

KDDL Limited

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Fax: +91 172 2548302, Website:www.kddl.com CIN-L33302HP1981PLC008123



Ref : KDDL/CS/2021-22/83

Date : 27th December, 2021

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra,
Mumbai - 400 051

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Trading Symbol : KDDL

Scrip Code : 532054

Subject: Notice of Extra Ordinary General Meeting (EGM) of the Company

Dear Sir/ Madam,

This is to inform you that an Extra Ordinary General Meeting ("EGM") of the members of KDDL Limited ("the Company") will be held on Tuesday, 18th January, 2022 at 09:30 a.m (IST) through Video Conference ("VC") /Other Audio Video Means ("OAVM") to transact the special business as set out in the Notice of EGM. In this regard, please find enclosed a copy of notice convening EGM.

The Schedule of EGM is as under:

Event	Day, Date and Time
Cut-off date for determining eligible members for voting on EGM Resolution(s)	Tuesday, 11 th January, 2022
Commencement of remote e-voting	Friday, 14 th January, 2022 at 10:00 a.m (IST)
End of remote e-voting	Monday, 17 th January, 2022 at 05:00 p.m (IST)
Extra Ordinary General Meeting (EGM)	Tuesday, 18 th January, 2022 at 09:30 a.m (IST)

Please take the above information on record.

Thanking you,

Yours truly

For KDDL Limited



Brahm Prakash Kumar
Company Secretary



KDDL LIMITED

(CIN - L33302HP1981PLC008123)

Registered Office: Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220

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

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

NOTICE

Notice is hereby given that an Extra-Ordinary General Meeting (“EGM”) of the members of KDDL Limited (“the Company”) will be held on Tuesday, 18th January 2022 at 09:30 a.m. (IST) through Video Conference (“VC”) /Other Audio Video Means (“OAVM”) to transact the following business:

The proceedings of EGM shall be deemed to be conducted at the Registered Office of the company at Plot No 3, Sector-III, Parwanoo, District Solan, (H.P)-173220 which shall be deemed to be the venue of the EGM.

SPECIAL BUSINESS:

- 1. To approve the change in Share Capital of Ethos Limited, a material subsidiary of the Company through Initial Public Offer (IPO) along with offer for sale by existing shareholders**

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

“**RESOLVED THAT** pursuant to the provisions of Section 180, 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder and regulation 23 and 24 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the Article 81-A (A) of the Articles of Association of the Company, approval of the shareholders of the Company be and is hereby accorded, subject to a condition that the KDDL shareholding, directly and indirectly will not lead to losing of majority control, to change the holding of the Company through proposed initial public offer of the equity shares by Ethos Limited, a material subsidiary of the Company by offering fresh issuance its equity shares and to sell equity shares of Rs. 10 each through Offer of Sale (OFS) by its existing shareholders at a price to be determined in consultation with the Book Running Lead Managers in accordance with the regulations framed by the market regulator in India, the Securities and Exchange Board of India (“SEBI”) and other applicable laws in India.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (which shall include any Committee which the Board may constitute, or any Director/Officer authorised by the Board for this purpose) be and is hereby authorised do all such acts, deeds and things including the power to sub-delegate and take all necessary steps as it may in its absolute discretion and in the best interest of the Company as may be deemed necessary, desirable or expedient from time to time in order to give effect to the aforesaid resolution.”

- 2. To approve the alteration in Main Objects Clause of the Memorandum of Association of Ethos Limited, a material subsidiary of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Article 81-A(C) of the Articles of Association of the Company (AOA), approval of the shareholders of the Company be and is hereby accorded for alteration in existing Clause

III(A)(1) in the "Main Objects" Clause of the Memorandum of Association (MOA) of Ethos Limited, a material subsidiary so as to include therein the objects to carry on trade, distribution or retail business of **cars including pre-owned cars, art and art pieces** along with existing objects."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which shall include any Committee which the Board may constitute, or any Director/Officer authorised by the Board for this purpose) be and is hereby authorised do all such acts, deeds and things including the power to sub-delegate and take all necessary steps as it may in its absolute discretion and in the best interest of the Company as may be deemed necessary, desirable or expedient from time to time in order to give effect to the aforesaid resolution."

