	Excise Duty matters	47.08	47.08
	-	Claims against the Company not acknowledged as debt (to the extent ascertainable)	265.81	242.23
			779.21	**709.46**
(ib)	-	Custom duty saved against EPCG Licences, pending redemption	221.47	112.10
(ic)	-	Value added tax matters	3,330.03	3,330.03
(id)	-	Goods and Services Tax matters	12.15	-
(ii)	**Commitments**			
	-	Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	4,944.62	124.27
			4,944.62	**124.27**

(iii) In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

(iv) Pursuant to recent judgement by Hon'ble Supreme Court dated 28th February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowance which are common for all employees, However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Parent Company and its Indian subsidiary has not recognised any provision. Further, management also believes that the impact of the same on the Group will not be material.

(v) In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition. As on 31st March 2023, there is one open legal proceedings involving disputed amount of Rs.110.22 (31st March 2022: Rs.110.22) against which the Group is carrying liability of Rs.49.26 (31st March 2022: Rs. 49.26)

(vi) In accordance with Swiss law, land contaminated in Switzerland, must be restored to its original condition. During an earlier year, the Group had acquired 100% equity interest in Estima AG based in Switzerland which is situated on contaminated land. In accordance with the applicable legal requirements, the Group is planning to restore the site using technology and materials that are available currently at an estimated cost of Rs. 1066.80 (CHF 12,00,000). The rehabilitation is expected to occur progressively over the next few years. Because of the long term nature of the liability, the biggest uncertainty in estimating the provision is the costs that will be incurred. During the year ended 31st March 2019, the Group had provided Rs. 858.60 (CHF 12,00,000) for this purpose. This cost has been reduced from the fair value of land acquired as part of the acquisition of Estima AG.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

42 EMPLOYEE BENEFITS

A. Assets and liabilities relating to employee benefits

	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Liability for gratuity	192.35	142.35	37.79	29.91
Liability for Employee Incentive	-	-	300.00	-
Liability for compensated absences	-	-	728.57	751.91
	192.35	**142.35**	**1,066.36**	**781.82**

	Current	
	31st March 2023	31st March 2022
Advance payment for gratuity	100.42	173.93
	100.42	**173.93**

For details about the related employee benefit expenses, refer to note 30.

B. Defined Benefit Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed at least five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn salary for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Remeasurement gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

The employees' gratuity fund scheme managed by Life Insurance Corporation of India in case of Parent Company and one of the indian subsidiary company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Parent Company and its indian subsidiaries made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Group to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India (LIC).

(i) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Group does not expect any significant liquidity risks.

Particulars	As at 31st March 2023	As at 31st March 2022
(ii) Reconciliation of present value of defined benefit obligation		
Present value of obligation at the beginning of the year	1,189.00	1,110.50
Current service cost	113.21	98.18
Interest cost	85.45	76.03
Benefits paid*	(72.45)	(101.81)
Actuarial (gains)/losses recognised in other comprehensive income		
- Change in financial assumptions	(18.22)	(36.76)
- Experience adjustments	59.22	42.86
Present value of obligation at the end of the year	**1,356.21**	**1,189.00**
(iii) Reconciliation of the present value of plan assets		
Plan assets at the beginning of the year, at fair value	1,190.67	834.91
Return on plan assets recognised in other comprehensive income	(3.90)	20.53
Contributions	15.11	377.00
Benefits paid	(60.87)	(99.08)
Interest income	85.48	57.31
Plan assets at the end of the year, at fair value	**1,226.49**	**1,190.67**
(iv) Amount recognised in the balance sheet		
Present value of the defined benefit obligations at the end of the year	1,356.21	1,189.00
Fair value of plan assets at the end of the year	(1,226.49)	(1,190.67)
Net liability/(asset) recognised in the balance sheet*	**129.72**	**(1.67)**

*Rs. 100.42 shown under the head "Other current assets" and Rs. 230.14 shown under the head "Provision for employee benefits"

(v) Plan assets

Plan assets comprise of the following:

Particulars	As at 31st March 2023	As at 31st March 2022
Policy of insurance	1,226.49	1,190.67
	1,226.49	**1,190.67**

(vi) Amount recognised in the Statement of Profit and Loss

Particulars	As at 31st March 2023	As at 31st March 2022
Current service cost	113.22	98.19
Interest cost (net)	(0.04)	18.72
Amount recognised in the Statement of Profit and Loss	**113.18**	**116.91**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Particulars	As at 31st March 2023	As at 31st March 2022
(vii) Remeasurements recognised in other comprehensive income		
Acturial gain/loss on the defined benefit obligation	41.00	6.09
Return on plan assets excluding interest income	3.90	(20.53)
Amount recognised in other comprehensive income	**44.90**	**(14.44)**

(viii) Acturial assumptions

a) **Economic assumptions:** The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31st March 2023	As at 31st March 2022
Discount rate	7.36%	7.18%
Expected rate of return on plan assets	7.36%	7.18%
Salary increase	4.00%	4.00%
Expected average remaining working lives of employees (years)	**21.35**	**20.91**

b) **Demographic assumptions:**

Particulars	As at 31st March 2023	As at 31st March 2022
Retirement age	58 years	58 years
Mortality Attrition rate	Indian assured lives mortality (2012-14) Ultimate	Indian assured lives mortality (2012-14) Ultimate
Upto 30 years	3%	3%
31 to 44 years	2%	2%
45 and above	1%	1%

(ix) Sensitivity analysis on defined benefit obligation on account of change in significant assumptions:

Particulars	As at 31st March 2023		As at 31st March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(55.69)	59.88	(49.91)	53.72
Future salary growth (0.50% movement)	60.04	(56.21)	54.79	(51.08)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(x) Expected future benefit payments

Particulars	As at 31st March 2023	As at 31st March 2022
The expected maturity analysis of undiscounted defined benefit liability is as follows:		
Within 1 year	137.22	110.62
1-2 year	77.29	85.31
2-5 years	197.25	157.89
5-10 years	944.45	835.18

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(xi) Weighted average duration and expected employers contribution for next year of the defined benefit plan

Particulars	As at 31st March 2023	As at 31st March 2022
Weighted average duration (in years)	12.50	16.44
Expected Employers contribution for the next year	116.90	114.65

C. Defined contribution Plan

The Group makes contribution towards employees' provident fund, superannuation fund and employees' state insurance plan scheme. Under the schemes, the Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes.The expense recognised towards contrbution of these plans is as follows:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Provident fund	552.34	403.83
Superannuation fund	3.80	3.26
Employees' state insurance scheme	32.17	30.66
Pension fund	74.86	53.10
Social Security Charges	-	58.31
	663.17	**549.16**

D. Share based payments

(a) Ethos Employee Stock Option Plan - 2013

In the Extraordinary General Meeting held on 10.03.2014, the shareholders approved the issue of options not exceeding 3,50,000 options under the Scheme titled "Ethos Employee Stock Option Plan – 2013"

The ESOP allows the issue of options to eligible employees of the subsidiary company. Each option comprises one underlying equity share.

As per the Scheme, the Performance Evaluation and Guidance-cum- Nomination and Remuneration Committee (formerly known as Compensation Committee) grants the options to the employees and directors deemed eligible. The exercise price of each option shall be equal to the "Market Price" as defined in the Scheme. The options granted vest as follows. Options may be exercised within 3 years of vesting.

1) 50% of the options granted to the selected employee shall vest on 01st October 2017 in case there is continuation of his service till the date of vesting.

