

**ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER  
FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated March 26, 2021 (“**Letter of Offer**”) which is available on the websites of our Company, the Registrar, the Lead Manager and the Stock Exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”). You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

**THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**

Our Company has made available on the Registrar’s website i.e. www.kfintech.com, the Letter of Offer, Abridged Letter of Offer along with the Rights Entitlement and Application Form to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Company, the Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges and the Lead Manager to the Issue, i.e., at www.kddl.com, www.sebi.gov.in, www.bseindia.com, www.nseindia.com and www.iticapital.in, respectively. The Application Form is available on the respective websites of the Lead Manager and the Stock Exchanges.



**KDDL Limited**

**KDDL LIMITED**

**Registered Office:** Plot No. 3, Sector III, Parwanoo – 173 220, Himachal Pradesh, India; Telephone: +91 1792 232462

**Corporate Office:** Kamla Centre, SCO 88-89, Sector – 8C, Chandigarh – 160 009, India, Telephone: +91 172 2548223/ 24/ 27

**Contact Person:** Brahm Prakash Kumar, Company Secretary and Compliance Officer

**Email:** investor.complaints@kddl.com; **Website:** www.kddl.com

**Corporate Identity Number:** L33302HP1981PLC008123

**OUR PROMOTERS**

**RAJENDRA KUMAR SABOO AND YASHOVARDHAN SABOO**

**ISSUE DETAILS, LISTING AND PROCEDURE**

**ISSUE OF UP TO 10,86,956 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“RIGHTS EQUITY SHARES”) OF KDDL LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹230.00 EACH INCLUDING A SHARE PREMIUM OF ₹220.00 PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UPTO ₹2,500.00 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 RIGHTS EQUITY SHARES FOR EVERY 75 FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON MARCH 31, 2021 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 23 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 194 OF THE LETTER OF OFFER.**

The existing Equity Shares are listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) (together, the “**Stock Exchanges**”). Our Company has received ‘in-principle’ approvals from the BSE and NSE for listing the Rights Equity Shares to be Allotted in this Issue through their letters dated March 10, 2021 and February 24, 2021, respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is NSE.

**Procedure:** If you wish to know about processes and procedures applicable to rights issue, you may refer to the section titled “*Terms of the Issue*” on page 194 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, SEBI, BSE, NSE, Registrar and the Lead Manager to the Issue as stated above.

**ELIGIBILITY FOR THE ISSUE**

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

**Minimum Subscription:** Not Applicable

**INDICATIVE TIMETABLE**

<b>Issue Opening Date</b>	Friday, April 9, 2021	<b>Date of Allotment (on or about)</b>	Tuesday, May 4, 2021
<b>Last Date for On Market Renunciation of Rights Entitlements*</b>	Monday, April 19, 2021	<b>Date of credit (on or about)</b>	Wednesday, May 5, 2021
<b>Issue Closing Date**</b>	Friday, April 23, 2021	<b>Date of listing/Commencement of trading of Equity Shares on the Stock Exchanges (on or about)</b>	Friday, May 7, 2021
<b>Finalisation of Basis of Allotment (on or about)</b>	Tuesday, May 4, 2021		

\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

\*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

## NOTICE TO INVESTORS

The distribution of the Letter of Offer, this Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter, any other Issue material and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, this Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. For details, see, “*Restrictions on Purchases and Resales*” on page 232 of the Letter of Offer.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

### NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “**UNITED STATES**” OR “**US**”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED AND SOLD (I) IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT (“**REGULATIONS**”) TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES IS PERMITTED UNDER LAWS OF SUCH JURISDICTIONS AND (II) IN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (“**U.S. QIB**”) PURSUANT TO SECTION 4(a)(2) OF THE SECURITIES ACT AND OTHER EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THE LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME (OTHER THAN TO U.S. QIBs).

The Rights Entitlements and the Rights Equity Shares are not transferable except in accordance with the restrictions described in the section titled “Restrictions on Purchases and Resales” in the Letter of Offer.

Receipt of the Letter of Offer, this Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter (including by way of electronic means) may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

All offers and sales in the United States of the Rights Entitlements and the Rights Equity Shares have been, or will be, made solely by the Company. The Lead Manager is not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of the contents of the Letter of Offer. Specific attention of investors is invited to the statement of “*Risk Factors*” on page 18 of the Letter of Offer before making an investment in this Issue.

