



KDDL Limited

(CIN : L33302HP1981PLC008123)

Regd. Office: Plot No. 3, Sector - III, Parwanoo-173 220, Distt. Solan (H.P.)

Tel.: +91 172 2548223/24, Fax : +91 172 2548302, website: www.kddl.com

email id: investor.complaints@kddl.com,

Date : 27th August,2018

Dear Member,

Subject: KDDL Limited -Circular inviting deposits from shareholders.

We wish to inform you that the Board of Directors have been authorized by the shareholders in the 38th Annual General Meeting to borrow from its shareholders by way of Fixed Deposits subject to compliance of conditions stated under the provisions of section 73(2) of the Companies Act, 2013 ('Act') or any other applicable provisions of the Act, if any and subject to limits provided under the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

The Deposits accepted by the Company will be cumulative or non-cumulative as per the scheme approved by the Company and carrying rates of interest for periods varying from one year to three years, which shall not exceed the maximum rate of interest prescribed by the Reserve Bank of India.

As per the provisions of section 73(2) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, the Circular in the form of advertisement in Form DPT - 1 inviting deposits, has already been filed with the Ministry of Corporate Affairs/Registrar of Companies on 20th July, 2018 vide SRN G93327526. A copy of the same, pursuant to section 73(2) of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, is enclosed herewith.