2) 50% on the first day of the financial year subsequent to the achievement of billing of Rs. 50,000 Lacs in any financial year by the Subsidiary Company, subject to the continuation of service till the date of vesting. However there shall remain a gap of minimum one year between the date of grant and the date of vesting under this clause. The Performance Evaluation and Guidance-cum- Nomination and Remuneration Committee (formerly known as Compensation Committee) shall declare such date as and when it is triggered.

The subsidiary company has in its Performance Evaluation and Guidance-cum- Nomination and Remuneration Committee (formerly known as Compensation Committee) meeting on 04.08.2014 granted outstanding 3,500 options to employee of the subsidiary Company. The above options have been issued by the Performance Evaluation and Guidance-cum- Nomination and Remuneration Committee (formerly known as Compensation Committee) in accordance with the terms & conditions of the "Ethos Employee Stock Option Plan – 2013".

The Subsidiary Company, at its 14th Annual General Meeting, approved variation/modification in the terms of 'Ethos Employee Stock Option Plan 2013 by allowing the option grantees to exercise their vested options as per Clause 7.1 and 7.2 of the scheme on or before 16th August 2021. The aforesaid scheme expired on 16th August 2021.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(i) Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans are as follows.

	As at 31st March 2023		As at 31st March 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of the year	-	-	1,27,750	120
Lapsed during the period	-	-	23,000	120
Exercised during the period/year	-	-	1,04,750	120
Outstanding at end of the year	-	-	-	-
No. of shares arising out of the options outstanding	-	-	-	-

	As at 31st March 2023		As at 31st March 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of the year	-	-	3,500	120
Lapsed during the period/year	-	-	3,500	120
Outstanding at end of the year	-	-	-	-
No. of shares arising out of the options outstanding	-	-	-	-

(ii) Expense recognised in statement of profit and loss

The expenses arising from equity settled share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended 31st March 2023 and 31st March 2022, were Rs. Nil and Rs. (9.41) respectively on account of expiry of share options on resignation by certain employees.

(iii) The fair value of the options has been determined under the Black-Scholes model and the inputs used in the measurement of the grant-date fair values of the equity settled share based payment plan are as follows:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Assumptions		
Fair value at grant date	-	35.54/56.08
Share price at grant date	-	120
Exercise Price	-	120
Risk Free Interest Rate-KRL1/KRL2/Ethos	-	7.60%/7.60%
Expected Life (years)-KRL1/KRL2/Ethos	-	4.56/4.16
Expected volatility (in %)*	-	40%-60%
Expected dividend Yield (in %)	-	1.58%

*Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

43 RELATED PARTIES:

(i) Joint Venture

Pasadena Retail Private Limited

(ii) Key managerial personnel (KMP) of the Company, their close family members and related entities

(a) Names of KMP	Names of their close family members (refer note 1)
- Mr. Yashovardhan Saboo (Chairman and Managing Director)	Mr. R.K. Saboo (Father), Mrs. Usha Devi Saboo (Mother), Mrs. Anuradha Saboo (Spouse) Mr. Pranav Shankar Saboo (Son), Mrs. Malvika Singh (Son's Spouse) Mrs. Satvika Saboo (Daughter)
- Mr. Sanjeev Kumar Masown (Chief Financial Officer and Director)	Mrs. Neeraj Masown (Spouse), Mr. Lal Chand Masown (Father)
- Mr. Brahm Prakash Kumar (Company Secretary)	
Related entities of KMP	
- Vardhan Properties & Investments Limited	
- VBL Innovations Private Limited	
- Dream Digital Technology Private Limited	
- KDDL Ethos Foundation	
- Saboo Ventures LLP	
- Saboo Housing Projects LLP	
- Shri R.K. Saboo a/c Tara Chand Mahendra Kumar HUF	
- Shri Yasho Vardhan Saboo a/c Yasho Vardhan HUF	
- Veena Kanoria Family Trust	
- RKS JS Family Trust	
- UDS JS Family Trust	
- ASP Saboo Family Trust	
- Anacott Trading SA (upto 22nd December 2021)	
- Saveeka Family Trust	

(b) Non-executive Directors	Names of their close family members (refer note 1)			
- Mr. Anil Khanna	Mrs. Alka Khanna (Spouse)	Mr. Saahil Khanna (Son)	Ms. Salonee Khanna (Daughter)	Mrs Poonam Prakash (Sister of Mr.Anil Khanna)
- Mrs. Ranjana Agarwal				
- Mr. Praveen Gupta				
- Mr. Vishal Satinder Sood				
- Mr. Jai Vardhan Saboo				
- Mr. Sanjiv Sachar				
- Mrs. Neelima Tripathi				
- Mr. Nagarajan Subramanian				

Note:

1. With respect to the key managerial personnel, disclosure has been given for those relatives with whom the Company has made transactions during the year.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

c) **Related party transactions**

Year ended 31st March 2023

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
1	**Sale of goods and services**					
	Mr. Yashovardhan Saboo	-	-	-	28.20	-
	Mr. Chitranjan Agrawal	-	-	-	8.02	-
	Mr. Manoj Gupta	-	-	-	0.18	-
	Mr. Jai Vardhan Saboo	-	-	-	62.17	-
	Mr. Anil Khanna	-	-	-	0.01	-
	Mr. Ritesh Agarwal	-	-	-	0.01	-
	Mrs. Satvika Saboo	-	-	-	-	5.06
	Mr. Nigat Altaf	-	-	-	0.18	-
	Mr. Anil Dhiman	-	-	-	0.05	-
	Mr. Sanam Tripathi	-	-	-	-	0.15
	Dream Digital Technology Private Limited	-	-	3.93	-	-
2	**Purchase of goods**					
	Mr. Pranav Shankar Saboo	-	-	-	-	18.00
3	**Compensation to key managerial personnel***					
	Short-term employee benefits					
	Mr. Yashovardhan Saboo	-	-	-	285.80	-
	Mr. Sanjeev Kumar Masown	-	-	-	155.00	-
	Mr. Brahm Prakash Kumar	-	-	-	33.57	-
	One time payment for value creation award					
	Mr. Yashovardhan Saboo	-	-	-	1,900.00	-
4	**Interest income**					
	Mr. Sanjeev Kumar Masown	-	-	-	1.03	-
5	**Interest paid/ accrued**					
	VBL Innovations Private Limited	-	-	19.88	-	-
	Mrs. Lalit Gupta	-	-	-	-	2.03
	Saboo Ventures LLP	-	-	4.16	-	-
	Mr. Amol Gupta	-	-	-	-	3.66
	Mr. R. K. Saboo	-	-	-	-	18.83
	Mr. Sanjeev Kumar Masown	-	-	-	8.08	-
	Mrs. Neeraj Masown	-	-	-	-	4.69
	Mr. Lal Chand Masown	-	-	-	-	1.61
	Mr. Deepak Gupta	-	-	-	-	8.97
	Mr. Yashovardhan Saboo	-	-	-	7.97	-
	Mr. Anil Khanna	-	-	-	16.64	-
	Mrs. Alka Khanna	-	-	-	-	3.00
	Mrs. Ranjana Agarwal	-	-	-	80.12	-
	Mrs. Usha Devi Saboo	-	-	-	-	17.15
	Mrs. Saneh Lata	-	-	-	-	1.76
	Mr. Praveen Gupta	-	-	-	2.93	-
	Mr. Saahil Khanna	-	-	-	-	0.89
	Mrs. Narottam Das Agarwal	-	-	-	-	0.53

