

# KDDL Limited

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



**Ref: KDDL/CS/2022-23/81**

**Date: 20<sup>th</sup> January, 2023**

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

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

**Trading Symbol : KDDL**

**Scrip Code : 532054**

**Sub: Public Announcement for buyback of Equity Shares of KDDL Limited ("Company") pursuant to the provisions of the SEBI (Buy Back of Securities) Regulations, 2018, as amended ("Buyback Regulations") through Open Market Route ("Buyback").**

Dear Sir/ Madam,

In continuation of our letter dated January 18, 2023, we are enclosing herewith copy of Public Announcement published today i.e 20<sup>th</sup> January, 2023 in the following newspapers:

- Financial Express (English Edition)
- Jansatta (Hindi Edition)
- Dainik Savera Times (Hindi Edition)

A copy of the same will also be made available on the website of the Company at [www.kddl.com](http://www.kddl.com).

Kindly take the above on record and acknowledge.

Thanking you,

Yours faithfully  
For **KDDL Limited**

**Brahm Prakash Kumar**  
**Company Secretary**



















5.3 Consideration for the Equity Shares bought back by the Company shall be paid only by way of cash through normal banking channels.

6. BRIEF INFORMATION ABOUT THE COMPANY

6.1 The Company was originally incorporated as 'Karnia Dials and Devices Limited' as a public limited company under the Companies Act, 1956 pursuant to certificate of incorporation dated January 8, 1981, issued by the Registrar of Companies, Delhi and Haryana. Our Company received its certificate of commencement of business on February 6, 1981, issued by the Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Company was changed to its present name 'KDDL Limited' pursuant to a fresh certificate of incorporation dated September 14, 2007 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh.

6.2 The Company is engaged in the manufacturing of watch components and precision engineering products. Company has been engaged in the manufacture of watch components i.e. watch dials and watch hands over three decades and is considered to be one of India's leading watch components manufacturers. The Company is a manufacturer of watch components and supplier to domestic and international luxury watch brands. Company's watch components are manufactured at Parwanoo, Himachal Pradesh, Derabassi, Punjab and Bengaluru, Karnataka. The Company is also engaged in the business of manufacturing of ornamental packaging boxes for watch, jewellery and writing instruments.

7. BRIEF FINANCIAL INFORMATION ABOUT THE COMPANY

The financial information on the basis of audited standalone and audited consolidated financial statements of the Company for the last three financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and unaudited limited review standalone and consolidated financial statements for the six months period ended September 30, 2022 is provided hereunder:

I STANDALONE

Table with 5 columns: Particulars, For the six months ended September 30, 2022, For the year ended March 31, 2022, For the year ended March 31, 2021, For the year ended March 31, 2020. Rows include Revenue from operations, Total Income, Total Expenses, Profit/Loss before taxes, Profit/Loss after Tax, Total Comprehensive Income, etc.

Table with 5 columns: Financial Ratios, For the six months ended September 30, 2022, For the year ended March 31, 2022, For the year ended March 31, 2021, For the year ended March 31, 2020. Rows include Earnings Per Share (Basic), Earnings Per Share (Diluted), Return on Net Worth (%), Book Value Per Share (₹), Debt-Equity Ratio.

II CONSOLIDATED

Table with 5 columns: Particulars, For the six months ended September 30, 2022, For the year ended March 31, 2022, For the year ended March 31, 2021, For the year ended March 31, 2020. Rows include Revenue from operations, Total Income, Total Expenses, Profit/Loss before taxes, Profit/Loss after Tax, Total Comprehensive Income, etc.

Table with 5 columns: Financial Ratios, For the six months ended September 30, 2022, For the year ended March 31, 2022, For the year ended March 31, 2021, For the year ended March 31, 2020. Rows include Earnings Per Share (Basic), Earnings Per Share (Diluted), Return on Net Worth (%), Book Value Per Share (₹), Debt-Equity Ratio.

The key financial ratios, mentioned herein above for both standalone and consolidated, have been computed as under:

Table with 2 columns: Ratio, Calculation. Rows include Net worth, Earning Per Shares, Book Value, Debt-Equity Ratio, Return on Net Worth (%).

8. DETAILS OF ESCROW ACCOUNT OPENED AND THE AMOUNT TO BE DEPOSITED THEREIN

8.1 In accordance with Regulation 20 of the Buyback Regulations and towards security for performance of its obligations under the Buyback Regulations, the Company has entered into an escrow agreement dated January 19, 2023 ("Escrow Agreement") with the Manager to the Buyback and IDBI Bank Limited (acting through its branch office at S.C.O. 72-73, Sector - 17-B, Bank Square, Chandigarh) ("Escrow Bank"), pursuant to which the Company has opened an escrow account titled KDDL - Buyback Escrow Account 2023 ("Escrow Account").

8.2 The funds in the Escrow Account may be released for making payment to the shareholders subject to at least 2.5% of the Maximum Buyback Size remaining in the Escrow Account at all points in time.