3. To approve the offer to sell the trademarks belonging to KDDL Limited for the retail business.

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder and all applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals and sanctions of any authorities as may be necessary, approval of the shareholders of the Company be and is hereby accorded to offer to sell the trademarks belonging to KDDL Limited, i.e "Ethos" and "Summit" (the brands) to Ethos Limited, a material subsidiary of the Company at a value of Rs. 39 crores (Rs. Thirty Nine crores) and if agreed by Ethos Limited, to enter into an agreement to sell."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which shall include any Committee which the Board may constitute, or any Director/Officer authorised by the Board for this purpose) be and is hereby authorised do all such acts, deeds and things including the power to sub-delegate and take all necessary steps as it may in its absolute discretion and in the best interest of the Company as may be deemed necessary, desirable or expedient from time to time in order to give effect to the aforesaid resolution."

Date: 27th December, 2021

For and on behalf of the Board of Directors

Place: Chandigarh

**Brahm Prakash Kumar
Company Secretary**

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out the details pertaining to Special Business at Extra Ordinary General Meeting ("EGM"), is annexed hereto.
2. In compliance with the provisions of Companies Act, 2013 (the act), rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Circular No. 8/2021 dated December 8, 2021, circular No. 02/2021 dated January 13, 2021, Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (**collectively referred to as "MCA Circulars"**) and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (**collectively referred to as "SEBI Circulars"**), Extraordinary General Meeting (EGM) will be held through Video-conferencing ("VC") or other audio visual means ("OAVM") (hereinafter referred to as "electronic means") i.e. without the physical presence of the members. The deemed venue for the EGM shall be the registered office of the Company.

3. Since EGM is being held pursuant to the MCA Circulars through VC or OAVM, requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the EGM. In view of the above the proxy form, attendance slip and route map is not annexed to this notice.
4. Institutional Investors, who are Members of the Company and Corporate Members intending to appoint an authorised representative to attend the EGM through VC and to vote thereat through remote e-voting or e-voting at EGM are requested to send a certified copy of the Board Resolution/ Letter of Authorisation/ Power of Attorney to the Scrutinizer by e-mail at ajaykcs@gmail.com with a copy to evoting@nsdl.co.in
5. In case of joint holders, a member whose name appears as the first holder in the order of their names as per the Register of Members will be entitled to cast vote at the EGM.
6. Members holding shares in physical form are requested to note that in terms of Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.

In view of the above and in order to eliminate risks associated with physical transfer of securities, members holding equity shares of the Company in physical form are requested to consider converting their holdings to dematerialised form.

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile/ phone numbers, PAN, mandates, nominations and bank details etc., to their Depository Participants ("DPs") in case shares are held by them in electronic form and to MAS Services Limited ("MAS"/ "RTA"), in case shares are held by them in physical form.

7. In compliance with the regulatory provisions, the EGM notice is being sent electronically only to those shareholders who have registered their e-mail address with their DPs/ RTA/ the Company, as applicable, up to the cut-off date i.e. Friday, December 24, 2021. The same is also hosted on the Company's website www.kddl.com and also on the website of the stock exchanges viz., www.bseindia.com and www.nseindia.com.
8. The shareholders who have not registered their email-id are requested to register the same with their DPs in case shares are held in dematerialised form and with MAS in case shares are held in physical form, which could help the Company in sending paperless communication in future.
9. As per the provisions of Section 72 of the Act, the facility for registration of nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13 to DPs/ RTA, as the case may be, in accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.
10. The voting rights of the members shall be in proportion to their shareholding in the Company as on the cut-off date for e-voting i.e. Tuesday, 11th January, 2022.

Any person/ entity, who acquires shares of the Company and becomes a member after sending notice of this EGM and holds shares of the Company as on cut-off date for e-voting i.e. Tuesday, 11th January, 2022 can refer to this Notice and other relevant communication including remote e-voting instructions, hosted on the Company's website at www.kddl.com

11. Members, who are holding shares of the Company as on the cut-off date for e-voting i.e. Tuesday, 11th January,

2022 can also cast their votes during the EGM using e-voting facility, if they have not cast the same during the remote e-voting period mentioned below.

12. The detailed instructions in connection with exercising the right to vote by the members using the remote e-voting facility or e-voting during the EGM are given below.
13. **Voting through electronic means:** In compliance with Regulation 44 of the SEBI Listing Regulations and Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014, including any amendments therein, the Company is providing to its Members the facility to cast their votes electronically, through e-voting service provider viz., NSDL, on the business/ resolution set forth in this Notice. Members are requested to take note of the key points related to e-voting for this EGM as mentioned below:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-

The remote e-voting period will start on Friday, 14th January, 2022 at 10:00 a.m. and will end on Monday, 17th January, 2022 at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on cut-off date i.e. Tuesday, 11th January, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<ol style="list-style-type: none"> 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

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

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

4. Your User ID details are given below :

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

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

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

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

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

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

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

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

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

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

ITEM NO. 1

The Board of Ethos Limited (“Ethos”), subject to approval of shareholders of Ethos and other regulatory/statutory approvals, in its meeting held on 1st December, 2021 has approved the Initial Public Offer (IPO) for an amount not exceeding Rs. 500 crores (Rs. Five Hundred Crores) which may include the offer for sale by existing shareholders of Ethos Limited.

