KDDL Limited

Kamla Centre, SCO 88-89, Sector 8-C, Chandigarh - 160 009, INDIA. Tel: +91 172 2548223/24, 2544378/79
Fax: +91 172 2548302, Website:www.kddl.com CIN-L33302HP1981PLC008123

Ref : KDDL/CS/2020-21/67

Date : 19th November, 2020

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 the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors pursuant to the order of Hon'ble National Company Law Tribunal, Chandigarh Bench

Dear Sir/ Madam,

With reference to captioned subject, please find enclosed copy of notices of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors convened by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 10th November, 2020, in the matter of the Scheme of Amalgamation of "Satva Jewellery and Design Limited" with "KDDL Limited" under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Kindly take the same on record.

Thanking you,

Yours truly

For KDDL Limited

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, **Fax:** 0172-2548302

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF KDDL LIMITED CONVENED PURSUANT TO ORDER DATED 10TH NOVEMBER 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH

Particulars	Meeting of the Equity Shareholders of KDDL Limited
Day	Saturday
Date	19th December, 2020
Time	10:00 A.M
Venue/Manner of Participation	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Chandigarh, the meeting shall be conducted through Video Conferencing.. Equity Shareholders can join the meeting by logging on to https://www.evotingindia.com and by following the steps mentioned in this notice. The venue of the meeting shall be deemed to be the Registered Office address of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220.

Sr. No.	Contents	Page No
1.	Notice of the meeting of the Equity Shareholders of KDDL Limited as per the directions of the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench.	2
2.	Explanatory Statement under Section 102 read with Sections 230 to 232 of Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	7
3.	Scheme of Amalgamation.	15
4.	Supplementary accounting statements of Satva Jewellery and Design Limited and KDDL Limited for the period ended 30th September, 2020.	27
5.	A copy of the NCLT order dated 10th November, 2020.	51
6.	Proxy Form	57

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
CA (CAA) No. 25/Chd/HP/2020

In the matter of Companies Act, 2013
And
In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013
And
In the matter of the Scheme of Amalgamation of Satva Jewellery and Design Limited **(Transferor Company/ Applicant Company-1)**
With
KDDL Limited **(Transferee Company / Applicant Company-2)**

KDDL Limited (CIN: L33302HP1981PLC008123), a company incorporated under the Companies Act, 1956 and having registered office at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220.

……Applicant Company-2/ Transferee Company in CA (CAA) No. 25/Chd/HP/2020

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF TRANSFEREE COMPANY / APPLICANT COMPANY-2 CONVENED PURSUANT TO ORDER DATED 10TH NOVEMBER 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH

To,

Equity Shareholders of KDDL Limited -Transferee Company / Applicant Company-2

Notice is hereby given that by an order dated the 10th November, 2020 the Chandigarh Bench of the National Company Law Tribunal has directed separate meetings of Equity Shareholders and Secured and Unsecured Creditors of KDDL Limited (Transferee Company / Applicant Company-2) for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation between "Satva Jewellery and Design Limited" (Transferor Company/ Applicant Company-1) and "KDDL Limited"(Transferee Company / Applicant Company-2). Meetings of Transferor Company/ Applicant Company-1have been dispensed with by NCLT.

In pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Transferee Company / Applicant Company-2 will be held on Saturday, 19th December, 2020 through Video Conferencing ("VC") at 10.00 a.m. which the members are requested to attend.

Copies of the Scheme and Statement containing necessary details required to be furnished pursuant to Section 102 read with Section 230(3) can be obtained free of charge at the registered office of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H.P) -173220 or at the office of its Advocate, Mrs Munisha Gandhi, 62, Sector 2, Chandigarh - 160001

Persons entitled to attend and vote at the meeting(s) to be held through VC, may vote in person or by proxy, provided that the proxies in the prescribed form are deposited at the registered office of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220 not later than 48 hours before the meeting. Forms of proxy can be had at the registered office of the Company.

NCLT has appointed Mr. Pushkar Sood, Advocate to be the Chairperson and Ms. Sehej Sandhawalia, Advocate to be the Alternate Chairperson and Mr. Jaspreet Singh Dhawan, Company Secretary to be the Scrutinizer of the aforesaid meeting.

The above mentioned Scheme of Amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Hon'ble NCLT, Chandigarh.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Act and the provisions of the memorandum of association and the articles of association of the Transferee Company, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

"RESOLVED THAT pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modifications or re-enactment thereof) as may be applicable, the provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and subject to the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, Chandigarh Bench (hereafter referred as the **Hon'ble Tribunal**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble Tribunal, or by any regulatory or other authorities, while granting such consents, approvals

and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **Board**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Scheme of Amalgamation of Transferor Company/ Applicant Company-1 with Transferee Company / Applicant Company-2 and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act (**"Scheme"**) as enclosed to the notice of the Tribunal convened meeting of the Equity Shareholders of the Transferee Company and placed before this meeting, be and is hereby approved."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and / or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

In compliance with the provisions of (i) Section 230 read with Section 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company-2 has provided the facility of voting by remote electronic voting (**"remote e-voting"**) and e-voting during the NCLT convened meeting using facility offered by Central Depository Services (India) Limited (**"CDSL"**) so as to enable the equity shareholders, to consider and approve the Scheme by way of the aforesaid resolution.

