

SAI VA JEWELLERY AND DESIGN LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

(All amounts in Rupees, unless stated otherwise)

Particulars	Note	As at 31st Mar 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	30,000,000	30,000,000
Reserves and surplus	3	(32,528,058)	(36,091,043)
Current liabilities			
Other current liabilities	4	15,440,626	19,426,527
Total		12,912,569	13,335,487
ASSETS			
Fixed assets			
Tangible assets	5	10,681,211	11,509,520
Non-current assets			
Long term loans and advances	6	94,550	103,570
Current assets			
Cash and cash equivalents	7	1,238,737	969,878
Other current assets	8	898,072	752,519
Total		12,912,569	13,335,487

Notes 1 to 13 form an integral part of these financial statements.

AUDITORS' REPORT

As per our report of even date annexed

For SINGHAL KARUN & CO.
CHARTERED ACCOUNTANTS

(ANIL K. GOYAL)
PROPRIETOR
MEMBERSHIP NO. FCA80255

PLACE : Chandigarh
DATE : 26-05-2017



FOR AND ON BEHALF OF THE BOARD

(Y. SABOO)
DIRECTOR

(S.K. MASOON)
DIRECTOR

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2017

(All amounts in Rupees, unless stated otherwise)

Particulars	Note	For the year ended 31st Mar 2017	For the year ended 31st March 2016
REVENUE			
Other income	9	3,022,558	749,901
Total revenue		3,022,558	749,901
EXPENDITURE			
Finance costs	10	1,507,496	1,571,964
Depreciation and amortisation expense	11	828,309	1,329,475
Other expenses	12	74,528	632,027
Total expenses		2,410,333	3,533,466
V. Profit/(Loss) before exceptional and extraordinary items and tax		612,225	(2,783,565)
Exceptional items		-	-
Profit/(Loss) before tax		612,225	(2,783,565)
Tax expense:			
Current tax		-	-
Minimum Alternate Tax credit entitlement		-	-
Deferred tax		-	-
Profit/(Loss) after tax		612,225	(2,783,565)
Add : balance brought forward from previous year		(36,091,043)	(33,307,477)
Loss carried forward		(35,478,818)	(36,091,042)
Earning per equity share of face value of Rs. 10 each			
Basic		0.20	Negative
Diluted		0.20	Negative

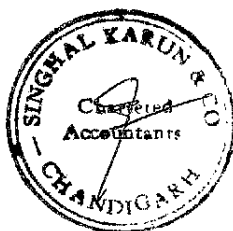
Notes 1 to 13 form an integral part of these financial statements.

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For SINGHAL KARUN & CO.
CHARTERED ACCOUNTANTS

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DATE : 26-05-2017



FOR AND ON BEHALF OF THE BOARD

(S. SABOO)
DIRECTOR

(S.K. MASOWN)
DIRECTOR

SATVA JEWELLERY AND DESIGN LIMITED
CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2017

	For the year March 31, 2017	For the year ended March 31, 2016
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	612,223	(2,783,565)
Adjustments for:		
Depreciation	828,309	1,329,475
Finance costs	1,507,496	1,571,964
Interest income	(162,900)	(149,901)
Liabilities no longer required written back	(2,259,657)	-
Amount Written off	9,020	368,075
Operating profit before working capital changes	<u>534,490</u>	<u>336,048</u>
Adjustments for:		
Other current assets	(145,553)	(120,845)
Other current liabilities	(1,726,244)	1,190,435
Cash generated from operating activities	<u>(1,337,307)</u>	<u>1,405,639</u>
Income tax refund/(paid)		
Net cash from operating activities	<u>(1,337,307)</u>	
Cash flow from investing activities		
Interest received	162,900	149,901
Net cash from investing activities	<u>162,900</u>	
Cash flow from financing activities		
Movement in restricted cash	-	(28,675)
Long-term borrowings from Collaborator written back	2,950,760	-
Finance cost	(1,507,496)	(1,571,964)
Net cash from/(used in) financing activities	<u>1,443,264</u>	
Net increase in cash and cash equivalent	268,857	
Cash and cash equivalents (opening balance)	41,301	
Cash and cash equivalents (closing balance)	<u>310,158</u>	
Excluding the following:		
Pledge in fixed deposit account against margin money	928,578	
Balance as per books of account	<u>1,238,737</u>	

Notes 1 to 19 form an integral part of these financial statements.