<b>Name of the Lead Manager and contact details</b>	<b>ITI Capital Limited</b> Naman Midtown, 'A' Wing, 20 <sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai – 400 013, Maharashtra, India. <b>Tel:</b> +91 22 4031 3371 / 4031 3465 <b>Email:</b> kddlrights@iticapital.in <b>Investor Grievance Email:</b> investorgrievance@iticapital.com <b>Website:</b> www.iticapital.in <b>Contact Person:</b> Pallavi Shinde/ Mihir Pandhi <b>SEBI Registration Number:</b> INM000010924
<b>Name of the Registrar to the Issue and contact details</b>	<b>KFin Technologies Private Limited</b> <i>(formerly known as Karvy Fintech Private Limited)</i> Selenium Tower B, Plot 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500 032, Telangana, India <b>Telephone:</b> +9140 6716 2222 <b>Email:</b> kddl.rights@kfintech.com <b>Investor Grievance Email:</b> einward.ris@kfintech.com <b>Website:</b> www.kfintech.com <b>Contact Person:</b> M. Murali Krishna <b>SEBI Registration Number:</b> INR000000221
<b>Name of the Statutory Auditor</b>	S.R. Batliboi & Co. LLP, Chartered Accountants
<b>Self-Certified Syndicate Banks (“SCSBs”)</b>	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.
<b>Banker to the Issue</b>	<b>IDBI Bank Limited</b> SCO-72-73, Sector 17/B, Chandigarh – 160 017 <b>Tel:</b> +91 172 5001740 <b>Email:</b> arvind.yadav@idbi.co.in <b>Website:</b> www.idbibank.in <b>Contact Person:</b> Arvind Yadav <b>SEBI Registration Number:</b> INB100000076

## 1. Summary of business

Our Company is engaged in the manufacturing of watch components and precision engineering products. Our Company has been engaged in the manufacture watch components i.e watch dials and watch hands over three decades and is considered to be one of India’s leading watch components manufacturer. Our Company is a manufacturer of watch components and supplier to domestic and international luxury watch brands. Our watch components are manufactured at Parwanoo, Himachal Pradesh Derabassi Punjab and Bengaluru, Karnataka.

## 2. Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

(₹ In lakhs)

S. No.	Particulars	Amount
1.	Investment in our material subsidiary, Ethos Limited for funding its working capital requirements*	1,875.00
2.	General corporate purposes**	532.81
	<b>Total Net Proceeds***</b>	<b>2,407.81</b>

*\*Pursuant to the certificate dated January 30, 2021, issued by Ajay Rattan & Co., Chartered Accountants.*

*\*\*Subject to the finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

*\*\*\*Assuming full subscription and Allotment of the Rights Equity Shares.*

## **Means of Finance**

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment or interest rate fluctuations. We intend to finance the Objects of the Issue from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Further, our Company's funding requirements and deployment schedules, are subject to revision in the future at the discretion of our management. If additional funds are required for the purposes mentioned above, such requirement may be met through various options including through internal accruals of our Company.

3. **Name of Monitoring Agency:** Since the Issue size does not exceed ₹10,000 lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulation.
4. **Shareholding pattern:**

### **Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:**

The shareholding pattern of our Company as on December 31, 2020, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/kddl-ltd/kddl/532054/shareholding-pattern/> and NSE at [https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio\\_btn=company&param=KDDL](https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=KDDL).

Statement showing shareholding pattern of the Promoter and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2020 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532054&qtrid=107.00&QtrName=December%202020> and NSE at [https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio\\_btn=company&param=KDDL](https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=KDDL).

Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2020 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532054&qtrid=107.00&QtrName=December%202020> and NSE at [https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio\\_btn=company&param=KDDL](https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=KDDL).

## 5. **Board of Directors**

<b>BOARD OF DIRECTORS</b>			
<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Other Directorships</b>
1.	Yashovardhan Saboo	Chairman and Managing Director (Executive and Non-Independent)	i All India Federation of Horological Industries; ii Ethos Limited; iii Kamla Tesio Dials Limited; iv Mahen Distribution Limited; v Satva Jewellery and Design Limited; vi VBL Inovations Private Limited; and vii Pasadena Retail Private Limited.
2.	Sanjeev Kumar Masown	Whole Time Director (Executive Director)	i Kamla Tesio Dials Limited ii Satva Jewellery and Design Limited