In terms of Article 81-A (A) of the Articles of Association of the KDDL Limited, 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 requires prior approval of shareholders of the Company through special resolution.

Post IPO and OFS, KDDL will continue to have majority control and its shareholding, directly and indirectly will not be less than 51%.

Accordingly, consent of the Members is sought through Special Resolution as set out at Item no. 1 of the Notice.

No Director except Mr. Yashovardhan Saboo and Mr. Anil Khanna, Key Managerial Personnel and their relatives are concerned and interested in the resolution, set out at item no. 1 of the notice.

The Board recommends the resolution at Item no. 1 for approval of members by way of Special Resolution subject to a condition that the KDDL shareholding, directly and indirectly will not lead to losing of majority control.

ITEM NO. 2

The existing Clause III(A)(1) in the “Main Objects” of the Memorandum of Association (MOA) of Ethos Limited, a material subsidiary is proposed to be amended so as to include therein the objects to carry on trade, distribution or retail business of **cars including pre-owned cars, art and art pieces** along with existing objects.

In accordance with the provisions of clause 81-A(C) of the Articles of Association of KDDL Limited, 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 shall not be undertaken without the prior approval of the members by way of special resolution.

Accordingly, consent of the Members is sought through Special Resolution as set out at Item no. 2 of the Notice.

No Director except Mr. Yashovardhan Saboo and Mr. Anil Khanna, Key Managerial Personnel and their relatives are concerned and interested in the resolution, set out at item no. 2 of the notice.

The Board recommends the resolution at Item no. 2 for approval of members by way of Special Resolution which enables Ethos Limited to explore the opportunities which can be in the best interest of Ethos and its stakeholders.

ITEM NO. 3

KDDL Limited owns the brands “Ethos” and “Summit” (**‘the brands’**) and had allowed Ethos Limited, a material subsidiary to use **the brands** for its business with an understanding that Ethos will make the necessary investments and lead marketing initiatives for further promotion and development of the brand. The Board of Directors of the Company, subject to approval of shareholders of Ethos and other regulatory/statutory approvals, at its meeting held on 21st December, 2021, has consented to offer to sell the brands to Ethos Limited at a value of Rs. 39 crores (Rs. Thirty Nine Crores) and the said consideration is not less than valuation specified by the expert independent valuation and on arm’s length basis and if agreed by Ethos Limited, to enter into an agreement to sell for this purpose.

The aforesaid transaction shall be a related party transaction in terms of provisions of section 188 of the Companies Act, 2013 though being on arm length basis, will be construed as being outside the ordinary course of business. The proposed transaction will exceed the threshold as prescribed in Rule 15(3)(ii) of Companies (Meetings of Board and its Powers) Rules, 2014 which states as under:-

“(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188”

Details as required in terms of provisions of section 188 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) is as under:-

Sr.No.	Particulars	Remarks
1.	Name of the related party	Ethos Limited, a material subsidiary
2.	Name of the director or key managerial personnel who is related, if any	Mr. Yashovardhan Saboo Mr. Anil Khanna
3.	Nature of relationship	Directors in both companies
4.	Nature, material terms, monetary value and particulars of the contract or arrangements;	Offer to sell all propriety rights of trademark 'Ethos' and 'Summit' belonging to KDDL Limited for retail business at a value of Rs. 39 crores (Rs. Thirty Nine Crores) not being less than valuation specified by the expert independent valuation and on arm's length basis and also on such terms and conditions as may be agreed between both Companies.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

Accordingly, consent of the Members is sought through Ordinary Resolution under section 188 of the Companies Act, 2013, as set out at Item no. 3 of the Notice

No Director except Mr. Yashovardhan Saboo and Mr. Anil Khanna, Key Managerial Personnel and their relatives are concerned and interested in the resolution, set out at item no. 3 of the notice.

The Board recommends the resolution at Item no. 3 for approval of members by way of Ordinary Resolution.

Date: 27th December, 2021

Place: Chandigarh

For and on behalf of the Board of Directors

**Brahm Prakash Kumar
Company Secretary**