The voting rights of the Equity Shareholders shall be in proportion to their shareholding in the Transferee Company / Applicant Company-2 as on date.

Explanatory Statement under Section 230(3) read with Section 102 of the Act along with copy of the Scheme and other enclosures, as indicated in the index, are enclosed herewith.

For KDDL Limited

Date : 12th November, 2020
Place : Chandigarh

Brahm Prakash Kumar
Company Secretary

Notes*:*

1. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and in terms of the order dated 10th November, 2020 passed by the Hon'ble Tribunal read with general circular issued by Ministry of Corporate Affairs ('**MCA**') viz. circular no. 14 of 2020 dated April 08, 2020, circular no. 17 of 2020 dated April 13, 2020, circular no. 20 of 2020 dated May 05, 2020 and circular no.33 dated September 28, 2020 (collectively referred to as '**MCA Circulars**')and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the meeting is being convened through Video- Conferencing (VC) without the physical presence of the Shareholders at a common venue.
2. The Explanatory Statement pursuant to Section 102 read with Sections 230 to 232 of the Companies Act, 2013 ('**Act**') and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Company will be available for inspection by the Equity Shareholders at the Registered Office of the Transferee Company / Applicant Company-2during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the meeting.
4. Corporate Shareholders intending to authorise their representatives to participate and vote through e-voting on their behalf during the meeting are requested to send a certified copy of the Board Resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, 48 hours before the meeting to the Company at investor.complaints@kddl.com
5. Pursuant to MCA Circulars, Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
6. Notice of the meeting will also be sent through e-mail to all such Equity Shareholders who have registered their e-mail ids with the Transferee Company / Applicant Company-2.
7. This Notice will also be available on the Company's website i.e. www.kddl.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
8. In terms of the directions contained in the Order, "The quorum of the meeting of the Equity Shareholders shall be 1815 in number and 40% in value of the equity shareholders. Further, the Order directs that in case the required quorum as noted above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum.
9. Members attending the meeting through VC shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013. Further, the Order directs that for the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meetings, is filed with the registered office of the Applicant Company 2, at least 48 hours before the meetings.

10. In terms of the directions contained in the Order, notice convening the meeting through this notice is also being published in the Financial Express (English), Himachal Pradesh and Chandigarh Edition and Jansatta (Hindi), Himachal Pradesh and Chandigarh Edition.

11. Pursuant to order of Hon'ble Tribunal read with MCA Circulars, the Company is pleased to provide e-voting facility through CDSL to its Equity Shareholders as on Friday, 11th December, 2020 ('**cut-off date**'). It is hereby clarified that it is mandatory for Equity Shareholders to vote using the e-voting facility only, subject to compliance with the instructions for e-voting. The voting right may be exercised either by remote e-voting within prescribed period OR by e-voting during the meeting being convened through VC. The Equity Shareholders desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions set out in the notes below under the heading "Voting Process and other instructions regarding e-voting".Any person who becomes a Shareholder of the Applicant Transferee Company after dispatch of the Notice and holds shares of the Applicant Transferee Company as on the cut-off date may cast his vote by following the instructions of remote e-voting and voting during the meeting provided in this Notice.

12. As directed by Hon'ble Tribunal, Mr. Jaspreet Singh Dhawan, Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting during the meeting and remote e-voting process in a fair and transparent manner.

13. The Scrutinizer shall, immediately after and not later than 48 hours from conclusion of the meeting, make a consolidated Scrutinizer's Report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the meeting, in writing, who shall countersign the same.

14. The result of the voting shall be announced by the Chairman of the meeting in writing upon receipt of the Scrutinizer's Report. The results announced, along with the Scrutinizer's Report, shall be displayed at the Registered Office of the Transferee Company and its website viz. www.kddl.com and on the website of CDSL, immediately after declaration. The results shall also be immediately forwarded to the stock exchanges where the Company's equity shares are listed i.e. BSE Limited and National Stock Exchange of India Limited.

15. The voting rights of the Equity Shareholders shall be in proportion to their shareholding in the Transferee Company as on cut-off date.

16. The Scheme shall be considered approved by the Equity Shareholders of the Transferee Company if the resolution mentioned above in the notice has been approved by majority of persons representing three-fourths in value of the Equity Shareholders in terms of Sections 230 to 232 of the Act.

17. The Shareholders, seeking any information with regard to any matter to be placed at the meeting, are requested to write to the Company on or before 16thDecember, 2020, through Email on investor.complaints@kddl.com. The same will be replied by/ on behalf of the Company suitably.

18. Since the Meeting will be held through VC, route map of venue of the Meeting and admission slip is not attached to this Notice.

19. Voting Process and other instructions regarding e-voting:

    (a) The remote e-voting period will commence on Tuesday, 15th December, 2020 at 09:00 a.m. and will end on Friday, 18th December, 2020 at 05:00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e., Friday, 11th December, 2020 may cast their vote electronically in the manner and process set out hereinbelow. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently. Further, the member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote at the meeting.

