



16-08-2017

To,

The National Stock Exchange (NSE)
Mumbai**Re: Clarification regarding outcome of Board Meeting dated 11th August 2017, your mail dated 16.08.2017**

Dear Sir,

With reference to above, we wish to submit as under:-

1. Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;

The proposed amalgamation is between KDDL LIMITED (Transferee Company) and its wholly owned subsidiary company Satva Jewellery & Designs Limited (Transferor Company)

	<u>Transferee Company</u>	<u>Transferor Company</u>
Size (Share Capital)	12480000 equity shares of Rs. 10/- each, i.e. Rs. 124,800,000. Paid up capital:Rs.109,267,260 (including 174,280 forfeited equity shares Rs. 5/- paid up.)	3,000,000 equity shares of Rs. 10/- each fully paid up i.e. Rs. 30,000,000 only
Turnover	Rs. 127.85 crores as on 31 st March 2017	Rs. 22.59 lacs as on 31 st March 2017

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";

This is proposed merger of Wholly owned subsidiary company with Holding company, No transaction /consideration is involved

3. Area of business of the entity (ies);

The main objects of Transferee Company enumerated in the Memorandum and Articles Association are as under:



1. To carry on the business of manufacturing, buying, selling, indenting, exchanging, converting, assembling, fabricating, altering, importing, exporting, processing or otherwise handling or dealing In Wrist Watches, Watch Cases, Watch Dials, Straps, Measuring Instruments, Precision Instruments, Clocks, Time Measuring Devices, Electronic Instruments of all types and descriptions and all components, parts and accessories, materials required directly or indirectly for the manufacturing of the same.
2. To carry on business of manufacturers, producers, exporters, Importers, buyers, dealers and traders for all types of mechanical, electronic and electrical components, part, accessories, appliances and equipments.
3. To deal in import replenishment entitlements earned against export under the import trade control policy.
4. To carry on in India or elsewhere the business of developing, maintaining, servicing, manufacturing, producing, exporting, importing, trading and dealing in and with any and all classes and kinds of software and hardware products, electronic and computer equipments and to act as management, R&D and technical consultants for all software and hardware, electronic and computer applications in India or elsewhere.
5. To manufacture, produce, buy, sell, import, export, exchange and or otherwise deal in all kinds of writing instruments, pens, spectacle frames or other fashion accessories, jewellery and/or their display packaging materials, containers made of Cloth, fabric, jute plastic rubber, metals, wood, leather, paper or any other type of synthetic, natural or man- made materials.
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, jewelry 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 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, 3 d 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.

The main objects of Transferor Company enumerated in the Memorandum and Articles Association are as under:

To carry on the business of manufacturer, assemblers, fabricators, retailers, distributors, exporters, importers, buyers, dealers, designers, traders and consignment agent, C & F agent by normal channels of E-commerce, all types of jewellery items and goods and articles or articles, stone setting of any kind on any materials including real diamonds and gem stones, Crystals and glass products, accessories, artificial jewellery or real jewellery made of precious metal, alloys or precious stones or other precious articles or surfaces, non precious material, natural or man made materials of all kinds.

4. Rationale for amalgamation/ merger;

Satva Jewellery and Design Limited is wholly owned subsidiary of KDDL Limited, the Transferee Company. Both the companies are part of the Saboo Business Group. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company together with their business and undertakings, with the Transferee Company, so as to achieve the following:

- a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.
- b) The existence of independent companies at times result in duplication of efforts and the integration and combination of such businesses will lead to greater and optimal utilization of resources. The amalgamation would, therefore, enable the Transferee Company to increase operations and confer a competitive advantage on the entire business. With integrated processes, the Transferee Company can achieve higher scales of operation.
- c) The amalgamation of the operations of the Transferor Company into the Transferee Company will assist the Transferor Company and its management in meeting the funding through a common funding mechanism. This will result in effective management and utilization of funds for capital expenditure and working capital. The efficiencies generated through cash management of the merged entity and access to cash flow generated by the combined business can be deployed more efficiently to fund organic and inorganic growth opportunities and to maximize shareholders value
- d) The amalgamated company will have the benefit of synergy, optimum use of human relations, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
- e) Strengthened leadership in the Industry, in terms of the asset base, revenues, product range, production volumes and market share of the combined entity. The amalgamated entity will have the



ability to leverage on its large asset base and vast pool of intellectual capital, to enhance shareholder value.

- f) Enable the shareholders of KDDL Limited to get direct participation in the business of its present wholly owned subsidiary (Satva Jewellery and Design Limited).

Thus, as a whole, amalgamation of the Transferor Company with the Transferee Company in terms of the Scheme will be beneficial for both the companies, their shareholders, their creditors, employees, customers and all others concerned with the two companies.

5. In case of cash consideration amount or otherwise share entitlement/exchange ratio;

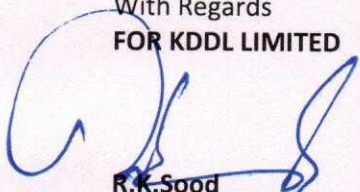
No share entitlement/ exchange ratio proposed as there is amalgamation of wholly owned subsidiary with its holding company.

6. Brief details of change in shareholding pattern (if any) of listed entity.

There shall be no change in the shareholding pattern of listed company after the proposed amalgamation.

This is for your information please.

With Regards
FOR KDDL LIMITED


R.K.Sood
Company Secretary

