



## KDDL Limited

(CIN: L33302HP1981PLC008123)

Registered Office: Plot No. 3, Sector - III, Parwanoo, Distt. Solan, H.P.

Email: pawan.goyal@kddl.com, Website: www.kddl.com

Phone: 0172-2548223, 24 & 27, Fax: 0172-2548302

### NOTICE OF VOTING THROUGH POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013)

To

#### The Members of KDDL Limited

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, whereby the Company is seeking the consent of its members for the below mentioned resolutions by way of Postal Ballot which includes voting by electronic means.

The Explanatory Statement pertaining to the resolutions proposed in this notice, setting out all material facts and reasons thereof along with Postal Ballot Form, is annexed herewith.

The Company has appointed Mr. Ajay K. Arora, a Proprietor of M/s. A. Arora & Co., Company Secretaries, Chandigarh, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form, duly completed, in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours, i.e. 5.00 P.M., on, Friday, the 28th day of August, 2015. The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman of the Company on or before the 29th day of August, 2015. The results of the postal ballot will be declared by the Chairman, or in his absence, by the Managing Director duly authorised by the Company's board of directors in this regard, on or before the 29th day of August, 2015. The results will also be posted on the website of the Company (at [www.kddl.com](http://www.kddl.com)) and the Registrar & Share Transfer Agent (at <http://evoting.karvy.com>). The results shall be intimated to the Stock Exchange where the shares of the Company are listed, and shall also be displayed on the notice board of the Company at its Registered Office/Corporate Office.

Members may note that as required under Clause 35B of the Listing Agreement, the Company has engaged the services of Karvy Computershare Private Limited to provide e-voting facility to the members of the Company. Accordingly, the Company is providing e-voting facility for the Postal Ballot as an alternate, which would enable the members to cast their votes electronically, instead of casting their votes and dispatching Postal Ballot forms physically. Please read and follow the instructions on e-voting enumerated in the Notes to this Notice. Only members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company, and any other recipient of this Notice who has no voting rights should treat this Notice as an intimation only. Detailed instructions to use the facility are given separately.

The Resolutions, if approved, will be taken as passed effectively on the date of declaration of results.

#### Proposed Resolutions:

##### ITEM NO.1: AMENDMENT TO THE MAIN OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION

To consider and, if thought fit, to assent / dissent the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if required, from the competent authorities, (i) the existing Clauses III(A)(5), III(A)(7), III(A)(8), III(A)(9) and III(A)(10), of the "Main Objects" of the Memorandum of Association of the Company shall be deleted, (ii) the existing Clause III(A)(6) will be renumbered as Clause III(A)(5), and (iii) the following new Clauses shall be inserted as Clauses III(A)(6), III(A)(7), III(A)(8) and III(A)(9) in the "Main Objects" Clause of the Memorandum of Association of the Company, respectively:

- (6) To carry on the business of manufacturing, buying, selling, exchanging, converting, assembling, fabricating, altering, importing, exporting, processing, servicing, repairing and dealing in Lifestyle, fashion, jewellery

and luxury products of all kinds, products and instruments incorporating wearable technology, communication devices and instruments, precision engineering devices and components of all kinds, and Tools, assemblies, sub-assemblies, components, machines, equipment related to the aforementioned products.”

- (7) To carry on the business of providing web-services, including selling of internet leads, marketing and technology solutions, advertisements and related services.
- (8) To carry on the business of manufacturing, buying, selling, exchanging converting, assembling, fabricating, altering, exporting, processing or otherwise handling or dealing or providing engineering and designing services in relation to precision components, tools, moulds, castings, 3D Printing, forging, machining, sheet metals, injection molding, plating, powder coating, bending, turning and other similar processes for components in various applications.
- (9) To carry on the business of manufacturers, distributors, exporters, importers, buyers, dealers, designers, traders and consignment agents for all type of goods including jewellery artificial or real, made of precious metal or precious stones or any other non precious material natural or man-made and any products made of leather, fashion items and accessories including equipments, plant & machinery, components, display articles, writing instruments and appliances.”

#### **ITEM NO.2: AMENDMENT OF INCIDENTAL OR ANCILLARY OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION**

To consider and, if thought fit, to assent / dissent the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if required, from the competent authorities, the existing Clauses III(B)(22) and III(B)(27) of the "Incidental or Ancillary Objects" Clause of the Memorandum of Association of the Company shall be deleted, and Clauses III(B)(23) to III(B)(26) and Clauses III(B)(28) to III(B)(32) shall be renumbered as Clause III(B)(22) to III(B)(25) and Clause III(B)(26) to III(B)(30), respectively."

#### **ITEM NO.3: DELETION OF THE OTHER OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION**

To consider and, if thought fit, to assent / dissent the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if required, from the competent authorities, the "Other Objects" Clause of the Memorandum of Association of the Company (including all the existing Clauses III(C)(1) to III(C)(73), be and is hereby completely deleted."

