



**INDEPENDENT AUDITORS' REPORT**

**To the Members of  
Satva Jewellery and Design Limited.**

**Report on the Audit of the Financial Statements**

**1. Opinion**

We have audited the financial statements of **M/s Satva Jewellery and Design Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other changes in equity and its cash flows for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3. Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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#### 4. Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### 5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. The Company is in process of merger with its holding company KDDL Ltd. as reported/disclosed at Note no-21 of attached Balance Sheet.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 6. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company, As per the Board of Directors of the company, in view of the MCA Notification No. G.S.R. 583(E) dated 13 June 2017, the company is exempt from the requirements of clause (i) of section 143(3) and therefore the report on adequacy and operating effectiveness of internal financial controls is not being made.

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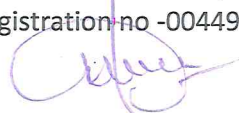
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There have been no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Chandigarh

Dated: 25-06-2020



For Singhal Karun & Co.,  
Chartered Accountants  
(Firm Registration no -004496N)

  
(Anil K. Goyal)  
Proprietor

M.Ship No.FCA-80255  
UDIN 20080255AAAA27949



Based on audit procedures performed and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.  
  
© As explained to us the company does not own any immoveable property.
2. The Company does not have any inventory during the year. Accordingly, the provisions of clause 3 (ii) of the Order are not applicable.
3. The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable.
4. The Company has not entered into any transaction covered u/s 185 and 186 of the Act. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable, except that the main equipment has been given on lease to its holding company.
5. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (v) of the Order are not applicable.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable.
7. According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India. The provisions of Employees Provident Fund Act and The Employees' State Insurance Act are not applicable to the Company. Further no undisputed amounts were outstanding at the year end for a period of more than 6 months from they became payable.
8. According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable.
9. As the company did not raise any money by way of either Term Loan or by Public Issue, therefore, the question of application of such money does not arise.



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10. We have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
11. As per information provided to us the company has not paid any managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable.
12. In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
13. In our opinion all transactions with the related parties, are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully/partly paid debentures.
15. In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chandigarh

Date: 25-06-2020

For Singhal Karun & Co.  
Chartered Accountants

(Anil K. Goyal)

Proprietor

M.ship No.FCA-80255

CIN 20080255 \*\*\*\*\* 7949

**SATVA JEWELLERY AND DESIGN LIMITED**  
**Balance Sheet as at 31st March, 2020**  
(Amount in Rupees unless stated otherwise)

Particulars	Note	As at 31st Mar, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible Assets	2	7,323,053	8,266,390
Intangible Assets			
Long-Term Loans And Advances	3	94,550	94,550
<b>Total non-current assets</b>		<b>7,417,603</b>	<b>8,360,940</b>
<b>Current assets</b>			
Financial Assets			
-Cash and cash equivalents	4	900,447	2,331,997
Other Current Assets	5	163,309	216,158
<b>Total current assets</b>		<b>1,063,756</b>	<b>2,548,155</b>
<b>Total Assets</b>		<b>8,481,359</b>	<b>10,909,095</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	6	30,000,000	30,000,000
Other Equity	7	(37,642,686)	(36,133,198)
<b>Total Equity</b>		<b>(7,642,686)</b>	<b>(6,133,198)</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial Liabilities			
-Borrowings	8	10,394,200	10,394,200
-Trade payables	9	4,595,256	5,513,503
-Other financial liabilities	10	1,105,000	1,105,000
Other current liabilities	11	29,589	29,590
<b>Total current liabilities</b>		<b>16,124,045</b>	<b>17,042,293</b>
<b>Total liabilities</b>		<b>16,124,045</b>	<b>17,042,293</b>
<b>Total Equity and Liabilities</b>		<b>8,481,359</b>	<b>10,909,095</b>

Significant accounting policies

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The notes referred to above form an integral part of the Ind AS financial statements.