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
	Mrs. Navita Verma	-	-	-	-	0.03
	Mrs. Jyoti Agarwal	-	-	-	-	2.83
	Ms. Salonee Khanna	-	-	-	-	0.57
	ASP Saboo Family Trust	-	-	0.14	-	-
	RKS JS Family Trust	-	-	2.08	-	-
	UDS JS Family Trust	-	-	0.16	-	-
	Mr. Brahm Prakash Kumar	-	-	4.41	-	-
	Veena Kanoria Family Trust	-	-	1.33	-	-
6	**Deposits accepted/renew**					
	Mrs. Ranjana Agarwal	-	-	-	196.50	-
	Mr. Sanjeev Kumar Masown	-	-	-	28.69	-
	Mrs. Neeraj Masown	-	-	-	-	22.20
	Mr.Lal Chand Masown	-	-	-	-	11.91
	Ms. Salonee Khanna	-	-	-	-	1.85
	Mr. R K Saboo	-	-	-	-	120.00
	Mrs. Usha Devi Saboo	-	-	-	-	110.00
	Mr. Anil Khanna	-	-	-	160.92	-
	Mr. Saahil Khanna	-	-	-	-	4.50
	Mrs. Alka Khanna	-	-	-	-	0.40
	ASP Saboo Family Trust	-	-	5.00	-	-
	RKS JS Family Trust	-	-	200.00	-	-
	Mr. Brahm Prakash Kumar	-	-	-	41.26	-
	UDS JS Family Trust	-	-	5.00	-	-
	Veena Kanoria Family Trust	-	-	140.00	-	-
7	**Deposits repaid**					
	Mrs. Alka Khanna	-	-	-	-	1.33
	Mr. Yashovardhan Saboo	-	-	-	166.26	-
	Mrs. Ranjana Agarwal	-	-	-	200.00	-
	Mrs. Saneh Lata	-	-	-	-	33.94
	Mrs. Navita Verma	-	-	-	-	0.69
	Mr. Amol Gupta	-	-	-	-	13.58
	Mrs. Pallavi Agarwal	-	-	-	-	10.00
	Mr. Sanjeev Kumar Masown	-	-	-	21.13	-
	Mr. Deepak Gupta	-	-	-	-	200.00
	Mrs. Lalit Gupta	-	-	-	-	42.42
	Mr. Lal Chand Masown	-	-	-	-	9.18
	Mrs. Neeraj Masown	-	-	-	-	16.36
	Ms. Salonee Khanna	-	-	-	-	1.50
	Mr. Saahil Khanna	-	-	-	-	4.00
	Mrs. Usha Saboo	-	-	-	-	96.00
	Mr. R K Saboo	-	-	-	-	236.00
	Saboo Ventures LLP	-	-	95.00	-	-
	Mr. Brahm Prakash Kumar	-	-	-	30.38	-
	Mr. Anil Khanna	-	-	-	135.72	-
	RKS JS Family Trust	-	-	200.00	-	-

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
8	**Reimbursement of expenses received by subsidiary Company**					
	Pasadena Retail Private Limited	-	39.96	-	-	-
	Susanne Hurni	-	-	-	-	8.02
9	**Rent received**					
	Vardhan Properties and Investment Limited	-	-	0.15	-	-
	Dream Digital Technology Private Limited	-	-	1.20	-	-
10	**Reimbursement to selling shareholders of IPO proceed (Net of share issue expenses)**					
	Yashovardhan Saboo	-	-	-	611.48	-
	Saboo Ventures LLP	-	-	333.53	-	-
	Anuradha Saboo	-	-	-	-	133.42
	Jai Vardhan Saboo	-	-	-	33.36	-
	VBL Innovations Private Limited	-	-	23.35	-	-
	Anil Khanna	-	-	-	13.90	-
	Nagarajan Subramanian	-	-	-	42.76	-
11	**Director fees**					
	Mr. Yashovardhan Saboo	-	-	-	5.33	-
	Mr. Anil Khanna	-	-	-	30.50	-
	Mrs. Munisha Gandhi	-	-	-	3.69	-
	Mr. Praveen Gupta	-	-	-	5.78	-
	Mr. Chitranjan Agarwal	-	-	-	17.53	-
	Mr. Sundeep Kumar	-	-	-	11.70	-
	Mr. Dilpreet Singh	-	-	-	10.60	-
	Mr. Mohaimin Altaf	-	-	-	13.32	-
	Mr. Patrik Paul Hoffman	-	-	-	7.63	-
	Mr. Jai Vardhan Saboo	-	-	-	1.55	-
	Mr. Charu Sharma	-	-	-	2.87	-
	Mrs. Ranjana Agarwal	-	-	-	6.58	-
	Mr. Sanjiv Sachar	-	-	-	4.68	-
	Mrs. Neelima Tripathi	-	-	-	5.92	-
	Mr. Nagarajan Subramanian	-	-	-	10.36	-
12	**Publicity & Advertisement**					
	Dream Digital Technology Private Limited	-	-	42.00	-	-
13	**Repayment of loans given by the Company**					
	Mr. Sanjeev Kumar Masown	-	-	-	5.00	-
14	**Management consultancy fees paid**					
	Mrs. Anuradha Saboo	-	-	-	-	15.00
	Mr. Apoorv P. Tripathi (Advocate)	-	-	-	-	0.33
	Mr. Patrik Paul Hoffman	-	-	-	23.60	-
	Mr. Viraj Gandhi	-	-	-	-	3.85

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
15	**CSR contribution made**					
	KDDL Ethos Foundation	-	-	21.06	-	-
16	**Employee benefit expense**					
	Mr. R. K. Saboo	-	-	-	-	32.88
	Mr. Pranav Saboo	-	-	-	-	412.31
	Mrs. Anuradha Saboo	-	-	-	-	7.19
	Mr. Amol Gupta	-	-	-	-	3.91
	Mr. Anil Dhiman	-	-	-	19.01	-
	Mr. Ritesh Agarwal	-	-	-	127.47	-
	Mr. Manoj Gupta	-	-	-	75.25	-
	*(Excluding provision for leave encashment, gratuity and bonus as they are determined on an actuarial basis for the Company as a whole)					
17	**Dividend paid**					
	Mr. R.K. Saboo	-	-	-	-	99.47
	Mr. Yashovardhan Saboo	-	-	-	112.69	-
	Mrs. Usha Devi Saboo	-	-	-	-	8.49
	Mrs. Anuradha Saboo	-	-	-	-	22.44
	Mr. Pranav S Saboo	-	-	-	-	39.95
	Mrs. Satvika Saboo	-	-	-	-	7.57
	Vardhan Properties and Investment Limited	-	-	1.80	-	-
	Dream Digital Technology Private Limited	-	-	1.47	-	-
	Saboo Ventures LLP	-	-	1.36	-	-
	Mr. Sanjiv Sachar	-	-	-	0.08	-
	Mr. Sanjeev Kumar Masown	-	-	-	0.07	-
	Mr. Anil Khanna	-	-	-	0.16	-
	Mrs. Alka Khanna	-	-	-	-	0.01
18	**Sale of Property, plant and equipment**					
	Amol Gupta	-	-	-	-	5.32