8.3 If the Company is unable to complete Buyback equivalent to Minimum Buyback Size, the amount held in the Escrow Account up to a maximum of 2.5% of the Maximum Buyback Size, may be liable for forfeiture in accordance with the Buyback Regulations, subject to the applicable provisions of the Buyback Regulations.

8.4 The balance lying to the credit of the Escrow Account will be released in accordance with the Buyback Regulations.

9. FIRM FINANCING ARRANGEMENTS

9.1 The Company, duly authorized by its Board, has identified and earmarked funds for the purpose of fulfillment of the obligations of the Company under the Buyback. Such earmarked funds, together with funds provided for escrow arrangements, are in excess of the Buyback Size.

9.2 Based on the resolution of the Board dated January 18, 2023 in this regard, and review of other facts / documents, MGS & Associates, Chartered Accountants, have certified, vide their letter dated January 18, 2023 that the Company has adequate and firm financial resources for fulfilling its obligations under the Buyback.

9.3 The Manager to the Buyback, having regard to the above, confirm that firm arrangements for fulfilling the obligations under the Buyback are in place.

10. LISTING DETAILS AND STOCK MARKET DATA

10.1 The Company's Equity Shares are listed and traded on the BSE and NSE. 10.2 The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of the Public Announcement (i.e. January 19, 2023) and their corresponding volumes on the BSE and NSE are as follows:

Table with 8 columns: Period, High (₹), Date of High, No. of Equity Shares Traded on that day, Low (₹), Date of Low, No. of Equity Shares Traded on that day, Average Price (₹), Total No. of Equity Shares Traded in that period. Rows for Last three financial years and Preceding six months.

Source: www.bseindia.com \*High and low prices are based on the high and low of the daily prices. \*\*Average Price is arithmetical average of closing price. \*Ex-rights date as March 30, 2021

NSE

Table with 8 columns: Period, High (₹), Date of High, No. of Equity Shares Traded on that day, Low (₹), Date of Low, No. of Equity Shares Traded on that day, Average Price (₹), Total No. of Equity Shares Traded in that period. Rows for Last three financial years and Preceding six months.

Source: www.nseindia.com \*High and low prices are based on the high and low of the daily prices. \*\*Average Price is arithmetical average of closing price. \*Ex-rights date as March 30, 2021

10.3 Notice of the Board meeting to consider the proposal of the Buyback was given to the BSE and NSE on January 14, 2023. The stock prices on the Indian Stock Exchanges on relevant dates are as follows:

Table with 8 columns: Date, Description, BSE High, BSE Low, BSE Closing, NSE High, NSE Low, NSE Closing. Rows for January 13, 2023 and January 18, 2023.

11. PRESENT CAPITAL STRUCTURE AND SHARE HOLDING PATTERN

11.1 The capital structure of the Company as on the date of this Public Announcement and the proposed capital structure of the Company post completion of the Buyback is set forth below:

Table with 3 columns: Share Capital, Pre-Buyback (As on the date of this Public Announcement), Post-Buyback (Post completion of the Buyback). Rows include Authorized Share Capital, Issued Capital, Subscribed and Paid-up Share Capital.

\*Assuming that the indicative Maximum Buyback Shares are bought back. However, the post Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

11.2 As on the date of this Public Announcement, there are no Equity Shares which are partly paid-up, or with call-in arrears and there are no outstanding instruments convertible into Equity Shares.

11.3 The shareholding pattern of the Company as on the date of Board meeting i.e. January 18, 2023, and the proposed shareholding pattern of the Company post the completion of the Buyback is given below:

Table with 4 columns: Sr. No., Category, Pre-Buyback No. of Equity Shares, Pre-Buyback % of Equity Shares, Post Buyback No. of Equity Shares, Post Buyback % of Equity Shares. Rows include Promoter and Promoter Group, Public Shareholders, Non Promoter Non Public.

\*Assuming that the indicative Maximum Buyback Shares are bought back. However, the post Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

11.4 In terms of Regulation 16(i) of the Buyback Regulations, the Buyback shall not be made by the Company from its promoters and members of its promoter group and persons in control of the Company. Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoters and members of the promoter group of the Company and their respective associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoters and members of the promoter group of the Company) from the date of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off market transactions (including inter-se transfer of Equity Shares among the promoters) from the date of the Public Announcement till the closing of the Buyback.

11.5 For the aggregate shareholding of the (i) promoters and members of the promoter group of the Company and persons who are in control of the Company; and (ii) directors of the corporate members of the promoter group of the Company as on date of the Board Meeting i.e. January 18, 2023 please refer to Paragraph 6.1 and 6.2 of Part A above.

11.6 For the details of the transactions made by the persons mentioned in paragraph 11.5 above, please refer to Paragraph 6.4 of Part A above.