As per our report attached for the balance sheet

For Singhal Karun & Co.  
Chartered Accountants

CA Anil K. Goyal  
Proprietor  
M/ship No. FCA80255  
UDIN 20080255AAAAAS7949  
Place: Chandigarh  
Dated: 25th June 2020



For and on behalf of the Board of directors  
Satva Jewellery and Design Limited

Y Saboo  
Director  
DIN:00012158

S.K. Masown  
Director  
DIN:03542390



**SATVA JEWELLERY AND DESIGN LIMITED**

Statement of Profit and Loss for the period ended 31st March, 2020

(Amount in Rupees unless stated otherwise)

Particulars	Note	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>REVENUE</b>			
Other income	12	709,843	791,930
<b>Total Income</b>		<b>709,843</b>	<b>791,930</b>
<b>EXPENSE</b>			
Depreciation and amortization expense	13	943,337	1,002,639
Financial costs	14	1,200,000	1,200,000
Other expenses	15	75,995	46,675
<b>Total expenses</b>		<b>2,219,332</b>	<b>2,249,314</b>
<b>Profit (loss) before tax</b>		<b>(1,509,489)</b>	<b>(1,457,384)</b>
<b>Tax expense:</b>			
Current tax charge		-	-
MAT Credit Entitlement		-	-
Deferred tax charge (credit)		-	-
<b>Profit/(loss) for the year</b>		<b>(1,509,489)</b>	<b>(1,457,384)</b>
<b>Earnings per equity share [Nominal value of Rs.10 (previous year Rs.10)]</b>			
Basic (Rs.)		(0.50)	(0.49)
Diluted (Rs.)		(0.50)	(0.49)

Significant accounting policies

1

The notes referred to above form an integral part of the Ind AS financial statements.

As per our report attached to the balance sheet

For Singhal Karun & Co.  
Chartered Accountants



CA Anil K. Goyal  
Proprietor  
Membership No. FCA80255

UDIN 20080255AAAAAS7949

Place : Chandigarh  
Dated: 25th June 2020



For and on behalf of the Board of directors  
Satva Jewellery and Design Limited



Y Saboo  
Director  
DIN:00012158



S.K. Masown  
Director  
DIN:03542390



**SATVA JEWELLERY AND DESIGN LIMITED**  
**Cash flow statement for the year ended 31st March, 2020**  
**(Amount in Rupees unless stated otherwise)**

Particulars	For the year ended 31st March,2020	For the year ended 31st March 2019
<b>A. Cash flow from operating activities:</b>	(1,509,489)	(1,457,384)
Net profit before tax		
Adjustments for:		
Depreciation	943,337	1,002,639
Interest expense	1,080,000	1,080,000
Interest income	(109,843)	(171,930)
<b>Operating profit before working capital changes</b>		
Adjustments for:		
(Increase) / decrease in loans and advances	52,849	(30,309)
Increase / (decrease) in trade payables	(918,247)	992,738.76
Increase / (decrease) in other current liabilities	-	(378,850)
<b>Cash flow from operating activities before taxes</b>	<b>(461,393)</b>	<b>1,036,905</b>
Direct taxes paid / (refunds) (net)		6,163
<b>Net cash flow from operating activities</b>	<b>(461,393)</b>	<b>1,030,742</b>
<b>B. Cash flow from investing activities:</b>		
Interest received	109,843	171,930
<b>Net cash used in investing activities</b>	<b>109,843</b>	<b>171,930</b>
<b>C. Cash flow from financing activities:</b>		
Interest paid	(1,080,000)	(1,080,000)
<b>Net cash used in financing activities</b>	<b>(1,080,000)</b>	<b>(1,080,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,431,550)</b>	<b>122,672</b>
<b>Opening cash and cash equivalents</b>	<b>2,331,997</b>	<b>2,209,325</b>
<b>Closing cash and cash equivalents</b>	<b>900,447</b>	<b>2,331,997</b>
Excluding the following:		
Pledge in fixed deposit account against margin money	-	-

**Notes:**

1 Cash and cash equivalents include:	650	31,552
Cash in Hand	103,896	217,601
Balances with banks in current accounts	790,000	2,028,368
Fixed deposit with banks in deposit account	5,901	54,476
Interest accrued on deposits		
	<b>900,447</b>	<b>2,331,997</b>