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Year ended 31st March 2022

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
1	**Sale of goods and services**					
	Mr. Yashovardhan Saboo	-	-	-	9.85	-
	Mr. R. K. Saboo	-	-	-	-	102.05
	Mr. Jai Vardhan Saboo	-	-	-	7.63	-
	Mrs Malvika Saboo	-	-	-	-	3.77
2	**Purchase of goods**					
	Anacott Trading SA	-	-	2.10	-	-
	Mr. R. K. Saboo					58.00
3	**Payment of lease liabilities**					
	Mr. Yashovardhan Saboo	-	-	-	20.47	-
	Mrs. Anuradha Saboo	-	-	-	-	18.20
	Saboo Housing Projects LLP	-	-	10.50	-	-
4	**Compensation to key managerial personnel***					
	Short-term employee benefits					
	Mr. Yashovardhan Saboo	-	-	-	188.10	-
	Mr. Sanjeev Kumar Masown	-	-	-	139.94	-
	Mr. Brahm Prakash Kumar	-	-	-	29.57	-
5	**Interest income**					
	Mr. Sanjeev Kumar Masown	-	-	-	1.38	-
6	**Interest paid/ accrued**					
	Vardhan Properties and Investment Limited	-	-	0.00	-	-
	VBL Innovations Private Limited	-	-	19.88	-	-
	Saboo Ventures LLP	-	-	15.81	-	-
	Mr. R. K. Saboo	-	-	-	-	29.24
	Mr. Sanjeev Kumar Masown	-	-	-	7.38	-
	Mrs. Neeraj Masown	-	-	-	-	4.42
	Mr. Lal Chand Masown	-	-	-	-	1.45
	Mr. Yashovardhan Saboo	-	-	-	17.10	-
	Mr. Anil Khanna	-	-	-	15.92	-
	Mrs. Alka Khanna	-	-	-	-	3.24
	Mrs. Ranjana Agarwal	-	-	-	77.31	-
	Mrs. Usha Devi Saboo	-	-	-	-	19.11
	Mr. Praveen Gupta	-	-	-	0.98	-
	Mr. Brahm Prakash Kumar	-	-	-	4.07	-
	Mr. Saahil Khanna	-	-	-	-	0.29
	Ms. Salonee Khanna	-	-	-	-	0.53
7	**Deposits accepted/renew**					
	Mrs. Alka Khanna	-	-	-	-	21.80
	Mrs. Ranjana Agarwal	-	-	-	380.45	-
	Mr. Praveen Gupta	-	-	-	30.00	-
	Mrs. Neeraj Masown	-	-	-	-	21.42
	Mr.Lal Chand Masown	-	-	-	-	6.54
	Ms. Salonee Khanna	-	-	-	-	1.65
	Mr. R. K. Saboo	-	-	-	-	5.00

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
	Mr. Yashovardhan Saboo	-	-	-	166.26	-
	Mrs. Usha Devi Saboo	-	-	-	-	84.71
	Saboo Ventures LLP	-	-	295.00	-	-
	Mr.Anil Khanna	-	-	-	27.16	-
	Mr. Saahil Khanna	-	-	-	-	8.00
	Mrs. Alka Khanna	-	-	-	-	7.50
8	**Deposits repaid**					
	Mrs. Alka Khanna	-	-	-	-	28.41
	Mr. Yashovardhan Saboo	-	-	-	262.54	-
	Mrs. Ranjana Agarwal	-	-	-	178.00	-
	Vardhan Properties and Investment Limited	-	-	30.00	-	-
	Mr.Lal Chand Masown	-	-	-	-	5.44
	Mrs. Neeraj Masown	-	-	-	-	16.23
	Ms. Salonee Khanna	-	-	-	-	1.50
	Mrs. Usha Saboo	-	-	-	-	66.00
	Mr. R K Saboo	-	-	-	-	5.00
	Mrs. Anuradha Saboo	-	-	-	-	21.79
	Saboo Ventures LLP	-	-	200.00	-	-
	Mr. Anil Khanna	-	-	-	20.00	-
9	**Reimbursement of expenses incurred on behalf of subsidiary Company**					
	VBL Innovations Private Limited	-	-	1.37	-	-
10	**Reimbursement of expenses received by subsidiary Company**					
	Pasadena Retail Private Limited	-	30.19	-	-	-
	Dream Digital Technology Private Limited	-	-	0.09	-	-
11	**Rent received**					
	Dream Digital Technology Private Limited	-	-	0.60	-	-
12	**Other Income**					
	Pasadena Retail Private Limited	-	1.53	-	-	-
13	**Director fees**					
	Mr. Yashovardhan Saboo	-	-	-	5.78	-
	Mr. Anil Khanna	-	-	-	18.07	-
	Mr. Praveen Gupta	-	-	-	5.10	-
	Mr. Jai Vardhan Saboo	-	-	-	1.20	-
	Mrs. Ranjana Agarwal	-	-	-	5.40	-
	Mr. Sanjiv Sachar	-	-	-	3.70	-
14	**Publicity & Advertisement**					
	Dream Digital Technology Private Limited	-	-	30.00	-	-
15	**Repayment of loans given by the Company**					
	Mr. Sanjeev Kumar Masown	-	-	-	6.00	-
16	**Management consultancy fees paid**					
	Mrs. Anuradha Saboo	-	-	-	-	14.54

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
17	**Employee benefit expense**					
	Mr. R. K. Saboo	-	-	-	-	30.00
	Mr. Pranav Saboo	-	-	-	-	306.66
	Mrs. Anuradha Saboo	-	-	-	-	6.44
18	**Investments made**					
	Mr. Yashovardhan Saboo	-	-	-	248.22	-
	Mr. R.K. Saboo	-	-	-	-	2.85
	Mrs. Usha Devi Saboo	-	-	-	-	2.40
	Mrs. Anuradha Saboo	-	-	-	-	4.18
	Mr. Pranav S Saboo	-	-	-	-	0.10
	Mrs. Satvika Saboo	-	-	-	-	0.13
	Shri Yasho Vardhan Saboo a/c Yasho Vardhan HUF	-	-	-	-	0.05
19	**Dividend paid**					
	Shri R.K. Saboo a/c Tara Chand Mahendra Kumar HUF	-	-	-	-	1.17
	Shri Yasho Vardhan Saboo a/c Yasho Vardhan HUF	-	-	-	-	0.83
	Mr. R.K. Saboo	-	-	-	-	28.60
	Mr. Yashovardhan Saboo	-	-	-	29.28	-
	Mrs. Usha Devi Saboo	-	-	-	-	2.55
	Mrs. Anuradha Saboo	-	-	-	-	6.55
	Mr. Pranav S Saboo	-	-	-	-	12.16
	Mrs. Satvika Saboo	-	-	-	-	2.27
	Vardhan Properties and Investment Limited	-	-	0.54	-	-
	Dream Digital Technology Private Limited	-	-	0.26	-	-
	Mr. Sanjiv Sachar	-	-	-	0.02	-
	Mr. Sanjeev Kumar Masown	-	-	-	0.03	-
	Mr. Anil Khanna	-	-	-	0.04	-

*(Excluding provision for leave encashment, gratuity and bonus as they are determined on an actuarial basis for the Company as a whole)

d) Amount outstanding

As at 31st March 2023

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
1	**Loans and advances**					
	Mr. Sanjeev Kumar Masown	-	-	-	16.97	-
2	**Other current assets**					
	Mr. Yashovardhan Saboo	-	-	-	9.04	-
3	**Payables**					
	Mr. Jai Vardhan Saboo	-	-	-	0.34	-
	Mrs. Satvika Saboo	-	-	-	-	1.13