    (b) Instructions for Remote e-voting are as under:

    (i) The shareholders need to visit the e-voting website http://www.evotingindia.com

    (ii) Click on "Shareholders" module.

    (iii) Now enter your User ID

        a. For CDSL: 16 digits beneficiary ID,

        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

        c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

    (iv) Next enter the Image Verification as displayed and Click on Login.

    (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

    (vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in email.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution on which you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting**".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

20. Process for those shareholders who wish to obtain login credentials for e-voting for the resolutions proposed in this notice but whose email addresses are not registered with the depositories :

(i) For Members holding shares in physical form- Please provide necessary details like folio no., name of shareholder, scanned copy of the share certificate (front and back), self attested scanned copy of the PAN Card, and self attested scanned copy of any document (eg.: Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member by email to Company at investor.complaints@kddl.com

(ii) For Members holding shares in demat form - Please provide demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), name, client master or copy of consolidated account statement, PAN (self attested scanned copy of PAN Card), Aadhar (selfattested scanned copy of Aadhar Card) to Company email ids as mentioned above.

21. Information and instructions for Members attending the meeting through VCare as under:

(i) To join the meeting, the shareholders should log on to the e-voting website http://www.evotingindia.com/ and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your name.

In the "last name" field - Enter your folio no. as informed in e-mail

In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

Event will start and you will be in the meeting through Video conferencing.

You can join meeting through laptop, tablet, and desktop.In case you want to join through mobile, you need to download the webex meet app from the respective play store .

Pre-requisite for joining of meeting through desktop or laptop:

1. System requirement:
   - Windows 7, 8 or 10
   - I3
   - Microphone, speaker
   - Internet speed minimum 700 kbps
   - Date and time of computer should be current date and time

Pre-requisite for joining of meeting through mobile:

- Please download webex application from play store

NOTE: IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-INDURING THE MEETING.

22. Instructions for Members for e-voting during the meeting are as under :

a) The procedure for e-voting on the day of the meeting is same as the instructions mentioned above for remote e-voting.

b) Only those Members , who are present in the meeting through VC 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 available during the meeting.

c) If votes are cast by the Members through e-voting available during the meeting and if same members have not participated in the meeting through VC facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

23. Other Instructions :

(i) Note for Non – Individual Members and Custodians

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investor.complaints@kddl.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(ii) In case of any query or grievance pertaining to e-voting, members may contact Mr. Rakesh Dalvi, Manager, th CDSL, A Wing, 25 Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel, East Mumbai 400013. Email: helpdesk.evoting@cdslindia.com, Tel.: 1800-225-533. Further, Members may also contact with Mr. Deepanshu Rastogi, Asst. Manager, MAS Services Limited, RTA at info@masserv.com or on Telephone No.: 011-26387281/82/83.

(iii) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Friday, 11th December, 2020 may follow the same instructions as mentioned above for remote e-voting and e-voting at the meeting.

KDDL Limited

(**CIN** - L33302HP1981PLC008123)

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

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

Phone: 0172-2548223/24, **Fax:** 0172-2548302

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 10th November, 2020 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench (the '**NCLT'/ 'Tribunal**'), in Company Application No. **CA (CAA) No. 25/Chd/HP/2020**, a meeting of Equity Shareholders of the Company of – Transferee Company / Applicant Company-2 is being convened on Saturday, 19th December, 2020 at 10:00 a.m. through Video Conferencing without the physical presence of the Equity Shareholders at a common venue for the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation between "Satva Jewellery and Design Limited" **-** Transferor Company/ Applicant Company-1 ("**SJDL**") and "KDDL Limited" – Transferee Company / Applicant Company-2 ("**KDDL**") under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('**Scheme**').

2. The Board of Directors of the Applicant Companies at their respective meetings held on 3rd December, 2019 unanimously approved the scheme. Further, the Board of Directors of the Applicant Companies at their Board meetings held on 26th May, 2020 unanimously approved the changes, made in the scheme of amalgamation due to increase in paid up equity share capital of the Transferee Company post 31st March, 2019. A copy of the said scheme is attached as Annexure I.

3. The Scheme provides for amalgamation between "Satva Jewellery and Design Limited" **-** Transferor Company/ Applicant Company-1 and "KDDL Limited" –Transferee Company / Applicant Company-2 and the dissolution of the Transferor Company/ Applicant Company-1 without winding up.

4. **Particulars of SJDL(Transferor Company/ Applicant Company-1) :**

   (i) M/s Satva Jewellery and Design Limited, a public Company was incorporated on 23.12.2004 with its Registered Office located at SCO 88-89, Sector 8-C, Madhya Marg, Chandigarh , India 160009 and email id is sjdl2004@gmail.com. The Transferor company is engaged in the business of all types of jewellery items and good or articles and precious metals.The Corporate Identity Number (CIN) and Permanent Account Number (PAN) of the Company is U36911CH2004PLC027767 and AAICS6482P respectively.

   (ii) Main Objects of the Transferor Company/ Applicant Company-1 :

   - 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.

   (iii) There is no change in name, registered office and objects of the Transferor Company in last five years.