2 The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard-7 on "Statement on Cash Flows"

3 Refer note no.1 for significant accounting policies.

For Singhal Karun & Co.  
Chartered Accountants

CA Anil K. Goyal  
Proprietor  
Membership No. FCA80255  
UDIN 20080255AAAAAS7949  
Place : Chandigarh  
Dated: 25th June 2020



For and on behalf of the Board of directors

*(Signature)*  
Y Saboo  
Director  
DIN: 00012158

*(Signature)*  
S.K. Masown  
Director  
DIN: 03542390

**SATVA JEWELLERY AND DESIGN LIMITED**

Notes to the Financial Statements for the year ended 31st March,2020

**2 Plant and equipment****Reconciliation of carrying amount**

	Plant and machinery	Total
Balance as at 1 April 2018	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>30,652,098</b>	<b>30,652,098</b>
Balance as at 1 April 2019	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>30,652,098</b>	<b>30,652,098</b>

**Accumulated depreciation**

Balance as at 1 April 2018	21,383,069	21,383,069
Depreciation for the year	1,002,639	1,002,639
<b>Balance as at 31 March 2019</b>	<b>22,385,708</b>	<b>22,385,708</b>
Balance as at 1 April 2019	22,385,708	22,385,708
Depreciation for the year	943,337	943,337
<b>Balance as at 31 March 2020</b>	<b>23,329,045</b>	<b>23,329,045</b>

**Carrying amounts (net)**

At 1 April 2018	9,269,029	9,269,029
At 31 March 2019	8,266,390	8,266,390
At 31 March 2020	7,323,053	7,323,053



SATVA JEWELLERY AND DESIGN LIMITED  
Notes forming part of the accounts as on 31st March, 2020  
(Amount in Rupees unless stated otherwise)

3. Long-Term Loans And Advances

Security Deposit

UHBVN - Panchkula (Haryana)

94,550

94,550

94,550

94,550

4. Cash and cash equivalents

Cash in Hand

650

31,552

Balances with banks in current accounts

103,896

217,601

Fixed deposit with banks in deposit account

790,000

2,028,368

(FDR of Rs. 7.90 Lac pledged with BOI as 100% margin for BG)

5,901

54,476

Interest accrued on deposits

900,447

2,331,997

5. Other Current Assets

TDS recoverable

21,285

30,309

Tax recoverable

25,364

69,189

MAT Recoverable

116,660

116,660

163,309

216,158

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	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>6. Share capital</b>				
<u>Authorised</u>				
Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
<u>Issued, optionally, subscribed and paid up</u>				
Equity shares of Rs.10 each fully paid up	3,000,000	30,000,000	3,000,000	30,000,000
	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
<b>(a) Reconciliation of share capital outstanding as at the beginning and at the end of the year</b>				
a) Equity shares of Rs. 10 each fully paid up				
At the beginning of the year	3,000,000	30,000,000	3,000,000	30,000,000
Add: converted during the year	-	-	-	-
At the end of the year	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
<b>(b) i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share except for the members whose calls are in arrears. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</b>				
<b>(c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates</b>				
	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up	3,000,000	30,000,000	3,000,000	30,000,000
KDDL Limited (holding company / ultimate holding company)				
<b>(d) Details of shareholders holding more than 5% shares of the Company</b>				
	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid up held by	3,000,000	100.00	3,000,000	100.00
KDDL Limited				
<b>7. Other Equity</b>				
(i) Retained Earnings				
Balance at beginning of the year		(36,133,197)		(34,675,813)
Add: Profit / (loss) for the year		(1,509,489)		(1,457,384)
Balance at the end of the year		<u>(37,642,686)</u>		<u>(36,133,197)</u>
	As at 31st March, 2020		As at 31st March, 2019	
<b>8. Short term borrowing</b>				
KDDL Ltd		10,394,200		10,394,200
		<u>10,394,200</u>		<u>10,394,200</u>
<b>9. Trade payable</b>				
Other trade payables		4,595,256		5,513,503
- To related parties		<u>4,595,256</u>		<u>5,513,503</u>
# There are no micro, small and medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.				
# The previous year figures have been reclassified and regrouped wherever necessary.				
<b>10. Other financial liabilities</b>				
Interest due but not paid		1,080,000		1,080,000
Expenses payable		25,000		25,000
		<u>1,105,000</u>		<u>1,105,000</u>
<b>11. Other current liabilities</b>				
TDS Payable		29,589		29,590
		<u>29,589</u>		<u>29,590</u>