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
4	**Guarantees taken**					
	Mr. Yashovardhan Saboo	-	-	-	5,250.00	-
5	**Deposits**					
	Mr. Sanjeev Kumar Masown	-	-	-	65.51	-
	Mr. Lal Chand Masown	-	-	-	-	15.27
	Mrs. Neeraj Masown	-	-	-	-	43.62
	Mr. Anil Khanna	-	-	-	160.92	-
	Mrs. Alka Khanna	-	-	-	-	29.70
	Mrs. Ranjana Agarwal	-	-	-	698.94	-
	Mrs. Jyoti Agarwal	-	-	-	-	25.00
	Mr. Amol Gupta	-	-	-	-	26.60
	Mr. R. K. Saboo	-	-	-	-	120.00
	Mrs. Usha Devi Saboo	-	-	-	-	183.71
	Mr. Saahil Khanna	-	-	-	-	8.50
	Mr. Praveen Gupta	-	-	-	30.00	-
	Ms. Salonee Khanna	-	-	-	-	5.00
	ASP Saboo Family Trust	-	-	5.00	-	-
	UDS JS Family Trust	-	-	5.00	-	-
	Veena Kanoria Family Trust	-	-	140.00	-	-
	Mr. Brahm Prakash Kumar	-	-	-	41.26	-
6	**Interest accrued but not due**					
	Mr. Sanjeev Kumar Masown	-	-	-	12.82	-
	Mr. Lal Chand Masown	-	-	-	-	3.92
	Mrs. Neeraj Masown	-	-	-	-	4.65
	Mr. Anil Khanna	-	-	-	13.87	-
	Mrs. Alka Khanna	-	-	-	-	0.03
	Ms. Ranjana Agarwal	-	-	-	145.78	-
	Mrs. Jyoti Agrawal	-	-	-	-	2.92
	Mrs. Usha Devi Saboo	-	-	-	-	7.65
	ASP Saboo Family Trust	-	-	0.14	-	-
	Mr. Saahil Khanna	-	-	-	-	0.72
	Mr. Amol Gupta	-	-	-	-	3.23
	Mr. Brahm Prakash Kumar	-	-	-	1.15	-
	Ms. Salonee Khanna	-	-	-	-	0.94

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associate	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
7	**Unsecured Loans**					
	VBL Innovations Private Limited	-	-	150.00	-	-
8	**Employee related payables**					
	Mr. Yashovardhan Saboo	-	-	-	0.30	-
	Mr. Sanjeev Kumar Masown	-	-	-	3.86	-
	Mr. R.K. Saboo	-	-	-	-	2.00
	Mr. Pranav Shankar Saboo	-	-	-	81.34	-
	Mr. Ritesh Kumar Agrawal	-	-	-	26.06	-
	Mr. Manoj Gupta	-	-	-	7.66	-
	Mr. Anil Dhiman	-	-	-	1.73	-
	Mr. Amol Gupta	-	-	-	-	0.30
	Mr. Brahm Prakash Kumar	-	-	-	1.05	-
	Mrs. Anuradha Saboo	-	-	-	-	0.56
9	**Balance due from the related parties**					
	Mr. Siddarth Suri	-	-	-	-	28.64
	Pasadena Retail Private Limited	-	12.41	-	-	-
	Mr. Manoj Gupta	-	-	-	6.35	-
	Mr. Jai Vardhan Saboo	-	-	-	10.81	-
	Dream Digital Technology Private Limited	-	-	6.06	-	-
	Mr. Yashovardhan Saboo	-	-	-	28.64	-
10	**Director Commission Payable**					
	Mr. Anil Khanna	-	-	-	17.00	-
	Mr. N. Subramanian	-	-	-	5.41	-
	Mr. Sundeep Kumar	-	-	-	9.27	-
	Mrs. Neelima Tripathi	-	-	-	2.32	-
	Mr. Dilpreet Singh	-	-	-	8.50	-
	Mr. Mohaimin Altaf	-	-	-	10.82	-
	Mr. Patrik Paul Hoffman	-	-	-	6.18	-
	Mr. Chitranjan Agarwal	-	-	-	14.68	-
	Mrs. Munisha Gandhi	-	-	-	3.09	-
	Mr. Charu Sharma	-	-	-	2.32	-
11	**Investments**					
	Pasadena Retail Private Limited	-	175.00	-	-	-

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Amount outstanding

As at 31st March 2022

		Associates	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
1	**Loans and advances**					
	Mr. Sanjeev Kumar Masown	-	-	-	21.97	-
2	**Payables**					
	Dream Digital Technology Private Limited	-	-	2.59	-	-
	Mrs. Satvika Saboo	-	-	-	-	1.13
3	**Guarantees taken**					
	Mr. R. K. Saboo	-	-	-	-	4,685.00
	Mr. Yashovardhan Saboo	-	-	-	16,548.00	-
4	**Deposits**					
	Mr. Sanjeev Kumar Masown	-	-	-	57.95	-
	Mr. Lal Chand Masown	-	-	-	-	12.54
	Mrs. Neeraj Masown	-	-	-	-	37.78
	Mr. Anil Khanna	-	-	-	135.72	-
	Mrs. Alka Khanna	-	-	-	-	30.63
	Mrs. Ranjana Agarwal	-	-	-	702.44	-
	Mr. R. K. Saboo	-	-	-	-	236.00
	Mr. Yashovardhan Saboo	-	-	-	166.26	-
	Mrs. Usha Devi Saboo	-	-	-	-	169.71
	Mr. Saahil Khanna	-	-	-	-	8.00
	Mr. Praveen Gupta	-	-	-	30.00	-
	Ms. Salonee Khanna	-	-	-	-	4.65
	Mr. Brahm Prakash Kumar	-	-	-	30.38	-
	Saboo Ventures LLP	-	-	95.00	-	-
5	**Interest accrued but not due**					
	Mr. Sanjeev Kumar Masown	-	-	-	13.06	-
	Mr. Lal Chand Masown	-	-	-	-	2.31
	Mr. R. K. Saboo	-	-	-	-	53.65
	Mr. Yashovardhan Saboo	-	-	-	9.80	-
	Mrs. Neeraj Masown	-	-	-	-	6.41
	Mr. Anil Khanna	-	-	-	18.52	-
	Mrs. Alka Khanna	-	-	-	-	0.07
	Mrs. Ranjana Agarwal	-	-	-	96.13	-
	Mrs. Usha Devi Saboo	-	-	-	-	17.26
	Mr. Brahm Prakash Kumar	-	-	-	8.17	-
	Mr. Saahil Khanna	-	-	-	-	0.26
	Ms. Salonee Khanna	-	-	-	-	0.72
6	**Unsecured Loans**					
	VBL Innovations Private Limited	-	-	150.00	-	-
	Swades Capital LLC	-	-	-	-	440.11
7	**Employee related payables**					
	Mr. Yashovardhan Saboo	-	-	-	2.03	-
	Mr. Sanjeev Kumar Masown	-	-	-	7.94	-
	Mr. R.K. Saboo	-	-	-	-	1.74

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		Associates	Joint venture	Related entities of KMP	Key management personnel (KMP)	Other related parties
	Mr. Pranav Shankar Saboo	-	-	-	-	29.44
	Mr. Brahm Prakash Kumar	-	-	-	1.65	-
	Mrs. Anuradha Saboo	-	-	-	-	0.51
8	**Balance due from the related parties**					
	Mr. Pranav Shankar Saboo	-	-	-	-	9.81
	Pasadena Retail Private Limited	-	3.96	-	-	-
9	**Director Commission Payable**					
	Mr. Anil Khanna	-	-	-	6.74	-
	Mr. N. Subramanian	-	-	-	6.42	-
	Mr. Sundeep Kumar	-	-	-	3.53	-
	Mrs. Neelima Tripathi	-	-	-	2.89	-
	Mr. Dilpreet Singh	-	-	-	4.17	-
	Mr. Mohaimin Altaf	-	-	-	4.17	-
	Mr. Patrik Paul Hoffman	-	-	-	2.25	-

e) Other transactions

1. Security being provided by Managing Director of the Company for loan taken from Bank of Maharashtra by pledging 3,60,000 shares of KDDL limited held by him. The loan was repaid during the year ended 31st March 2023 and the securities were released from Bank.

f) Terms and conditions of transactions with related parties

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

44 OPERATING SEGMENTS

(a) Basis for segmentation

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 consolidated audited financial results are consistently applied to record revenue and expenditure in individual segments except for merging watch and accessories, marketing support and other services and luxury cars into one business segment by one of the subsidiary company i.e watches, accessories and other luxury items and related services with effect from 01st April 2022. The new segment information namely revenue, results, segment assets and segment liabilities is derived by a simple arithmetic addition of the aforesaid particulars of the consolidating segments and as such there is no financial effect of the change.