11.7 While the promoters and members of the promoter group of the Company are not eligible to participate in the Buyback, depending on the number of Equity Shares bought back by the Company, their effective shareholding percentage in the Company will increase consequent to the buyback. Any increase in the percentage holding/voting rights of the promoters and promoter group is not an active acquisition and is incidental to the Buyback and falls within the limits prescribed under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

12. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF BUY-BACK ON THE COMPANY

12.1 The Buyback is expected to achieve the objective of returning surplus cash to the shareholders, improving the Company's return on equity and increasing shareholders' value in the longer term. The Buyback is not likely to cause any material impact on the profitability / earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback.

12.2 The amount required by the Company for the Buyback will be funded out of free reserves of the Company and/or such other sources as may be permitted by the Buyback Regulations and the Companies Act, and on such terms and conditions as the Board may deem fit.

12.3 The Buyback will lead to reduction in outstanding Equity Shares and as a result improvement in 'earnings per share' and enhanced return on equity, assuming that the Company would earn similar profits as in the past.

12.4 Pursuant to Regulation 16(i) of the Buyback Regulations, the promoters and members of the promoter group of the Company and persons in control of the Company are not entitled to participate in the Buyback. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

12.5 Consequent to the Buyback and based on the number of Equity Shares bought back from the shareholders excluding the promoters and members of the promoter group of the Company and persons in control of the Company, the shareholding pattern of the Company would undergo a change, however public shareholding shall not fall below 25% of the total fully paid up equity share capital of the Company.

12.6 As required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves post the Buyback, based on both standalone and consolidated financial statements of the Company.

13. STATUTORY APPROVALS

13.1 Pursuant to Sections 68, 69, 70, and all other applicable provisions of the Act and applicable rules thereunder and the provisions of the Buyback Regulations and Article 12C of the Articles of Association of the Company, the Company has obtained the Board approval for the Buyback.

13.2 The Buyback is subject to receipt of such approvals from statutory, regulatory or governmental authorities as may become applicable under applicable laws. The shareholders shall be solely responsible for obtaining all statutory consents and approvals (including, without limitation the approvals / observations from the RBI and/or the SEBI, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. Shareholders would be required to provide copies of all such consents and approvals obtained by them to the Company's Broker.

13.3 The Buyback from erstwhile OCBs and other applicable categories shall be subject to such approvals of the RBI, if any, under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.

13.4 To the best of the knowledge of the Company, no other statutory approvals are required by it for the Buyback as on the date of this Public Announcement. Subject to the obligation of the shareholders to obtain the consents and approvals necessary for transfer of their Equity Shares to the Company as set out in Paragraphs 13.2 and 13.3 above, the Company shall obtain statutory approvals as may be required, from time to time, if any, for completion of the Company's obligations in relation to the Buyback.

14. COLLECTION AND BIDDING CENTERS

The Buyback will be implemented by the Company by way of open market purchases through the Stock Exchanges using their nationwide trading terminals. Therefore, the requirement of having collection centers and bidding centers is not applicable.

15. COMPLIANCE OFFICER, REGISTRAR TO THE BUYBACK, INVESTOR SERVICE CENTRE AND MANAGER TO THE BUY-BACK

The Company has designated the following official as the Compliance Officer for the Buyback:

15.1 COMPLIANCE OFFICER Name : Brahm Prakash Kumar Tel. No. : +91 172 2548223 Fax No. : +91 172 2548302 Website : www.kddl.com Email ID : investor.complaints@kddl.com

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 a.m. to 5 p.m. on all working days except public holidays, at the above-mentioned email address.

15.2 REGISTRAR TO THE BUYBACK AND INVESTOR SERVICE CENTRE

The Company has appointed following as Registrar to the Buyback ("Registrar"):

Name: Mas Services Limited Address: T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel: 011-26387281/82/83,41320335 Fax: 011-26387384 Email ID: investor@masserv.com Investor Grievance Email ID: investor@masserv.com Website: www.masserv.com Contact Person: Mr. N.C. Pal SEBI Registration No.: INR000000049 Validity Period: Permanent CIN: U74899DL1973PLC006950

15.3 MANAGER TO THE BUY-BACK

Name: ITI Capital Limited Address: ITI House 36, Dr. R. K. Shirodkar Marg, Parel, Mumbai - 400 012 Tel: +91 22 6911 3388 / 6911 3371 Fax : +91 22 6911 3389 Email : kddibuyback@iticapital.in Contact Person : Mihir Pandhi / Pallavi Shinde Website : www.iticapital.in SEBI Registration No. : INM000010924 Validity Period : Permanent CIN : U74140MH1999PLC122493

16. DIRECTORS' RESPONSIBILITY

In terms of Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors accepts full and final responsibility for all the information contained in this Public Announcement and any advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buyback and confirms that such documents contain true, factual and material information and does not contain any misleading information.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF KDDL LIMITED

Yashvardhan Saboo Sanjeev Kumar Masown Brahm Prakash Kumar Designation: Chairman & Managing Director Designation: Whole time Director & CFO Designation: Company Secretary & Compliance Officer DIN: 00012158 DIN: 03542390 ICSI Membership Number: 7519

Place : Chandigarh Date : January 19, 2023