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**SATVA JEWELLERY AND DESIGN LIMITED**  
Notes forming part of the accounts as on 31 Mar, 2020  
(Amount in Rupees unless stated otherwise)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>12. Other income</b>	109,843	171,930
Interest Income	600,000	600,000
Lease Rent	-	20,000
Misc Income	<b>709,843</b>	<b>791,930</b>
<b>13. Depreciation</b>	943,337	1,002,639
Depreciation	<b>943,337</b>	<b>1,002,639</b>
<b>14. Financial costs</b>	1,200,000	1,200,000
Interest Expenses	<b>1,200,000</b>	<b>1,200,000</b>
<b>15. Other expenses</b>	-	1,500
Legal and professional Expenses	25,000	25,000
Audit fees	350	15,600
Rates, Taxes & Fees	50,645	-
Bank Charges	-	4,575
General Expenses	<b>75,995</b>	<b>46,675</b>

*Signature*



## 16 . Related parties

### a. Related parties and nature of related party relationship, where control exists:

Description of Relationship	Name of the Party
Holding / Ultimate Holding Company	KDDL Limited
Directors:	1) MrYashovardhan Saboo 2) Mr Pascal Vincent Vaucher 3) Mr Sanjeev Kumar Masown 4) Mr Rakesh Mohunta

### b. Transactions with related parties

Nature of transactions	As at 31 March 2020	As at 31 March 2019
Interest expenses	1,200,000	1,200,000
- KDDL Ltd	1,200,000	1,200,000
Lease Rent	600,000	600,000
- KDDL Ltd	600,000	600,000
Reimbursement of Expenses	-	4,575
- KDDL Ltd	-	4,575

### d) Outstanding balances as at year end

Particulars	As at 31 March 2020	As at 31 March 2019
Long Term Borrowing Payables	10,394,200	10,394,200
- KDDL Ltd	10,394,200	10,394,200
Other trade payables	4,595,256	5,513,503
- KDDL Ltd	4,595,256	5,513,503
Other financial liabilities	1,080,000	1,080,000
- KDDL Ltd	1,080,000	1,080,000

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**SATVA JEWELLERY AND DESIGN LIMITED**

Statement of changes in Equity for the year ended 31st March,2020

Total

**a. Equity share capital**

				30,000,000
Balance as at 1st April,2018				-
Changes in equity share capital during 2018-19				30,000,000
Balance as at 31st March,2019				-
Changes in equity share capital during 2019-20				30,000,000
Balance as at 31st March,2020				

**b. Other Equity**

Particulars	Retained earnings	Compulsory convertible cumulative shares	convertible preference	Securities premium	Total
Balance as at 1st April,2018	(34,675,813)	-	-	-	(34,675,813)
-Loss for the year	(1,457,384)	-	-	-	(1,457,384)
As at 31st March,2019	(36,133,197)	-	-	-	(36,133,197)
-Loss for the year	(1,509,489)	-	-	-	(1,509,489)
As at 31st March,2020	(37,642,686)	-	-	-	(37,642,686)

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Significant accounting policies

The notes referred to above form an integral part of the financial statements.