   (iv) The equity shares of the Transferor Company are not listed on any Stock Exchange.

   (v) The capital structure of Satva Jewellery and Design Limited (the Transferor Company) as on 31stMarch, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

   Upto and as on date of approval of the Scheme by the Board of Directors of Transferor Company, there is no change in Authorized, Issued, Subscribed and Paid-up share Capital of Transferor Company.

   (vi) List of Directors of the Transferor Company as on 31st March, 2020 :

Sr. No.	**Name of the Director**	**Address**	**Category**
1	Mr. Yashovardhan Saboo	House No. 1, Sector 5, Chandigarh	Director
2	Mr. Sanjeev Kumar Masown	H. No. 190/1, Sector 40-A, Chandigarh	Director
3	Mr. Rakesh Mohunta	House No. 29, Sector 7, Panchkula	Director

(vii) List of Promoters of the Transferor Company as on 31st March, 2020

S. No	Name	Address	No of shares
1	M/s KDDL Limited	Registered Office : Plot no 3, Sector III, Parwanoo (H.P) - 173220	29,69,600
2	Mr. Yashovardhan Saboo (as a nominee of KDL Limited)	House no 1 ,sector 5, Chandigarh-160009	15,000
3	Mr. R.K Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	10,000
4	Mrs Anuradha Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	5,000
5	Mrs Usha Devi saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100
6	Ms. Satvika Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100
7	Mr.Dinesh Agarwal (as a nominee of KDDL Limited)	House no 243, sector 2 , Panchkula, Haryana-134109	100
8	Mr. Pranav Shankar Saboo (as nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100

5. Particulars of KDDL Limited (Transferee Company / Applicant Company-2) :

(i) The Transferee Company M/s KDDL Limited,a public Company was incorporated as Kamla Dials and Devices Limited under the Companies Act, 1956 (hereinafter referred to as Transferee Company) on 08.01.1981 in the Union Territory of New Delhi. The Transferee Company changed its registered office to the State of Himachal Pradesh and the certificate to said effect was issued on 07.03.1988. the Company subsequently changed its name to 'KDDL Limited' and obtained fresh Certificate of Incorporation consequent upon change of name on 14.09.2007. The registered office of the Transferee Company is situated at Plot No.3, Sector-III, Parwanoo, Himachal Pradesh, India – 173220 and email id is investor.complaints@kddl.com. The Transferee Company is engaged in the business of manufacturing, buying, selling, indenting, 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, electronics instruments of all types and descriptions and all components, parts and accessories, materials required directly or indirectly for the manufacturing of the same.The CIN and PAN of the Company are L33302HP1981PLC008123 and AAACK1929M respectively.

(ii) Main Objects of the Transferee Company / Applicant Company-2 :

- 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.
- 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.
- To deal in import replenishment entitlements earned against export under the import trade control policy.
- 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.
- 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.
- 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 Tools, assemblies, sub-assemblies, components, machines, equipment related to the aforementioned products.
- To carry on the business of providing web-services, including selling of internet leads, marketing and technology solutions, advertisements and related services.
- 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.

- To carry on the business of manufacturers, distributers, 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.

(iii) There is no change in name, registered office and objects of the Transferee Company in last five years.

(iv) The equity shares of the Transferee Company are listed on the BSE Limited ('**BSE**') and the National Stock Exchange of India Limited ('**NSE**').

(v) The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608 Equity shares of Rs. 10 each fully paid up	11,633,6080

- However, the Board of Directors of KDDL had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6th November, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000*
Issued Share Capital (1,18,24,388 Equity Shares of Rs. 10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

* Authorised Share Capital of the Transferee Company increased from Rs. 12,48,00,000 divided into 1,24,80,000 equity shares of Rs. 10 each to Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs. 10 each vide special resolution passed in the 40th annual general meeting.

(vi) List of Directors as on 31st March, 2020 :

Sr. No.	**Name of the Director**	**Address**	**Category**
1	Mr. Yashovardhan Saboo	House No. 1, Sector 5, Chandigarh	Chairman & Managing Director
2	Mr. Anil Khanna	House No. 515, Sector 36-B, Chandigarh	Independent Director
3	Mr. Praveen Gupta	B2/1401, World Spa West, Sector 30, Gurgaon 122001 (Haryana)	Independent Director
4	Mrs. Ranjana Agarwal	C-62, South Extension, Part II, New Delhi	Independent Director
5	Mr. Vishal Satinder Sood	B-902, Central Park 1, Golf Course Road, Sector 42, Gurgaon(Haryana)	Nominee Director
6	Mr. Jai Vardhan Saboo,	1701, Kirby Road, Mclean, USA	Non-Executive Director
7	Mr. Sanjiv Sachar	1525 B, The Magnolias, DLF Golf Links, DLF 5, Gurgaon-122009, Haryana	Independent Director
8	Mr. Sanjeev Kumar Masown	H. No. 190/1, Sector 40-A, Chandigarh	Whole time Director

(vii) List of Promoters/ Promoter Group as on 31st March, 2020 :