AUDITORS' REPORT

As per our report of even date annexed

FOR SINGHAL KARUN & CO.
CHARTERED ACCOUNTANTS

(ANIL K. GOYAL)
 PROPRIETOR
 M/ship No. : FCA80255

PLACE : Chandigarh
 DATE : 26-05-2017



FOR AND ON BEHALF OF THE BOARD

(Signature)
 (Y. SABOO)
 DIRECTOR

(Signature)
 (S.K. MASOWN)
 DIRECTOR

SATVA JEWELLERY AND DESIGN LIMITED

Notes to the financial statements for the period ending as on 31st March, 2017

1 Corporate information

- The company was incorporated in 2004 and had set up a facility to carry out business of Diamond and stone fixation on watch accessories and Jewellery items.
- The company has given its part of facility on lease to KDDL Ltd vide extended agreement dt 14.5.2015 for a period of three years, as such the operations in the plant are presently being carried out by the lessee. The agreement was effective upto 31.3.2017, and has since been renewed.

Address:

Regd office: SCO-88-89, sector-8C, Chandigarh-160008

CIN No.: U36911CH2004PLC027767

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statement :

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under the companies (accounting standards) rules, 2006 (as amended) and the relevant provisions of the companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates :

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

2.3 Inventories :

As the facility is given on lease, the company do not have any inventory of raw materials, work in progress, components, stores & spares and finished goods.

2.4 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks.

2.5 Cash flow statement :

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation on Fixed Assets has been provided on rates calculated on the basis of useful life of respective asset as given in Schedule-II of the Companies Act 2013.

2.7 Revenue recognition

Item of Income and expenditure are recognised on accrual basis

2.8 Other income

Lease rentals and the Interest income is accounted on accrual basis.

2.9 Tangible fixed assets

Fixed assets are shown at carrying value i.e. Cost of acquisition less depreciation calculated on the basis of useful life less salvage value.

2.10 Investments

Long-term investments (excluding investment in properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. The company has not made investment in properties. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for tangible fixed assets. Impairment of investment property is determined in accordance with the policy stated for impairment of assets.



2.11 Employee benefits

The provisions of employees provident fund act and payment of gratuity act are not applicable to the company. Therefore no long term or short term benefits which are not paid during the year, are being recognised.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred are charged to the statement of profit and loss over the tenure of the loan.

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is not computed as the company do not have any dilutive potential equity shares at the date of balance sheet.

2.14 Taxes on income

- Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

- Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax.

Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the company.

- In view of accumulated losses, there is no deferred tax liability. However there are deferred tax assets but due to uncertainties in generation of adequate profits in future the deferred tax assets are also not recognised in the statement of profit and loss.

2.15 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in case of revalued assets.

2.16 Provisions and contingencies

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

2.17 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.18 Foreign Currency Transactions

Transactions arising in foreign currencies during the year are converted at the rates closely approximating those prevailing on the dates of transactions. Assets and Liabilities in foreign currency as at the date of Balance Sheet are restated at exchange rates prevailing as on that date. All exchange differences arising from conversion are adjusted with exchange gains/losses from import payments and the net with exchange gains/losses from import payments and the net balance is accounted for in the Profit and Loss Account.