The Group has three reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's Chairman and Managing Director reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segments	Operations
Precision and watch components	Manufacturing and distribution of dials, watch hands and precision components
Watch, accessories and other luxury items and related services	Trading of watches and accessories
Others	Manufacturing and distribution of packaging boxes

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(b) Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Chairman and Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Year ended 31st March 2023	Precision and watch components	Watch, accessories and other luxury items and related services	Others	Total
Segment revenue:				
- External revenues	31,873.63	78,824.09	1,548.28	1,12,246.00
- Inter-segment revenue	(19.15)	(4.64)	(277.70)	(301.49)
Total segment revenue	**31,854.48**	**78,819.45**	**1,270.58**	**1,11,944.51**
Segment profit/(loss) before income tax	**6,928.78**	**8,174.58**	**96.51**	**15,199.87**
Segment assets	**27,706.24**	**59,468.60**	**1,224.21**	**88,399.05**
Segment assets include:				
- Investments accounted for using equity method	-	207.15	-	207.15
- Capital expenditure during the year	5,790.89	1,543.14	78.56	7,412.59
Segment liabilities	**6,346.31**	**12,711.76**	**203.64**	**19,261.71**

Year ended 31st March 2022	Precision and watch components	Watch and watch accessories	Others	Total
Segment revenue:				
- External revenues	22,906.83	57,734.26	983.00	81,624.09
- Inter-segment revenue	-	-	-	-
Total segment revenue	**22,906.83**	**57,734.26**	**983.00**	**81,624.09**
Segment profit/(loss) before income tax	**4,040.97**	**4,528.68**	**29.85**	**8,599.50**
Segment assets	**21,791.52**	**47,580.85**	**503.81**	**69,876.18**
Segment assets include:				
- Investments accounted for using equity method	-	157.47	-	157.47
- Capital expenditure during the year	1,533.07	1,052.45	-	2,585.52
Segment liabilities	**3,647.92**	**10,915.88**	**159.70**	**14,723.51**

(c) Reconciliations of information on reportable segments to Ind AS measures

		As at 31st March 2023	As at 31st March 2022
i.	**Revenues**		
	Total revenue for reportable segments	1,12,246.00	81,624.09
	Elimination of inter-segment revenue	(301.49)	-
	Total revenue	**1,11,944.51**	**81,624.09**
ii.	**Profit before tax**		
	Total profit before tax for reportable segments	15,199.87	8,599.50
	Finance cost	(2,396.01)	(2,477.21)
	Unallocated amounts:		
	Corporate expenses (net of un-allocated revenue)	(2,043.59)	(893.43)
	Consolidated profit before tax	**10,760.27**	**5,228.86**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

		As at 31st March 2023	As at 31st March 2022
iii.	**Assets**		
	Total assets for reportable segments	88,399.05	69,876.18
	Unallocated amounts	27,653.46	4,070.04
	Consolidated total assets	**1,16,052.51**	**73,946.22**
iv. Liabilities			
	Total liabilities for reportable segments	19,261.71	14,723.51
	Unallocated amounts	26,575.94	28,170.35
	Consolidated total liabilities	**45,837.65**	**42,893.86**

v. Other material items

	Reportable segment total	Adjustments	Consolidated total
Year ended 31st March 2023			
Finance cost	-	2,396.01	2,396.01
Capital expenditure during the year	7,412.59	(235.17)	7,177.42
Depreciation and amortisation expense	4,648.17	291.29	4,939.46
Year ended 31st March 2022			
Finance cost	-	2,477.21	2,477.21
Capital expenditure during the year	2,585.52	80.74	2,666.25
Depreciation and amortisation expense	4,372.95	165.20	4,538.15

(d) Geographical information

i. Revenues

	Year ended 31st March 2023	Year ended 31st March 2022
India	**86,972.39**	**66,736.83**
Outside India		
Switzerland	17,529.27	10,348.42
Germany	3,159.18	2,375.75
United Kingdom	461.74	325.00
USA	1,960.09	380.83
France	440.33	478.55
Portugal	-	256.07
Czech Republic	817.15	479.88
China	356.69	107.90
Other countries	247.67	134.87
Total outside India	**24,972.12**	**14,887.26**
Total	**1,11,944.51**	**81,624.09**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

ii. Non-current assets	Year ended 31st March 2023	Year ended 31st March 2022
India	34,204.44	26,691.30
Outside India		
Switzerland	4,585.67	3,483.85
Total outside India	**4,585.67**	**3,483.85**
Total	**38,790.11**	**30,175.15**

*In presenting the geographical information, segment revenue has been based on the geographic location of the customers.

(e) Major customer

For the year ended 31st March 2023 and 31st March 2022, there is no major customer with respect to consolidated revenue of the group.

45 GROUP AS A LESSEE

The Parent Company has lease contracts for various items of plant and equipment, building and land used in its operations. Leases of plant and equipment generally have lease terms between 3-5 years, while buildings generally have lease terms between 1-10 years, while leasehold land has lease term of 99 years. Further, The Ethos Limited, a subsidiary company has lease contracts for various retail stores and furniture to be used for its operations. The Leases generally have lease terms 2-10 years for building and 4-5 years for furniture. The Group obligations under its leases are secured by the lessor's title to the leased assets.

The Group has certain leases with lease terms of 12 months or less and certain leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Plant and equipment	Building	Leasehold land $	Stores Building	Furniture	Total
As at 01st April 2021	**222.79**	**307.53**	**548.20**	**8,093.03**	**-**	**9,171.55**
Additions	407.08	103.52	-	3,562.34	152.79	4,225.73
Depreciation expense	(142.01)	(96.35)	(6.28)	(2,429.75)	(14.03)	(2,688.42)
Deletions/Modification	(0.83)	-	-	(217.86)	-	(218.69)
As at 31st March 2022	**487.03**	**314.69**	**541.92**	**9,007.76**	**138.76**	**10,490.16**

*Reclassified from property, plant and equipment (PPE)

Particulars	Plant and equipment	Building	Leasehold land $	Stores Building	Furniture	Total
As at 01st April 2022	**487.03**	**314.69**	**541.92**	**9,007.76**	**138.76**	**10,490.16**
Additions	74.35	21.71	-	3,934.68	-	4,030.74
Depreciation expense	(144.01)	(122.83)	(6.31)	(2,492.94)	(33.64)	(2,799.73)
Deletions/Modification	37.61	-	-	(261.40)	-	(223.79)
As at 31st March 2023	**454.98**	**213.57**	**535.62**	**10,188.10**	**105.12**	**11,497.38**

$ Includes leasehold land of Rs. 5.67 (31st March 2022: Rs. 5.67) situated at Parwanoo for which the Company is in the process of completing formalities for transferring the title deed in its own name.