Sr. No	**Name of the Promoters/ Promoter Group**	**No. of Shares Held in KDDL**	**% of Holding**	**Address**
1.	Rajendra Kumar Saboo (HUF)	69,820	0.60	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
2.	Yashovardhan Saboo (HUF)	48,752	0.42	House No. 1, Sector 5, Chandigarh - 160009
3.	Rajendra Kumar Saboo (HUF)	30,800	0.26	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009

Sr. No	Name of the Promoters/ Promoter Group	No. of Shares Held in KDDL	% of Holding	Address
4.	Mr. Rajendra Kumar Saboo	17,33,672	14.88	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
5.	Mr. Yashovardhan Saboo	12,90,039	11.07	House No. 1, Sector 5, Chandigarh - 160009
6.	Mrs. Anuradha Saboo	4,36,857	3.75	House No. 1, Sector 5, Chandigarh - 160009
7.	Mrs. Usha Devi Saboo	4,51,180	3.87	Kamla Centre, SCO 88 89, SECTOR 8 -C, Chandigarh -160009
8.	Mrs. Asha Devi Saboo	30,925	0.27	6 A Penn Road, Kolkata, Kolkata, West Bengal, 700027
9.	Mrs. Satvika Saboo	1,35,728	1.17	House No. 1, Sector 5, Chandigarh - 160009
10.	Mr. Pranav Shankar Saboo	6,80,851	5.84	House No. 1, Sector 5, Chandigarh - 160009
11.	Vardhan Properties and Investment Limited	9,951	0.09	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
12.	Dream Digital Technology Private Limited	19,255	0.17	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
13.	Swades Capital LLC	3,24,150	2.78	1701, Kirby Road, Mclean, USA

(6) Relationship subsisting between Transferor and Transferee Company

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Both Companies are related parties as per the Companies Act, 2013.

(7) Purpose, Rationale and Benefits of the Scheme

(i) 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.

(ii) 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 Transferee 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).

(iii) 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.

(8) The material provisions of the proposed Scheme of Amalgamation are as under:

1.1 **Definitions**

1.1.1 "Appointed Date" means 1st April, 2019 for Transferor Company or such other date as the Competent Authorities like Regional Director (Northern Region, Ministry of Company Affairs, New Delhi / National Company Law Tribunal,(NCLT) Chandigarh in case reference is made by the Regional Director to NCLT, may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

Reasons for fixing "1st April, 2019" as "Appointed Date":

(a) Pursuant to previous merger application filed under section 233 of the Company Act, 2013 (the act) between Satva Jewellery and Design Limited ("the Transferor Company") with KDDL LIMITED ("the Transferee Company'), National Company Law Tribunal (NCLT) Chandigarh Bench vide its order dated 15th October, 2019 directed that scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly the Company's Board of Directors at its meeting held on 3rd December, 2019 approved the present scheme and fixed "1st April, 2019" in place of "1st April, 2017" as appointed date. The date of 1st April, 2019 was fixed as the board and Company wanted to have the nearest possible date and preferably the financial year beginning to avoid unnecessary hassles of revision of financial results and tax returns of previous years. In addition, the latest financial year date will be reflecting true financial position of the Company. Also, the transferee 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 from appointed date i.e 1st April, 2019.

1.1.2 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.

1.1.5 **"Effective Date"** shall mean the last of the dates on which a certified copy of the order passed by the Regional Director/NCLT, Chandigarh sanctioning the Scheme, is filed by SJDL and KDDL respectively, with the Registrar of Companies, Punjab and Chandigarh and Registrar of Companies, Shimla, Himachal Pradesh respectively in terms of applicable provisions if any of the Companies Act, 2013.

1.1.11 **"Scheme"** means this Scheme of Amalgamation of Satva Jewellery and Design Limited with KDDL Limited, in its present form, or with any modification(s) made under paragraph 6.4 hereof.

1.1.15 **"Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together, as on the Appointed Date (further details of which are set out in Paragraph 3.2. thereof), and includes:

i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including, without limitation current assets, capital work in progress including any 'capital expenditure on projects pending commencement of operations and project expenditure incurred, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances),provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

ii. all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises including those provided to/occupied by the Transferred Employees. (as defined hereinafter) and documents of title, if any, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments'); if any,

iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, carried forward of losses, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;

vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be eligible ("Contracts")

vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and

ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress (“Intellectual Property”);

viii. all employees of the Transferor Company whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ('Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ('Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;

ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability, and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");

x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future (“Proceedings”);

xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referableor related to the Transferor Company, including all credits under Income tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and

xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

3.1 Transfer & Vesting of the Transferor Company

Upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, Joint Venture Agreements, Expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 3.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law; be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

3.2.9 Tax Treatment

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

4.1 Cancellation of Shares of Transferor Company

4.1.1 The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

4.2 Increase/ consolidation of authorized share capital of the Transferee Company

4.2.1 Upon this Scheme becoming effective and upon the transfer and vesting of SJDL into KDDL pursuant to this Scheme, the entire authorized share capital of SJDL equals to Rs. 3,00,00,000/- (divided into 30,00,000 equity shares of Rs. 10 each shall stand merged with the authorized share capital of the KDDL, the Transferee Company.