#### **ITEM NO.4: ALTERATIONS IN THE ARTICLES OF ASSOCIATION TO INCLUDE REFERENCES TO COMPANIES ACT, 2013:**

To consider and if thought fit, to assent / dissent the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s), if required, from the competent authorities, the following Article 1A, be and is hereby approved and adopted after Article 1 of the current Articles of Association of the Company:

- 1A. Notwithstanding anything to the contrary contained herein:
  - (a) The references to the provisions of the Act (which have been repealed / replaced) shall be deemed to reference the corresponding notified provisions of the 2013 Act;
  - (b) In case of any inconsistency between the provisions of these Articles and the provisions of the 2013 Act, to the extent of such inconsistency, the provisions of the 2013 Act shall prevail; and

- (c) The "2013 Act" shall mean the Companies Act, 2013 (as amended from time to time) including all the applicable Schedules together with all rules made there under."

**ITEM NO.5: OTHER ALTERATIONS IN THE ARTICLES OF ASSOCIATION:**

To consider and, if thought fit, to assent / dissent the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s), if required, from the competent authorities, the following Articles, be and are hereby approved and adopted after Articles 81 and 98 respectively, of the current Articles of Association of the Company:

81A. 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 authorized thereof), and shall cause its material subsidiary(s) not to, take any action that is inconsistent with the provisions of this Article.

98A. 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."

Place: Chandigarh  
Date: 24.07.2015

/By Order of the Board/  
For KDDL LIMITED  
P.K.Goyal  
COMPANY SECRETARY

Membership No.: F-2338  
Address: S.C.O. 88-89, Sector 8-C, Chandigarh

**NOTE:**

1. The explanatory statement as required under Section 102 of the Companies Act, 2013, is annexed to this notice.
2. The Company has appointed Mr. Ajay K. Arora, Proprietor, A. Arora & Co., Company Secretaries, Chandigarh, to act as the Scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on the 24th day of July, 2015.
4. In compliance with provisions of Section 108 and 110 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate, to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with Karvy Computershare Pvt. Ltd. for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

The instructions for Shareholders for e-voting are as under:

**INSTRUCTIONS FOR VOTING**

**Voting through Physical Postal Ballot Form**

1. The Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self addressed envelope, so as to reach the Scrutinizer, before the close of the day up to 5.00 pm on 28th day of August, 2015, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
2. The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Envelopes containing Postal Ballot Form if deposited in

person or sent by courier at the expense of the members will also be accepted.

## **E-Voting Facility**

Process and Manner for members opting for e-voting is as under:-

### A) In case of Members receiving e-mail from Karvy:

- i. Use the following URL for e-voting: Karvy website: <http://evoting.karvy.com>
- ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on, i.e. 24th July, 2015 (End of Day) may cast their vote electronically.
- iii. Enter the login credentials i.e. User ID and password mentioned in the attendance slip attached with the Annual Report. Please follow the instructions given in the e-voting portal.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT, i.e. KDDL Limited.
- viii. On the voting page, enter the number of shares as on the cut off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- ix. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
- x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm, else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- xii. The Portal will be open for e-voting from 9.00 A.M. on 30.07.2015 to 5.00 P.M. on 28.08.2015.
- xiii. 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 <http://evoting.karvy.com> or contact Karvy Computershare Private Limited at Tel No. 1800 345 4001 (toll free).
- xiv. The Company has appointed Mr. Ajay Arora, Company Secretary, whole time in Practice (ICSI Membership No. FCS - 2191 and Certificate of Practice No. 993) as the Scrutinizer to scrutinize and collate the e-voting process in a fair and transparent manner.
- xv. The Scrutinizer shall within a period not exceeding two working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, taking all the votes into accounts whether cast electronically or received physically, in a fair and transparent manner, to the Chairman of the Company.
- xvi. The Chairman shall announce the results of Postal Ballot after receiving report of the Scrutinizer on 29th



August, 2015 or within two days of the close of the voting and the said result along with the Scrutinizer's Report shall be placed on the Company's website www.kddl.com and as well as on the website of Karvy. The results of the Postal Ballot shall also be communicated to the Stock Exchange where the Company's Shares are listed. The Result of the Postal Ballot shall be displayed on the Notice Board of the Company at its Registered/Corporate Office also.

- xvii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to Mr. Ajay Arora, Practicing Company Secretary at his e-mail address [ajaykcs@gmail.com](mailto:ajaykcs@gmail.com) with a copy marked to Company Secretary, KDDL Ltd, Chandigarh at [pawan.goyal@kddl.com](mailto:pawan.goyal@kddl.com)

**B) In case of Members receiving Postal Ballot Form by Post:**

- i. Initial password is provided at the bottom of the Postal Ballot Form.
- ii. Please follow all steps as stated in Point (A) above.