(All amounts are in Indian Rupees Lacs, except for share data)

The carrying amounts of lease liabilities and the movements during the year:

Particulars	Total
As at 01st April 2021	**9,384.78**
Additions	4,098.21
Accretion of interest	1,086.02
Payments	(2,541.15)
Deletions/Modification	(214.55)
Rent Concessions	(804.46)
As at 31st March 2022	**11,008.84**
Current	**2,525.37**
Non-current	**8,483.47**

Particulars	Total
As at 01st April 2022	**11,008.84**
Additions	3,843.76
Accretion of interest	1,208.06
Payments	(3,884.81)
Deletions/Modification	(285.65)
Rent Concessions	-
As at 31st March 2023	**11,890.20**
Current	**2,557.79**
Non-current	**9,332.41**

The details regarding the maturity analysis of lease liabilities as at 31st March 2023 and 31st March 2022 on an undiscounted basis is disclosed in Note 36.

Considering the lease term of the leases, the effective interest rate for lease liabilities varies from 11.63% to 11.98%.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit and loss:

For the year ended 31st March 2022

Particulars	Plant and equipment	Building	Land	Stores Building	Furniture	Total
Depreciation expense of right-of-use assets	120.58	101.56	6.28	2,445.97	14.03	2,688.42
Interest expense on lease liabilities	21.83	43.36	-	1,020.83	-	1,086.02
Expense relating to short-term leases (included in other expenses)*	-	7.91	-	546.98	-	554.89
Total amount recognised in profit and loss	**142.41**	**152.83**	**6.28**	**4,013.78**	**14.03**	**4,329.33**

** Gross of reimbursement received of Rs. 45.55*

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

For the year ended 31st March 2023

Particulars	Plant and equipment	Building	Land	Stores Building	Furniture	Total
Depreciation expense of right-of-use assets	144.01	122.83	6.31	2,492.94	33.64	2,799.73
Interest expense on lease liabilities	10.28	47.11	-	1,150.67	-	1,208.06
Expense relating to short-term leases (included in other expenses)*	-	14.02	-	1,002.58	-	1,016.60
Total amount recognised in profit and loss	**154.29**	**183.96**	**6.31**	**4,646.19**	**33.64**	**5,024.38**

** Gross of reimbursement received of Rs. 46.93*

The Group had total cash outflows for leases of Rs. 3884.81 in 31st March 2023 (Rs 2,541.09 in 31st March 2022).

The Group also had non-cash additions to right of use assets and liabilities of Rs. 3693.76 in 31st March 2023 (31st March 2022: 4,098.21)

46 The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

47 DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013:

	As at 31st March 2023	As at 31st March 2022
Investment		
Investment in associate: Kamla Tesio Dials Limited*		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	10.46
Investment in joint venture: Pasadena Retail Private Limited		
Balance as at the year end	207.15	157.47
Maximum amount outstanding at any time during the year	207.15	157.47
Investment in company: Karolview Developers Private Limited		
Balance as at the year end	43.65	43.70
Maximum amount outstanding at any time during the year	43.70	44.10
Investment in company: Shivalik Waste Management Limited		
Balance as at the year end	5.74	5.01
Maximum amount outstanding at any time during the year	5.74	5.01

* Investment is net off provision for diminution in the value of investment, other than temporary.

48 BUSINESS COMBINATION

The Scheme of Amalgamation of Satva Jewellery and Design Limited, a wholly owned subsidiary, with the Holding Company has been sanctioned by the National Company Law Tribunal, Chandigarh, by order dated 23rd November 2022. Upon filing of the said order by the Holidng Company with the Registrar of Companies and compliance with the other conditions of the Scheme, same has become effective on 01st December 2022, and has been given effect from the Appointed date, i.e., 01st April 2019.

The aforesaid Scheme has been accounted under 'the pooling of interests method' i.e. in accordance with Appendix C of Ind AS 103-Business Combinations, and comparatives have been restated for the amalgamation from the beginning of the previous year.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Accordingly the effect on the amount of profit after tax, earning per share and other equity for all the period presented has been given in the financial results which are as follows:

Particulars	For the year ended 31-03-2022
Profit after tax	
As published in previous periods/year	3,715.46
As restated for the effect of amalgamation	3,719.85
EPS	
As published in previous periods/year	25.26
As restated for the effect of amalgamation	25.30
Other equity	
As published in previous year	23,877.64
As restated for the effect of amalgamation	23,967.69

Pursuant to aforesaid scheme becoming effective, Satva Jewellery and Design Limited stands dissolved without winding up. As per the approved scheme, the authorised share capital of the Holding Company stands increased from 2,50,00,000 equity shares of Rs. 10/- each to 2,80,00,000 equity shares of Rs. 10/- each by merging authorised share capital of Satva Jewellery and Design Limited with the Holding Company. The Holding Company has filed necessary forms with regional ROC to incorporate the increase in authorised share capital.

49 Considering the accumulated losses, impairment indicators were identified in relation to property, plant and equipment (PPE) in subsidiary Estima AG. As a result, an impairment assessment was required to be performed by comparing the carrying value of the PPE to its recoverable amount to determine whether an impairment was required to be recognised. The recoverable amount was determined to be the higher of the fair value less cost of disposal, and the value in use, determined by discounting future cash flows. Based on the impairment assessment carried out by the management, recoverable amount from these PPE is higher than their carrying amount, hence no impairment provision is required to be made.

50 The Parent Company is currently using SAP for maintaining electronic books of accounts wherein daily backup is being taking place, however, two of the units of the Parent Company which does not have material transactions are using standalone software (Tally) for the purpose of maintaining electronic books of accounts. Considering, the size of the units and associated risks for data restoration the Parent Company is taking periodic backup of electronic books of accounts for these units. However, as required by the amended proviso to Companies (Accounts) Rules, 2014, subsequent to the year end, the scheduled backup of electronic books of accounts for these units has been changed to daily from periodic.

51 The Board of Directors at its meeting held on 18th January 2023, approved a proposal to buyback the equity shares of the Parent Company through open market route. This scheme includes buy back of fully paid-up equity shares having a face value of Rs. 10 each of the Parent Company at a price not exceeding Rs. 1,200 per equity share ("Maximum Buyback Price") and for an aggregate amount not exceeding Rs. 2,100 Lacs ("Maximum Buyback Size"), from the shareholders of the Parent Company (other than the promoters, the promoters group and persons in control of the Parent Company) payable in cash via "Open Market" route through the stock exchange mechanism which is less than 10% of the aggregate of the total paid-up share capital and free reserves of the Parent Company, based on the latest audited standalone and audited consolidated financial statements of the Parent Company as on 31st March 2022, in accordance with the provisions under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations"), as amended and the Companies Act, 2013, as amended, and other applicable provisions (the process hereinafter referred to as the "Buyback"). The Parent Company has bought back 1,99,947 equity shares for an aggregate amount of Rs. 2,100 Lacs being 1.57% of the total paid up equity share capital at average price of Rs. 1,050 per equity share. The equity shares bought back were extinguished on 14th February 2023. Capital redemption reserve was created to the extent of share capital extinguished (Rs. 19.99 Lacs). The excess cost of buyback of Rs. 2,103.69 Lacs (including Rs. 23.69 Lacs (net of tax) towards transaction cost of buy back) over par value of shares were adjusted from securities premium (Rs. 2,080.00 Lacs) and retained earnings (Rs. 23.69 Lacs) and corresponding tax on buyback of Rs. 484.86 Lacs were offset from retained earnings.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

52 During the year, the Parent Company has initiated the process of setting up of a new plant for manufacturing steel bracelets for watches. The expansion will involve a capital expenditure of Rs. 2500 Lacs to be executed over next two years. As on 31st March 2023, the Parent Company has procured or given advances for procurement of machines and materials of Rs. 1,111.14 Lacs. Also, the Parent Company has received advance of Rs. 1,221.15 Lacs from a major customer for this product which will be adjusted against future sales to that customer.