5 . 1 Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

5.1.1 Accounting for the amalgamation of SJDL (the “Transferor ‘Company”), and treatment of reserves, if any, in the Financial Statements of the Transferee Company shall be as per Indian Accounting Standard (Ind AS) 103 on Business Combinations prescribed by the Central Government under section 133 of the Companies Act, 2013 under the Companies (Indian Accounting Standard) Rules, 2015, including any modifications, amendments or changes from time to time.

5.1.2 Transferee Company shall record the assets and liabilities relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the consolidated financial statement of the Transferee Company.

5.1.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in thefinancial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company. Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor

Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.

5.1.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may, be, the corresponding balance appearing in the financial statements of the Transferee Company,

5.1.5 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

5.1.6 The shares held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

5.1.7. The difference between the investment in the financial statements of the Transferee Company in the Transferor Company and, the amount of paid-up share capital of the Transferor Company respectively, shall be recorded as per the provisions of the applicable accounting standard.

5.1.8 In case of any differences in the accounting policies between Transferor Company as compared to the Transferee Company (KDDL), the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.

5.1.9 The Transferor Company is wholly owned subsidiary of the Transferee Company, thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the RD/NCLT, Chandigarh.

5.1.10 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

5.1.11 The Board of directors of the Transferee Company are authorised to take decisions for the operative part for implementation and interpretation of the scheme as it may deem fit in accordance with the applicable accounting standards and generally accepted accounting policies.

The material provisions set out above being only the salient features of the Scheme of Arrangement, the Equity Shareholders are requested to read the entire text of the Scheme as attached hereto to get fully acquainted with the provisions thereof.

(9) Approvals required/ pending in relation to the scheme

(i) Since the scheme is for the purpose of amalgamation of Transferor Company with its holding Company i.e.Transferee Company, hence, in terms of the regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transferee Company being listed Company is not required to obtain observation letter or NOC from Stock Exchanges.

(ii) Both the Transferor Company and the Transferee Company or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

(iii) The application along with the requisite annexures thereto were filed by the Companies with NCLT.

(10) Disclosure about the effect of the scheme

(i) The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

(ii) The Scheme is not expected to have any adverse effect on the KMPs, Directors, Promoters, Non-Promoter Members, Depositors, Creditors, Debenture Holders, Debenture Trustees and employees of the Transferor Company and the Transferee Company, wherever relevant.

(11) Disclosure about effect of the scheme on material interests

The Scheme is not expected to have any adverse effect on material interest of directors, Key Managerial Personnel (KMP) and debenture trustee of the Transferor Company and the Transferee Company, wherever relevant.

(12) There are no proceedings/investigation pending against any of the Transferor Company and Transferee Company under Sections 210 – 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013 ("Act") and/or Sections 235 to 251 of the Companies Act, 1956 and the like. No winding up proceedings have been filed or are pending against the Transferor Company and the Transferee Company under the Act or the corresponding provisions of the Act of 1956.

(13) As per the books of accounts of the Transferor Company as on 31st March, 2020, the amount due to the Unsecured Creditors (KDDL Limited) are Rs. 56,75,256/-

(14) As per the books of accounts of the Transferee Company as on 31st March, 2020, the amount due to the Unsecured Creditors are Rs. 40,83,89,394/-.

(15) Details of capital or debt restructuring, if any

The present Scheme involves the amalgamation of wholly owned subsidiary i.e. Satva Jewellery and Design Limited with its parent company i.e. KDDL Limited. Therefore, there is no capital or debt restructuring.

(16) The present Scheme involves the amalgamation of wholly owned subsidiary i.e. Satva Jewellery and Design Limited with its parent company i.e. KDDL Limited and no shares of KDDL will be issued on the amalgamation of SJDL with KDDL. Therefore, there is no requirement for a share exchange ratio or valuation certificate.

(17) Documents Available for Inspection

The following documents shall be available for obtaining extract from or for making copies of or for inspection by the Equity Shareholders at the Registered Office of the Transferee Company during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the meeting:

(i) Latest audited financial statements of the company including consolidated financial statements;

(ii) Scheme of Amalgamation.

(iii) A copy of the NCLT order dated 10th November, 2020.

(iv) Certificates issued by the Statutory Auditors of the Transferor Company and of the Transferee Company respectively, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

Considering the rationale and benefits, the Applicant Transferee Company recommends the Scheme for approval of Equity Shareholders as it is in the best interest of the Company and its stakeholders. The Directors/KMPs of the Applicant Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their or their relatives shareholding in the respective companies or to the extent the said Directors or their relatives are common directors in the Transferor Company and/ or the Transferee Company or to the extent the said Directors or their relatives are the partners, directors, Members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the Transferor Company and Transferee Company. Their interest in both the Transferor Company and the Transferee Company shall not be treated in any way differently than the other Shareholders of the Transferor Company and Transferee Company.