**General**

- 1) The Scrutinizer will submit the report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced within two days of the close of votings at the registered office/corporate office of the Company. The results of the Postal Ballot will be hosted on the Company's website at [www.kddl.com](http://www.kddl.com) for information of the Members and also on the website of the Karvy Computershares, besides being communicated to the stock exchanges on which the shares of the Company are listed. The date of declaration of the Postal Ballot results will be taken as the date of passing the Resolutions.
- 2) Members can opt only one mode of voting i.e. either by physical ballot or electronic mode. In case, any members' casts vote through postal ballot as well as electronic mode, then voting done through postal ballot shall prevail and voting done by electronic mode will be treated as invalid.
- 3) The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.

**EXPLANATORY STATEMENT  
(PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013)**

**Item No.1**

The "Main Objects" Clause of the Memorandum of Association of the Company is proposed to be suitably modified in order to include objects which the Company is pursuing presently to focus on the core activities of the Company, and also to delete the clauses which are not being pursued by the Company as on date.

For alteration of main objects, consent of the shareholders by passing a Special Resolution is required.

The entire set of the proposed Memorandum of Association of the Company is available on the Company's website. The shareholders can also obtain a copy of the same from the Secretarial Department at the Registered/Corporate Office of the Company.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

**Item No. 2**

In order to comply with the provisions of Section 4(1)©13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to alter the ancillary objects required for the attainment of its main objects. Since the Company has proposed to remove certain objects forming part of the "Main Objects" Clause of its Memorandum of Association (that are not being pursued by the Company presently), the corresponding two ancillary clauses (Clauses (III)(B)(22) and (III)(B)(27)) in the "Ancillary Objects" Clause of the Company's Memorandum of Association are proposed to be deleted in order to synchronize the same with the present main objects as would be in force after these amendments.

These modifications to the Memorandum of Association are proposed to be carried out to give effect to the provisions of the Companies Act, 2013. For alteration of the "Ancillary Objects" Clause of the Memorandum of Association, consent of the shareholders by passing a Special Resolution is required.

The entire set of the proposed Memorandum of Association of the Company is available on the website of the Company. The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the Registered/Corporate Office of the Company.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

### **Item No. 3**

In order to comply with the provisions of Section 4(1)©Section 13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to delete the "Other Objects" Clause from its Memorandum of Association. These modifications to the Memorandum of Association are proposed to be carried out to give effect to the provisions of the Companies Act, 2013. Consent of the shareholders by passing a Special Resolution is required in this regard.

The entire set of the proposed Memorandum of Association of the Company is available in the website of the Company. The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the Registered Office of the Company.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

### **Item No. 4**

The existing Articles of Association of the Company (the "Articles") are in line with the relevant provisions of the Companies Act, 1956 read with rules framed thereunder, and several provisions in the existing Articles contain references to specific sections of the Companies Act, 1956.

With the enforcement of the Companies Act, 2013 read with relevant rules framed thereunder (the "New Act"), it is prudent that references to the repealed / replaced provisions of the Companies Act, 1956 be replaced by referencing the corresponding notified provisions of the New Act.

Accordingly, the Board of Directors of the Company at its meeting held on July 24, 2015, subject to necessary approval of the members of the Company, decided to amend the existing Articles to incorporate the changes discussed above.

Pursuant to the provisions of section 14 of the Companies Act, 2013, an amendment of the Articles requires the approval of shareholders by way of a Special Resolution. Accordingly, this matter has been placed before the shareholders for their approval by way of Special Resolution.

The existing Articles, along with the entire set of the proposed Articles, are available for inspection to all the members of the Company at the Registered Office of the Company during business hours from 11.00 am to 2.00 pm on all working days till the last voting day of the postal ballot i.e. 28th August, 2015.

The Board recommends the aforesaid resolution for approval by the members by Special Resolution. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

### **Item No.5**

For better operational, administrative and financial discipline, Article 81A has been proposed to be inserted as part of the Articles of Association of the Company.

Furthermore, as SAIF India V FII Holdings Limited, intends to invest in the Company, it would be entitled to appoint 1

(one) non-executive director on the board of directors of the Company. To give effect to this, Article 98A has been proposed to be inserted as part of the revised Articles.

Pursuant to the provisions of section 14 of the Companies Act, 2013, an amendment to the Articles requires the approval of the shareholders by way of a Special Resolution. Accordingly this matter has been placed before the shareholders for their approval by way of Special Resolution.

The existing Articles, along with the entire set of the proposed Articles, are available for inspection to all the members of the Company at the Registered Office of the Company during business hours from 11.00 am to 2.00 pm on all working days till the last voting day of the postal ballot i.e. 28th August, 2015.

The Board recommends the aforesaid resolution for approval by the members by Special Resolution. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

/By Order of the Board/  
For KDDL LIMITED

Place: Chandigarh  
Date: 24.07.2015

P.K.Goyal  
COMPANY SECRETARY  
Membership No.: F-2338  
Address: S.C.O. 88-89, Sector 8-C, Chandigarh

Encl:

1. Postal Ballot Form
2. Pre-paid self-addressed Envelope