BOARD OF DIRECTORS			
Sr. No.	Name	Designation	Other Directorships
3	Jai Vardhan Saboo	Director (Non-Executive and Non-Independent)	NIL
4	Vishal Satinder Sood	Nominee Director (Non-Executive)	i. Lightfoot Consulting Private Limited ii. Pennar Industries Limited iii. Emtex Engineering Private Limited
5	Anil Khanna	Director (Non-Executive and Independent)	i. Ethos Limited
6	Sanjiv Sachar	Director (Non-Executive and Independent)	i. HDFC Bank Limited
7.	Ranjana Agarwal	Director (Non-Executive and Independent)	i PNB Metlife India Insurance Company Limited; ii Indo Rama Synthetics (India) Limited; iii RBL Bank Limited; iv Ugro Capital Limited; v Joyville Shapoorji Housing Private Limited; vi ICRA Analytics Limited; and vii ICRA Limited.
8	Praveen Gupta	Director (Non-Executive and Independent)	NIL

6. Neither our Company nor any of our Promoters or Directors are identified as Wilful Defaulters.

#### 7. Financial Statement Summary

A summary of our Company's Unaudited Consolidated Financial Results for the nine months period ended December 31, 2020 and Audited Consolidated Financial Statements as at and for the year ended March 31, 2020 is stated as below:

*(Rs. in Lakhs, except otherwise specified)*

Particulars	Nine months period ended December 31, 2020	As at and for the year ended March 31, 2020
Total Income	38,636.00	65,834.68
(Loss)/ Profit before tax and extraordinary items	(221.00)	510.71
(Loss)/ Profit after Tax and extraordinary items	(209.00)	(196.57)
Equity Share Capital	1,173.72	1,173.72
Other Equity	16,781.54	17,401.78
Net worth	17,955.26	18,575.50
Basic earnings per share (₹)	(1.84)*	(0.51)
Diluted earnings per share (₹)	(1.84)*	(0.51)
Return on net worth (%)	(1.19%)*	(0.32%)
Net asset value per share	154.12	159.44

\*Not annualised



## 8. INTERNAL RISK FACTORS

The below mentioned risks are the top 5 risk factors as per the Letter of Offer:

1. The recent novel coronavirus (“COVID-19”) outbreak has impacted our business, results of the operations and financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.
2. Any adverse decisions in any of the legal and regulatory proceedings in which we are involved could adversely affect our reputation and financial condition.
3. Our revenues are highly dependent on watch industry. Any slowdowns in the watch industry may adversely affect our business.
4. Our subsidiary, Ethos Limited contributes to significant portion of our consolidated revenue from operations and any decline in revenue, profits or cash flow of our subsidiary could adversely affect our results of operations on consolidated basis.
5. Our inability to manage our growth could disrupt our business and have an adverse effect on our profitability.

For further details, see the section “Risk Factors” on page 18 of the Letter of Offer.

## 9. SUMMARY OF OUTSTANDING LITIGATIONS

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of the Letter of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved (₹ lakhs)
<b>Litigations involving our Company</b>		
Proceedings involving moral turpitude or criminal liability on our Company	Nil	-
Proceedings involving material violations of statutory regulation by our Company	Nil	-
Matters involving economic offences where proceedings have been initiated against our Company	Nil	-
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	-
<b>Litigations involving our Subsidiaries</b>		
Proceedings involving moral turpitude or criminal liability on our subsidiary	Nil	-
Proceedings involving material violations of statutory regulation by our subsidiary	Nil	-
Matters involving economic offences where proceedings have been initiated against our subsidiary	Nil	-
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our subsidiary	Nil	-

For further details, see “Outstanding Litigation and Defaults” beginning on page 182 of the Letter of Offer.

## 10. TERMS OF THE ISSUE

### Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Terms of the Issue - Grounds for Technical Rejection” on page 217 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

#### **Procedure for Application through the ASBA process**

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs(if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided anauthorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