Thanking you,

**Yours Truly
For KDDL Limited**

**Sd/-
Brahm Prakash Kumar
Company Secretary**

FORM DPT - 1
CIRCULAR INVITING DEPOSITS

[Pursuant to section 73(2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

1. GENERAL INFORMATION

a.	Name, address, website and other contact details of the company;	<p>KDDL Limited (CIN - L33302HP1981PLC008123)</p> <p>Registered office: Plot No. 3, Sector III, Parwanoo 173220 (Himachal Pradesh)</p> <p>Corporate office: 'Kamla Centre', S.C.O. 88-89, Sector 8-C, Madhya Marg, Chandigarh -160009 Tel. No.: +91 172-2548223/24 Fax :+91-172-2548302 Website: www.kddl.com E-mail: investor.complaints@kddl.com</p>											
b.	Date of incorporation of the company;	8th January, 1981											
c.	Business carried on by the company and its subsidiaries with details of branches or units, if any;	<p>The Company is in the business of manufacturing of watch components (watch dials and watch hands) precision engineering components and press tools with 8 (eight) units located all over India.</p> <p>Following are the subsidiaries of the Company:-</p> <p>a) Ethos Limited (Retail business of selling Luxury Swiss Watches) with 44 stores located all over India.</p> <p>b) Mahen Distribution Limited (distribution of watches and its accessories and other lifestyle products)</p> <p>c) Pylania SA (Manufacture of Watch Dials)</p> <p>d) Kamla International Holdings SA (making overseas investment)</p> <p>e) Satva Jewellery and Design Limited</p> <p>Plant/Business Locations:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Dial Units</td> <td>a) Plot No. 3, Sector III, Parwanoo b) Haibatpur Road, Saddomajra, Derabassi-140507 (Punjab)</td> </tr> <tr> <td>Assembly Unit</td> <td>Village Dhana, Bagbania, P.O. Manpura, Tehsil Baddi, District Solan-173205 (H.P.)</td> </tr> <tr> <td>Hands Units</td> <td>a) 296-97, 5th Main, Phase IV, Peenya Industrial Area, Bangalore-560058 (Karnataka) b) 408, 2nd Floor, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore-560058 (Karnataka)</td> </tr> <tr> <td>Packaging Unit</td> <td>Plot No. 9, Sector V, Parwanoo-173220 (H.P.)</td> </tr> <tr> <td>Precision Stamping Unit</td> <td>a) 408, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore-560058 (Karnataka) b) Plot No. 55-A, Aerospace Industrial Area, Bangalore (Karnataka)</td> </tr> </table>		Dial Units	a) Plot No. 3, Sector III, Parwanoo b) Haibatpur Road, Saddomajra, Derabassi-140507 (Punjab)	Assembly Unit	Village Dhana, Bagbania, P.O. Manpura, Tehsil Baddi, District Solan-173205 (H.P.)	Hands Units	a) 296-97, 5th Main, Phase IV, Peenya Industrial Area, Bangalore-560058 (Karnataka) b) 408, 2nd Floor, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore-560058 (Karnataka)	Packaging Unit	Plot No. 9, Sector V, Parwanoo-173220 (H.P.)	Precision Stamping Unit	a) 408, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore-560058 (Karnataka) b) Plot No. 55-A, Aerospace Industrial Area, Bangalore (Karnataka)
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d.	Brief particulars of the management of the company.	The Company is managed by the Managing Director under the overall direction and control of the Board of Directors and assisted by a team of professional managers.	
e.	Name, addresses, DIN and occupations of the directors;		
S.No.	Name and Address of the Director	DIN	Occupation of the Director
1.	Mr. Yashovardhan Saboo House No. 1, Sector 5, Chandigarh	00012158	Industrialist
2.	Mr. Jagesh Khaitan House No. 47, Sector 4, Chandigarh	00026264	Industrialist
3.	Mr. Anil Khanna House No. 515, Sector 36-B, Chandigarh	00012232	Practicing Chartered Accountant
4.	Mr. Praveen Gupta B-9/11, 2nd Floor, DLF City, Phase I, Gurgaon 122001 (Haryana)	01885287	Consultant
5.	Mrs. Ranjana Agarwal C-62, South Extension, Part II, New Delhi	03340032	Practicing Chartered Accountant
6.	Mr. Vishal Satinder Sood B-902, Central Park 1, Golf Course Road, Sector 42, Gurgaon(Haryana)	01780814	Service
7.	Mr. Jai Vardhan Saboo 1701, Kirby Road, Mclean, USA	00025499	Industrialist
8.	Mr. Sanjiv Sachar 1525 B, The Magnolias, DLF Golf Links, DLF 5, Guragon-122009, Haryana	02013812	Consultant
9.	Mr. Sanjeev Kumar Masown H. No. 190/1, Sector 40-A, Chandigarh	03542390	Service
f.	Management's perception of risk factors;	<p>Since risk is inherent in every business, it is the Company's responsibility to minimize its incidence in order to protect and enhance shareholder value.</p> <p>The framework of the Company for combating risks recognizes that risks may be divided into two broad categories - risks that are common and relevant for most business in general and risks that are more specifically applicable to our Company and business in particular. The Risk Management Policy at KDDL inter-alia provides for Risk identification, assessment, and reporting and mitigation procedure. The Policy is continuously updated and adopted to the changing environment in which the Company operates.</p>	
g.	Details of default, including the amount involved, duration of default and present status, in repayment of -		
i)	Statutory dues	Nil	
ii)	Debentures and interest thereon	Nil	
iii)	Loan from any bank or financial institution and interest there	Nil	