SATVA JEWELLERY AND DESIGN LIMITED

Notes to the financial statements for the period ending as on 31st March, 2017

(All amounts in Rupees, unless stated otherwise)

	As at 31st Mar 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
2. Share capital				
Authorised share capital				
Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
Total	3,000,000	30,000,000	3,000,000	30,000,000

a. The Company has only one class of equity shares having a par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of 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. Reconciliation of equity share capital

Equity share capital of Rs. 10 each fully paid up

Balance at the beginning of the year	3,000,000	30,000,000	3,000,000	30,000,000
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	3,000,000	30,000,000	3,000,000	30,000,000

c. Shareholders holding more than 5% of shares

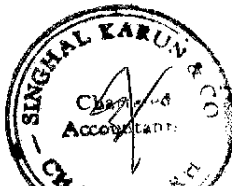
Name		Number	Amount	Number	Amount
KDDL Limited	100%	3,000,000	30,000,000	1,500,000	15,000,000
PV Holding SA	50%	-	-	1,500,000	15,000,000

	As at 31st Mar 2017	As at 31st March 2016
3. Reserves and surplus		
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(36,091,043)	(33,307,477)
Add: ECB Loan amount written off	2,950,760	-
Add: Transferred from statement of profit and loss	612,225	(2,783,565)
Balance at the end of the year	(32,528,058)	(36,091,043)

	As at 31st Mar 2017	As at 31st March 2016
4. Other current liabilities		
Current maturities of long term debts		
Secured loan from Indian collaborator ##	10,000,000	10,000,000
-Unsecured Loan from foreign collaborator #	-	4,803,859
-Unsecured Loan from Indian collaborator	394,200	394,200
Other liabilities	37,687	50,581
Creditor for expenses	5,008,739	4,177,887
Total	15,440,626	19,426,527

#ECB Loan From Foreign Collaborator outstanding as on 31.3.2016 (CHF 71000 equivalent to Rs 29,50,760/-at prevailing exchange rate at the time of borrowing) has been written off as per Shareholders Agreement dt 14.12.2016 due to continuous losses. The accumulated interest payable on this loan and increase in liability due to exchange loss has also been waived.

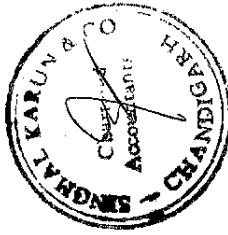
Loan from related party is secured by hypothecation of all the Plant & Machinery owned by the Company as on date or to be acquired in future and all stocks of Raw Material, Work in Progress, Semi finished goods, Finished goods and Book Debts, present and future of the Company.



SATVA JEWELLERY AND DESIGN LIMITED
Notes to the financial statements for the period ending as on 31st March, 2017

5. Fixed Assets

Sr. No	Particulars	Gross Block					Depreciation			Net Block	
		Value as on 1.4.2016	Additions during the year	Deduction during the year	Value as on 31.03.2017	Value as on 1.4.2016	Charge for the period	Adjustments	Value as on 31.03.2017	WDV as on 31.03.2017	WDV as on 31.03.2016
1	Plant and Equipment	30,652,098	-	-	30,652,098	19,142,578	828,309	-	19,970,887	10,681,211	11,509,521
2	Furnitures & Fixtures	1,368,401	-	-	1,368,401	1,368,401	-	-	1,368,401	-	-
3	Office Equipment	807,837	-	-	807,837	807,837	-	-	807,837	-	-
4	Vehicles	768,453	-	-	768,453	768,453	-	-	768,453	-	-
	TOTAL	33,596,789	-	-	33,596,789	22,087,270	828,309	-	22,915,578	10,681,211	11,509,521
	Previous year (Totals only)	33,596,789	-	-	33,596,789	20,757,794	1,329,475	-	22,087,270	11,509,520	12,838,991



SATVA JEWELLERY AND DESIGN LIMITED

Notes to the financial statements for the period ending as on 31st March, 2017

(All amounts in Rupees, unless stated otherwise)

	As at 31st Mar 2017	As at 31st March 2016
6. Long term loans and advances		
Security Deposit		
a) Secured, considered good :	94,550	103,570
Total	<u>94,550</u>	<u>103,570</u>
	As at 31st Mar 2017	As at 31st March 2016
7. Cash and bank balances		
Cash and cash equivalents		
- Cash in hand	11,552	11,552
- Balance in Current Account with Bank	298,607	29,748
- Fixed deposit with banks in deposit account	928,578	928,578
Total	<u>1,238,737</u>	<u>969,878</u>
	As at 31st Mar 2017	As at 31st March 2016
8. Other current assets		
TDS recoverable	54,727	54,739
Interest accrued on deposits	843,345	697,780
Total	<u>898,072</u>	<u>752,519</u>