#### **Application on Plain Paper under ASBA process**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being KDDL Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ 230.00 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from the RBI, as required under our Articles of Association, where a successful Application will result in the aggregate shareholding or total voting rights of the Eligible Equity Shareholder (along with persons acting in concert) in our Company, to be 5% or more of the post-Issue paid-up share capital of our Company. Eligible Equity Shareholders must send a copy of the approval from any regulatory authority, as may be required, or obtained from the RBI to the Registrar <https://rights.kfintech.com>; and
17. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “**United States**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. I/ we understand the Rights Equity Shares and Rights Entitlements referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the Securities Act (“**Regulation S**”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares and Rights Entitlements is permitted under laws of such jurisdictions and (ii) in the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) (“**U.S. QIBs**”) pursuant to Section 4(a)(2) of the Securities Act and other exemptions from the registration requirements of the Securities Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy or transfer any of the said Rights Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States who are U.S.QIBs. I/ we confirm that I am/ we are (a)(i) not in the United States and eligible to subscribe for the Rights Equity Shares under*



applicable securities laws or (ii) a U.S. QIB in the United States, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, and the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States (other than U.S. QIBs) or is outside of India and the United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*For Resident Applicants: I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled “Restrictions on Purchases and Resales” under the sub-heading “– United States – For Investors Outside of the United States” on page 236 of the Letter of Offer (if I am/we are outside the United States).*

*For Non-Resident Applicants: I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled “Restrictions on Purchases and Resales” under the sub-heading “– United States – For Investors in the United States” on page 232 of the Letter of Offer (if I am/we are in the United States) or under the sub-heading “– United States – For Investors Outside of the United States” on page 236 of the Letter of Offer (if I am/we are outside the United States).*

*I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*

*I/ We acknowledge that we, the Lead Manager, our affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.kfintech.com>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

## **Rights Entitlements Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7 Rights Equity Share for every 75 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

## **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 7 Rights Equity Shares for every 75 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 11 Equity Shares or is not in the multiple of 11 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 11 Equity Shares, such Equity Shareholder will be entitled to 1 (one) Rights Equity Share and will also be given a preferential consideration for the Allotment of 1 (one) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 11 Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see "*Terms of the Issue - Procedure for Renunciation of Rights Entitlements*" on page 208 of the Letter of Offer.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

### **Additional Rights Equity Shares**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Terms of the Issue - Basis of Allotment*" on page 222 of the Letter of Offer.

### **Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.**

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

## **Intention and extent of participation by our Promoter and Promoter Group in the Issue**

Pursuant to letter dated February 16, 2021, Yashovardhan Saboo, one of our promoter, has confirmed that he along with other Promoter and members of the Promoter Group of the Company, intend to subscribe, to the full extent of their Rights Entitlements and has also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group). Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

### **11. AVAILABILITY OF OFFER DOCUMENT OF THE IMMEDIATELY PRECEDING PUBLIC ISSUE OR RIGHTS ISSUE FOR INSPECTION**

A copy of the Letter of Offer dated December 7, 1995, issued in connection with the previous rights issue of Equity Shares by our Company is available for inspection on the website of the Company from the date of the Letter of Offer until the Issue Closing Date.

### **12. ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGER AND THE ISSUER**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “**KDDL LIMITED RIGHTS ENTITLEMENT SUSPENSE ESCROW DEMAT ACCOUNT**”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Equity Shareholders holding equity shares in physical form as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by April 23, 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

**DECLARATION BY OUR COMPANY**

We hereby declare that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct.

**SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY**

\_\_\_\_\_  
**Yashovardhan Saboo**  
**Chairman and Managing Director**  
**(Executive and Non-Independent)**

**Place : Chandigarh**

\_\_\_\_\_  
**Jai Vardhan Saboo**  
**Director (Non-Executive and Non-Independent)**

**Place : Chandigarh**

\_\_\_\_\_  
**Anil Khanna**  
**Director (Non-Executive and Independent)**

**Place: Chandigarh**

\_\_\_\_\_  
**Ranjana Agarwal**  
**Director (Non-Executive and Independent)**

**Place: New Delhi**

\_\_\_\_\_  
**Sanjeev Kumar Masown**  
**Whole Time Director (Executive Director) and Chief Financial Officer**

**Place: Chandigarh**

**Date: March 26, 2021**

\_\_\_\_\_  
**Sanjeev Kumar Masown**  
**Whole Time Director (Executive Director) and**  
**Chief Financial Officer**

**Place : Chandigarh**

\_\_\_\_\_  
**Vishal Satinder Sood**  
**Nominee Director (Non-Executive)**

**Place : Gurgaon**

\_\_\_\_\_  
**Sanjiv Sachar**  
**Director (Non-Executive and Independent)**

**Place: Gurgaon**

\_\_\_\_\_  
**Praveen Gupta**  
**Director (Non-Executive and Independent)**

**Place: Gurgaon**