2. PARTICULARS OF THE DEPOSIT SCHEME

a. Date of passing of board resolution;	14th July, 2018																																																				
b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits;	14th July, 2018																																																				
c. Type of deposits, i.e., whether secured or unsecured;	Unsecured																																																				
d. i. Amount which the company can raise by way of deposits as per the Act and the rules made thereunder,	<p>Rs.1285.70 Lacs for acceptance or renewal of short term deposits for repayment earlier than 6 months from the date of deposit or renewal but repayable not earlier than 3 months. From members upto 10% of the aggregate of the paid up share capital and free reserves. {Scheme A}</p> <p>Rs. 4499.94 lacs for acceptance or renewal of any deposit, if the amount of such deposits together with the amount of other deposits outstanding as on date of acceptance or renewal of such deposits between 6 months and 36 months. From members upto 35% of the paid up share capital and free reserves. {Scheme B and C}</p>																																																				
ii. the aggregate of deposits actually held on the last day of the immediately preceding financial year and on the date of the issue of circular or advertisement and	Rs. 1129.44 Lacs as on 31.03.2018																																																				
iii. amount of deposit proposed to be raised and	Rs.1151.26 Lacs as on 14.07.2018																																																				
iv. amount of deposit repayable within the next twelve months;	Rs.5785.64 Lacs																																																				
	Rs.379.39 Lacs																																																				
e. Terms of raising of deposits : Duration, Rate of interest, mode of payment and repayment;	<p>Scheme A - Short Term Deposits</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Rate of Interest*</th> <th>Interest Payable</th> <th>Minimum Amount of Deposit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>More than 3 months and less than 6 months</td> <td>8.00%</td> <td>On maturity</td> <td>2,00,000</td> </tr> </tbody> </table> <p>Scheme B - Fixed Deposit</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Rate of Interest*</th> <th>Interest Payable</th> <th>Minimum Amount of Deposit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>12 months</td> <td>9.00%</td> <td>Qtrly.</td> <td>50,000</td> </tr> <tr> <td>24 months</td> <td>9.75%</td> <td>Qtrly.</td> <td>25,000</td> </tr> <tr> <td>36 months</td> <td>10.25%</td> <td>Qtrly.</td> <td>25,000</td> </tr> </tbody> </table> <p>Scheme C - Cumulative Deposit</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Compounding Basis deposit</th> <th>Minimum amount of deposit (Rs.)</th> <th>Rate of interest with quarterly compounding*</th> <th>Effective yield per annum (Approx.)</th> </tr> </thead> <tbody> <tr> <td>6 months</td> <td>Quarterly</td> <td>1,00,000</td> <td>8.00%</td> <td>8.08%</td> </tr> <tr> <td>12 months</td> <td>Quarterly</td> <td>50,000</td> <td>9.00%</td> <td>9.31%</td> </tr> <tr> <td>24 months</td> <td>Quarterly</td> <td>25,000</td> <td>9.75%</td> <td>10.62%</td> </tr> <tr> <td>36 months</td> <td>Quarterly</td> <td>10,000</td> <td>10.25%</td> <td>11.83%</td> </tr> </tbody> </table>				Period	Rate of Interest*	Interest Payable	Minimum Amount of Deposit (Rs.)	More than 3 months and less than 6 months	8.00%	On maturity	2,00,000	Period	Rate of Interest*	Interest Payable	Minimum Amount of Deposit (Rs.)	12 months	9.00%	Qtrly.	50,000	24 months	9.75%	Qtrly.	25,000	36 months	10.25%	Qtrly.	25,000	Period	Compounding Basis deposit	Minimum amount of deposit (Rs.)	Rate of interest with quarterly compounding*	Effective yield per annum (Approx.)	6 months	Quarterly	1,00,000	8.00%	8.08%	12 months	Quarterly	50,000	9.00%	9.31%	24 months	Quarterly	25,000	9.75%	10.62%	36 months	Quarterly	10,000	10.25%	11.83%
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f.	Proposed time schedule mentioning the date of opening of the Scheme and time period for which the circular or advertisement is valid;	The Scheme shall be opened after 30 days from its date of filing with the Registrar of Companies and shall be valid till the forthcoming Annual General Meeting of the Company.
g.	Reasons or objects of raising the deposits;	For meeting working capital requirements of the Company.
h.	Credit rating obtained; Name of the Credit Rating Agencies, Rating obtained, Meaning of rating obtained, Date on which rating was obtained	Name of the Credit Rating Agency - ICRA Rating Obtained - MA-(Stable) Meaning of rating obtained - ICRA believes that the outlook on the long -term and medium term rating is 'Stable' Date on which rating was obtained - 22nd March, 2018
i.	Extent of deposit insurance; Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.	-- Not applicable --
j.	Short particulars of the charge created or to be created for securing such deposits, if any;	-- Not applicable --
k.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons.	Nil Deposits from Directors' Relatives or Key Managerial Personnel or their relatives are at par with the deposits accepted from members.

*An additional interest of 0.50% p.a. shall be paid to the Senior Citizens above the age of 60 years on the date of deposit.

3. DETAILS OF ANY OUTSTANDING DEPOSITS

a.	Amount Outstanding; (as on 31st March, 2018)	Rs.112,944,000 (Rupees Eleven crores twenty nine lacs forty four thousand only)
b.	Date of acceptance;	Accepted from time to time as per working capital requirements of the Company.
c.	Total amounts accepted;	Rs.40,703,000 (Rupees Four crores seven lacs three thousand only)
d.	Rate of interest;	Maximum of 10.25%*
e.	Total number of depositors;	371
f.	Default, if any, in repayment of deposits and payment of interest thereon if any, including number of depositors, amount and duration of default involved;	Nil
g.	Any waiver by the depositors, of interest accrued on deposits;	Nil

*An additional interest of 0.50% p.a. shall be paid to the Senior Citizens above the age of 60 years on the date of deposit.