For KDDL Limited

Date : 12th November, 2020
Place : Chandigarh

Brahm Prakash Kumar
Company Secretary

SCHEME OF AMALGAMATION ANNEXURE-I

PREAMBLE

A. Purpose of the Scheme

This Scheme of Amalgamation is presented under Section 232 and other applicable provisions if any of the Companies Act, 2013 for amalgamation of Satva Jewellery and Design Limited ("the Transferor Company") and with KDDL LIMITED ("the Transferee Company'), and the dissolution of the Transferor Company without winding up. The Transferor Company is the wholly owned subsidiary of Transferee Company.

B. Description of Companies

1.1 KDDL Ltd ("KDDL"), the Transferee Company

1) The Transferee company M/s KDDL Limited was incorporated as Kamla Dials and Devices Limited under the Companies Act, 1956 (hereinafter referred to as Transferee Company) on 08.01.1981 in the Union Territory of New Delhi. The Transferee Company changed its registered office to the State of Himachal Pradesh and the certificate to said effect was issued on 07.03.1988. That the Company subsequently changed its name to 'KDDL Limited' and obtained fresh Certificate of Incorporation consequent upon change of name on 14.09.2007. The registered office of the Transferee Company is situated at Plot No.3, Sector-lll, Parwanoo, Himachal Pradesh, India – 173220. The Transferee Company is engaged in the business of manufacturing, buying, selling, indenting, 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, electronics instruments of all types and descriptions and all components, parts and accessories, materials required directly or indirectly for the manufacturing of the same.

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, distributers, 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 Transferee Company is a Public Company and its shares are listed on BSE Limited and National Stock Exchange of India Limited.

1.2 **Satva Jewellery and Design Limited ("SJDL"), the Transferor Company**

M/s Satva Jewellery and Design Limited (hereinafter referred to as the Transferor Company) were incorporated on 23.12.2004 with its Registered Office located in the Union Territory of Chandigarh. That the Transferor company is engaged in the business of all types of jewellery items and good or articles and precious metals. The main object of the Transferor company as enumerated in the Memorandum of Association is 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.

The Registered Office of the Transferor Company is situated at SCO 88-89, Sector 8-C, Madhya Marg, Chandigarh, India 160009.

The Transferor Company is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Transferee Company. By virtue of the Shareholding pattern, the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

C. Purpose and Rationale of the Scheme

1.1 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.

1.2 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).

1.3 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.

The Scheme is divided into following parts:

Part I: Definitions and Interpretations -

Part II: Capital Structure

Part III: Amalgamation of the Transferor Company with the Transferee Company

Part IV: Cancellation of Shares of Transferor Company & Increase of Authorized Share Capital of Transferee Company

Part V: Accounting treatment in the books of the Transferee Company

Part VI: General terms and conditions

PART I

DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In addition to the words and expressions defined elsewhere in this Scheme, unless it is contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

1.1.1 "**Act**" means the (Indian) Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactments thereof, except where Otherwise expressly provided;

1.1.2 **"Appointed Date**" means 1st April, 2019 for Transferor Company or such other date as the Competent Authorities like Regional Director (Northern Region, Ministry of Company Affairs, New Delhi / National Company Law Tribunal,(NCLT) Chandigarh in case reference is made by the Regional Director to NCLT, may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

Reasons for fixing "1st April, 2019" as "Appointed Date" :

(a) Pursuant to previous merger application filed under section 233 of the Company Act, 2013 (the act) between Satva Jewellery and Design Limited ("the Transferor Company") with KDDL LIMITED ("the Transferee Company'), National Company Law Tribunal (NCLT) Chandigarh Bench vide its order dated 15th October, 2019 directed that scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly the Company's Board of Directors at its meeting held on 3rd December, 2019 approved the present scheme and fixed "1st April, 2019" in place of "1st April, 2017" as appointed date. The date of 1st April, 2019 was fixed as the board and Company wanted to have the nearest possible date and preferably the financial year beginning to avoid unnecessary hassles of revision of financial results and tax returns of previous years. In addition, the latest financial year date will be reflecting true financial position of the Company. Also, the transferee 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 from appointed date i.e 1st April, 2019.

1.1.3 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.

1.1.4 **"Board of Directors"** in relation to SJDL or KDDL as the case may be, means the Board of Directors of the respective companies for the time being and shall include a committee of directors or any person authorized by the Board of Directors or such committee of directors.

1.1.5 **"Effective Date**" shall mean the last of the dates on which a certified copy of the order passed by the Regional Director/NCLT, Chandigarh sanctioning the Scheme, is filed by SJDL and KDDL respectively, with the Registrar of Companies, Punjab and Chandigarh and Registrar of Companies, Shimla Himachal Pradesh respectively in terms of applicable provisions if any of the Companies Act, 2013.

1.1.6 **"Financial Statements"** include standalone and consolidated accounts, i.e.,Balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor Company and the Transferee Company, as the context may require.

1.1.7 **"Governmental Authority**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, Registrar of Companies, Regional Director, The Official Liquidator, National Company Law Tribunal and Courts of Relevant Jurisdiction, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India.