SATVA JEWELLERY AND DESIGN LIMITED

Notes to the financial statements for the period ending as on 31st March, 2017

(All amounts in Rupees, unless stated otherwise)

	As at 31st Mar 2017	As at 31st March 2016
9 Other income		
Interest income	162,900	149,901
Liability no longer written back	2,259,658	-
Lease Rent	600,000	600,000
Total	3,022,558	749,901

	As at 31st Mar 2017	As at 31st March 2016
10 Finance cost		
Interest expense	1,507,496	1,571,964
Total	1,507,496	1,571,964

	As at 31st 2017	As at 31st March 2016
11 Depreciation		
Depreciation	828,309	1,329,475
Total	828,309	1,329,475

	As at 31st 2017	As at 31st March 2016
12 Other Expenses		
Rates and taxes	10,977	1,224
Legal and professional	25,877	51,688
- Audit fee	25,000	20,000
Exchange rate fluctuation	-	190,990
<i>Genral Expenses</i>	2,397	-
Bank charges	126	50
Amounts written off	9,020	368,075
Interest others	1,131	-
	74,528	632,027



SATVA JEWELLERY AND DESIGN LIMITED

Notes to the financial statements for the period ending as on 31st March, 2017

Note 13 Additional information to the financial statements

13.1 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2017	As at 31 March 2016
Counter Guarantee to Bank for Custom duty saved against EPCG Licences, pending redemption	21,71,804	21,71,804
The company has submitted the EPCG license with DGFT for redemption. Redemption certificate is yet to be received		

13.2

a No provision for mat due to carry forward losses in the books as per provision of Income tax 1961.

In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised the ordinary course of business.

b The provision of all known liabilities is adequate and not in excess of the amount considered reasonable.

c Debit and credit balances in the accounts of the parties are subject to confirmation and reconciliation.

d There is no deferred tax liability in view of carry forward losses. There is deferred tax asset but due to uncertainties the deferred tax asset is not recognised.

e The Company has written off Principal amount of ECB Loan of Rs. 29,50,760 along with accrued interest Rs. 4,06,558 and exchange difference liability Rs. 18,53,099 payable to foreign collaborator as the same has been waived off by them vide shareholders agreement dt. 14.12.2016.

f Consequent upon sale of shares held by joint venture partner PV Holdings SA, to KDDL Limited, the company has become 100% Subsidiary of KDDL Ltd.

g The Company has not deposited any specified note in its Bank Accounts during the period from 9th Nov 2016 to 31st Dec.2016 as per the annexure

	SBN's	Other denomination	Total
Closing cash in hand as on 08.11.2016	-	11,552	11,552
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016		11,552	11,552

h Previous year figures have been regrouped or rearranged, wherever considered necessary.

15.3 Related Party Disclosure

1) Associate Company

Name of the party:

KDDL Ltd

PV Holding SA

2) Summary of Transaction entered into with related party:

KDDL Ltd

Particulars of transaction	2016-17	2015-16
Lease rent received	6,00,000	6,00,000
Interest Charges paid	15,07,496	15,07,496
Expenses reimbursed	1,71,773	1,75,884
Amount Payable as on 31.3.17 (including loan amount)	1,53,77,939	1,41,43,416

PV Holding SA

Particulars of transaction	2016-17	2015-16
Interest Charges paid	-	64,468
Amount Payable as on 31.3.17 (including loan amount)	-	48,03,859

Auditors' report

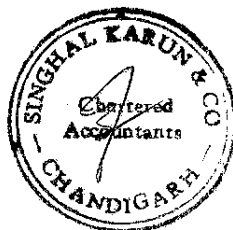
As per our report of even date attached.

FOR SINGHAL KARUN & CO.
CHARTERED ACCOUNTANTS

(ANIL K. GOYAL)
PROPRIETOR
M/ship No. : FCA80255

PLACE : CHANDIGARH

DATE : 26-05-2017



(Signature)
(Y. SABOO)
(DIRECTOR)

(Signature)
(S.K. MASOUMI)
(DIRECTOR)