53 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Holding Company and its Indian subsidiaries will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

54 During the current year, Ethos Limited, a subsidiary of the Holding Company has acquired 100% stake in Silvercity Brands AG, the Swiss stock corporation having its registered seat in Grenchen, Switzerland from Philipp Schaller, c/o Badertscher Rechtsanwälte AG Mühlebachstrasse 32 8008 Zürich during March 2023. The Share Capital of the Company is CHF 100,000, divided into 100,000 registered shares with a nominal value of CHF 1 each and paid-up Share Capital is 50,000 shares for CHF 1 each. The purchase consideration for acquisition of shares is at CHF 50,000 in an all-cash deal. The subsidiary company has paid 50,000 CHF on 31st March 2023.

55 During the quarter ended 30th June 2022, the Subsidiary Company i.e. Ethos Limited has completed its Initial Public Offering ('IPO') of 45,81,500 equity shares of face value of Rs. 10 each at an issue price of Rs. 878 per share (including securities premium of Rs. 868 per share). These equity shares have been listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) with effect from 30th May, 2022. The issue comprised of fresh issue of 42,71,070 equity shares aggregating to Rs. 37,500.00 and offer for sale of 3,10,430 equity shares aggregating to Rs. 2,725.58. Net gain on such offer for sale of 1,54,089 equity shares held by the Holding Company and subsidiary company (Mahen Distribution Limited) amounting to Rs 1,067.00 (net of income tax of Rs 112.00) has been included under other equity in the consolidated unaudited financial results.

Consequent to allotment of fresh issue, the paid-up equity share capital of the subsidiary company stands increased from Rs. 1,907.82 consisting of consisting of 1,90,78,163 equity shares of Rs. 10 each to Rs. 2,334.92 consisting of 2,33,49,233 Equity Shares of Rs. 10 each.

The total offer expenses in relation to the fresh issue are Rs. 3,531.05 (excluding taxes). The utilisation of IPO proceeds from fresh issue (net of IPO related expense of Rs. 3,531.05) is summarised below:

Particulars	Amount
Amount received from fresh issue	37,500.00
Less: Offer related expenses in relation to the fresh issue	(3,531.05)
Net proceeds available for utilisation	**33,968.95**

The aforesaid offer related expenses in relation to the Fresh Issue have been adjusted against securities premium as per Section 52 of the Companies Act, 2013.

Particulars	Amount to be utilised as per prospectus	Utilisation upto 31st March 2023	Unutilised as on 31st March 2023**
Repayment or pre-payment certain borrowings	2,989.09	2,989.09	-
Funding working capital requirements	23,496.22	8,682.66	14,813.56
Financing the establishment of new stores and renovation of the certain existing stores	3,327.28	450.48	2,876.80
Financing the upgradation of ERP	198.01	-	198.01
General corporate purpose*	3,958.35	2,213.63	1,744.72
Total	**33,968.95**	**14,335.86**	**19,633.09**

* Amount of Rs. 3609.87 was original proposed in offer document as part of general corporate purpose has been increased by Rs. 348.48 on account of saving in offer expenses

**Net unutilised proceeds as on 31st March 2023 has been temporarily invested in deposits with scheduled banks and monitoring agency bank account.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

Post above public issue, the consolidated shareholding of the Holding Company (directly and indirectly through its other subsidiary, Mahen Distribution Limited) in Ethos Limited as at 31st March 2023 is 61.07%.

The said public issue has resulted into increase in the amount of minority interest and other equity by Rs. 16,572.29 and Rs. 18,478.66 respectively in the consolidated financial results of the Group for the year ended 31st March 2023."

56 During the current year, a subsidiary company has entered into an asset purchase agreement for acquisition of Favre Leuba Brand and all related trademarks, sub-brands, logos, brand material and fixed assets for consideration of CHF 15,30,000. As on 31st March 2023 the subsidiary company has paid advance of CHF 7,50,000 as part payment of consideration and balance amount is payable on transfer of identified IP rights, brand material and fixed assets. All the identified assets are transferred in the name of the subsidiary company subsequent to the year end.

57 OTHER STATUTORY INFORMATION

1) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
2) The Group does not have any transactions with companies struck off.
3) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
   b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
6) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
7) The Group not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

58 (a) During the year, the Parent Company has granted loan of CHF 1,400,000 (Rs. 1244.60) and made further investment of CHF 1,000,000 (Rs. 846.70) in equity shares of its wholly owned subsidiary Kamla International Holdings SA with a understanding that the subsidiary company will further invest these funds in wholly owned subsidiaries of the Group naming Pylania SA and Estima AG. Mentioned below are the details for fund transferred to and utilisation by the said subsidiary.

Date	Particulars	Amount in CHF
Cash Inflow		
12-08-2022	Loan from KDDL Limited	14,00,000
20-09-2022	Equity infusion by KDDL Limited	10,00,000
		24,00,000
Cash outflow		
26-08-2022	Loan to Estima AG	4,50,000
28-09-2022	Loan to Estima AG	3,00,000
10-11-2022	Acquisition of Shares of Pylania SA from Minority Shareholder	3,50,000
07-02-2023	Loan to Estima AG	50,000
16-02-2023	Investment in Shares of Estima SA	5,00,000
23-02-2023	Loan to Estima AG	1,50,000
		18,00,000
Unutilised fund balance as at the year end		**6,00,000**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

(All amounts are in Indian Rupees Lacs, except for share data)

(b) During the year, the Parent Company has given guarantee of EURO 19,00,000 against which subsidiary company naming Pylania SA has taken loan amounting CHF 15,50,000 from a bank. The subsidiary company has invested certain amount from these funds in wholly owned subsidiary of the Group naming Estima AG. Mentioned below are the details of funds borrowed and utilisation by the said subsidiary.

Date	Particulars	Amount in CHF
Cash Inflow		
08-07-2022	UBS Loan Drawdown	4,00,000
08-08-2022	UBS Loan Drawdown	4,00,000
28-09-2022	UBS Loan Drawdown	7,50,000
		15,50,000
Cash outflow		
12-07-2022	Loan to Estima AG	2,00,000
12-07-2022	Radexpo Loan Repaid	2,04,500
28-09-2022	Payment for Holding Company Invoices	2,55,302
30-09-2022	Payment for Holding Company Invoices	1,07,992
12-12-2022	Advance for purchase of Property	1,50,000
15-12-2022	Loan to Estima AG	1,00,000
08-02-2023	Payment for Holding Company Invoices	5,14,249
16-03-2023	Payment for Holding Company Invoices	17,957
		15,50,000
Unutilised fund balance as at the year end		**-**

59 During the previous year, the Board of the Directors of Ethos Limited, (a subsidiary company) at its meeting held on 28th March 2022 has approved the allotment of 3,02,663 equity shares of Rs. 10 each at a premium of Rs. 816 per share aggregating to Rs. 2,500, towards Pre-IPO placement through Preferential allotment.

60 During the year ended 31st March 2022, Pylania SA, (a subsidiary company) has based on their fair valuation of the investment property provided impairment amounting to Rs. 152.24 to the carrying value of investment property held by the subsidiary company.

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration no.: 301003E/E300005

Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 26th May 2023

For and on behalf of the Board of Directors of **KDDL Limited**

Yashovardhan Saboo
Chairman and Managing Director
DIN: 00012158

Sanjeev Masown
Whole Time Director and Chief Financial Officer
DIN: 03542390

Brahm Prakash Kumar
Company Secretary
Membership no. FCS7519

Place: Gurugram
Date: 26th May 2023

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KDDL Limited

Corporate Office

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