4. FINANCIAL POSITION OF THE COMPANY

a.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular; (Amount in Rs.)			
		2017-18	2016-17	2015-16
	Profits before making provision for tax	199,994,693	115,526,156	97,122,129
	Profits after making provision for tax	140,692,150	75,166,102	65,773,897
b.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid)			

Dividends declared by the company:-

Year ended on	Rs. per share
31st March, 2018	2.50
31st March, 2017	1.50
31st March, 2016	1.50*

Interest coverage ratio for last three years

Year ended on	(Rs.)
31st March, 2018	6.02
31st March, 2017	3.36
31st March, 2016	2.77

* (Interim dividend paid during the year 2015-16 confirmed as final dividend)

c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular:-

(Amt. in Rs.)

Liabilities	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	Assets	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Share capital	110,399,320	109,267,260	101,720,100	Fixed Assets	845,522,092	661,832,878	615,003,515
Reserves and Surplus	1,175,297,394	1,028,323,601	755,911,215	Non current investments	675,903,109	483,460,847	323,750,792
Money received against share warrants	17,578,602	25,078,602	--	Long term and short term loans and advances	34,629,711	32,358,200	153,655,122
Long term and Short term Borrowings	559,360,911	302,769,924	326,474,844	Other Non - Current Assets	67,641,229	67,250,659	Nil
Long term and short term provisions	27,179,749	24,091,293	53,528,057	Current Assets	754,036,039	585,267,000	464,834,725
Deferred tax liabilities (net)	37,830,726	45,642,623	38,002,832				
Other long term liabilities	1,246,041	1,631,098	7,403,039				
Trade payables	149,977,504	100,321,028	98,834,620				
Other current liabilities	298,861,933	193,044,155	175,369,447				
TOTAL	2,377,732,180	1,830,169,584	1,557,244,154	TOTAL	2,377,732,180	1,830,169,584	1,557,244,154

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular:-

(Amt. in Rs.)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash flow from operating activities	148,555,100	191,494,788	179,229,084
Cash flow from investing activities	(365,175,000)	(319,795,107)	(270,588,158)
Cash flow from financing activities	100,719,100	187,379,998	75,521,565
Net increase/(decrease) in cash and cash equivalents	(115,900,800)	59,079,678	(15,837,508)
Opening cash and cash equivalents	(41,246,100)	(100,326,000)	27,289,299
Transfer of cash and bank balances pursuant to the pursuant to the scheme of merger	-	-	-
Closing cash and cash equivalents	(157,146,900)	(41,246,321)	11,451,791

e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

No

5. A DECLARATION BY THE DIRECTORS THAT

- a. the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;
- b. the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular;

c.	the company has complied with the provisions of the Act and the rules made thereunder;
d.	the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by Central Government;
e.	the deposits accepted by the company before the commencement of the Act will be repaid along with interest within 365 days as per provisions of section 74(2) or within such extended period as may be allowed by Company Law Board/National Company Law Tribunal and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities).
f.	in case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
g.	the deposits shall be used only for the purposes indicated in the Circular;
h.	the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the company.

6. DISCLAIMER- It is to be distinctly understood that filing of circular in the Form of advertisement with the Registrar should not in any way be deemed or construed that the same has been cleared or approved by the Registrar or Central Government. The Registrar or Central Government does not take any responsibility either for the financial soundness of any deposit scheme for which the deposit is being accepted or invited or for the correctness of the statements made or opinions expressed in the circular or circular in the form of advertisement. The depositor should exercise due diligence before investing in the deposit schemes.

By Order of the Board

Date : 14th July, 2018
Place : Chandigarh

Sd/-

Brahm Prakash Kumar
Company Secretary

P.S. The text of this Circular has been approved by the Board of Directors of the company at its meeting held on 14th July, 2018 and a copy thereof duly signed by the majority of the Directors of the Company has been filed with the Registrar of Companies, Himachal Pradesh on 20th July, 2018 vide SRN No. G93327526 of the MCA Portal.