As per our report attached to the balance sheet

For Singhal Karun & Co.  
Chartered Accountants

CA Anil K. Goyal

Proprietor

Membership No. FCA80255

UDIN 20080255AAAAAS7949

Place : Chandigarh

Dated: 25th June 2020



For and on behalf of the Board of directors  
Satva Jewellery and Design Limited

Y Saboo S.K. Masown  
Director Director  
DIN:00012158 DIN:03542390

# SATVA JEWELLERY AND DESIGN LIMITED

Notes to the financial statements for the year ended 31st March, 2020

## 17 Financial instruments - fair values and risk management

17 Financial instruments - fair values and risk management					
I.	Financial instruments by category and fair values	Note	Level of hierarchy	As at	As at
				31 March 2020	31 March 2019
				Amortised cost	Amortised cost
<b>Financial assets</b>					
<b>Current</b>					
	Cash and cash equivalents	(a)		900,447	2,331,997
				<b>900,447</b>	<b>2,331,997</b>
<b>Total</b>					
<b>Financial liabilities</b>					
<b>Current</b>					
	Borrowings	(a)		10,394,200	10,394,200
	Trade payables	(a)		4,595,256	5,513,503
	Other financial liabilities	(b)		1,105,000	1,105,000
				<b>16,094,456</b>	<b>17,012,703</b>
<b>Total</b>					

### Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.



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**20 Capital Management****(i) Risk management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

	31 March 2020	31 March 2019
Total liabilities	16,124,045	17,042,293
Less: cash and cash equivalents	(900,447)	(2,331,997)
<b>Adjusted net debt</b>	<b>15,223,598</b>	<b>14,710,296</b>
Total equity	(7,642,686)	(6,133,198)
<b>Adjusted net debt to equity ratio</b>	<b>(1.99)</b>	<b>(2.40)</b>

**21 Amalgamation with KDDL Ltd**

The Shareholders of the Company in its meeting held on 7<sup>th</sup> February, 2018 had approved the scheme of amalgamation of the Company with its holding Company "KDDL Limited".

The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench, had passed an order dated 15<sup>th</sup> October, 2019 directing both the Companies that the scheme should be considered as per the procedure laid down in Section 232 of the Act. Accordingly, the Board of Directors of the Company at its meeting held on 3<sup>rd</sup> December, 2019 and 26<sup>th</sup> May, 2020 respectively approved to file a new scheme of amalgamation under section 232 together with other applicable provisions of the Act and the proposed appointed date has been changed from April 01, 2017 to April 01, 2019.





## II. Financial risk management

### (i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

### (ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans.

#### Trade receivables

The Company is presently not carrying out any business. It earns its income by leasing out of its plant & equipments to its holding company only. The amount being received as lease money is being adjusted with amount payable to them. As such there is no risk in Trade Receivable for the time being.

#### Cash and cash equivalents

The Company holds cash and cash equivalents of Rs.900,447 at 31 March 2020 (31 March 2019: Rs.2,331,997). The cash and cash equivalents are held in office and with scheduled banks. This includes a Fixed deposit of Rs. 7,90,000/- pledged to Bank of India as margin money against Bank Guarantee.

### (iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company has suffered losses and is liable to pay its liabilities but its liquidity is struck up with Bank in Margin Money and is not able to use its surplus funds to pay its liabilities.



## 18 Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

## 31 March 2020

	Carrying amount	Total	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
-Borrowings(including current maturities)	10,394,200	10,394,200	10,394,200	-	-
-Trade payables	4,595,256	4,595,256	4,595,256	-	-
-Interest accrued & due	1,080,000	1,080,000	1,080,000	-	-
	<b>16,069,456</b>	<b>16,069,456</b>	<b>16,069,456</b>	<b>-</b>	<b>-</b>

## 31 March 2019

	Carrying amount	Total	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
-Borrowings(including current maturities)	10,394,200	10,394,200	10,394,200		
-Trade payables	5,513,503	5,513,503	5,513,503		
-Interest accrued & due	1,080,000	1,080,000	1,080,000		
	<b>16,987,703</b>	<b>16,987,703</b>	<b>16,987,703</b>	<b>-</b>	<b>-</b>

## 19 Market Risk

In the present market scinerio, the Company has given its prime machine (CNC) to its holding Company on lease.



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