1.1.8 **"National Company Law Tribunal**" means the Hon'ble National Company Law Tribunal, Chandigarh Bench that has jurisdiction over SJDL and KDDL or such other forum or authority that may be vested with requisite powers under the Companies Act, 2013 in relation to provisions of 230 to 233 of the Companies Act, 2013

1.1.9 **"Satva Jewellery"** means Satva Jewellery and Design Limited (CIN: **U36911CH2004PLC027767),** an Unlisted Public Limited Company, which was incorporated on 23rd December, 2004 under the Indian Companies Act, 1956 having its registered office at SCO 88-89,Sector 8-C,Madhya Marg, Chandigarh 160009.

1.1.10 **"KDDL**" means **KDDL Limited** (CIN: **L33302HP1981PLC008123),** a listedPublic Company, which was incorporated on 08.01.1981 under the Companies Act, 1956 having its, registered office at Plot No.3, Sector-Ill, Parwanoo, Himachal Pradesh - 173220, India.

1.1.11 **"Scheme"** means this Scheme of Amalgamation of Satva Jewellery and Design Limited with KDDL Limited, in its present form, or with any modification(s) made under paragraph 6.4 hereof.

1.1.12 **"Subsidiary"** means a subsidiary of KDDL Limited under Section 2(87) of the Act 2013.

1.1.13 **"Transferor Company"** means the Company i.e. Satva Jewellery and Design Limited amalgamating into KDDL Limited in terms of the Scheme.

1.1.14 **"Transferee Company"** means KDDL Limited.

1.1.15 **"Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together, as on the Appointed Date (further details of which are set out in Paragraph 3.2. thereof), and includes:

i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including, without limitation current assets, capital work in progress including any 'capital expenditure on projects pending commencement of operations and project expenditure incurred, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances),provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

ii. all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises including those provided to/occupied by the Transferred Employees. (as defined hereinafter) and documents of title, if any, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds,debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments'); if any,

iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, carried forward of losses, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;

vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be eligible ("Contracts")

vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");

viii. all employees of the Transferor Company whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ('Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ('Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;

ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability, and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");

x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");

xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referableor related to the Transferor Company, including all credits under Income tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and

xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

1.2 Interpretations

In this Scheme, unless the context otherwise requires:

1.2.1 References in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;

1.2.2 References to the singular include a reference to plural and vice versa and reference to any gender includes a reference to all other genders;

1.2.3 Reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;

1.2.4 Headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

1.2.5 References to a paragraph shall be deemed to be a reference to a paragraph or Schedule of this Scheme;

1.2.6 Reference to the words 'hereof, 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;

1.2.7 References to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

1.2.8 any reference to any statute or statutory provision shall include:

i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART-II
CAPITAL STRUCTURE

2 . 1 The capital structure of Satva Jewellery and Design Limited (the Transferor Company) as on 31st March, 2019 is set out below:

Share Capital	Amount in Rs.
Authorised Share Capital (30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

2 . 2 The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2019 is set out below:

Share Capital	Amount in Rs.
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608Equity shares of Rs. 10 each fully paid up	11,633,6080

Upto and as on date of approval of the Scheme by the Board of Directors of SJDL, there is no change in Issued,Subscribed and Paid-up share Capital of SJDL. However,the Board of Directors of KDDL had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6thNovember, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020:

Share Capital	Amount in Rs.
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (1,18,24,388 Equity Shares of Rs. 10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

PART III
AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

3.1 Transfer & Vesting of the Transferor Company

Upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, Joint Venture Agreements, Expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 3.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law; be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

3.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning this Scheme becoming effective, on and from the Appointed Date:

3.2.1 **Assets**

a) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

b) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand.transferred/ transmitted to and be vested in and/or be deemed to have, been transferred/ transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company shall be deemed to be holding such investments for and on behalf of (and in trust for) and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.

c) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in paragraph 3.2.1(a) and (b) hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge. created over any assets in relation to the loans orborrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.

d) All immovable properties of the Transferor Company (i.e. land together with the buildings and structures standing thereon or under construction, development rights). (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the Transferred Employees and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/ executed by the Transferor Company or the Transferee Company or both The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all, rights in relation to or as applicable to such immovable properties.

3.2.2 Licenses &Certificates

All Licenses, building plans, permits, registrations & ownership certificate issued by various registering & statutory authorities relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the TransfereeCompany, and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to theTransferee Company.

3.2.3 Benefits, Entitlements, Incentives and Concessions

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the respective Transferor Company is entitled to, including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any governmental authority, direct tax benefit/ exemptions/ deductions, carried forward of losses shall, to the extent statutorily available and alongwith associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.

3.2.4 Contracts

a) All Contracts, Agreements which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

b) Any inter-se contracts between the Transferor Company on one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

c) All guarantees provided by any bank in favour of the Transferor Company outstanding as on the Effective Date, shall vest in the Transferee Company and shall ensure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue in favour of such third party till its maturity or earlier termination.

3.2.5 Intellectual Property

All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

3.2.6 Transferred Shares

a) All Transferred Employees of the Transferor Company shall be. deemed to have become the employees and staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.

b) The Transferee Company agrees that the services of all transferred Employees with the Transferor Company prior to the transfer, shall be taken into account for the purposes of all benefits to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Transferor Company The Transferee Company undertakes to pay the same, as and when payable under applicable laws.

For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the respective Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such funds in accordance with the Provisions of such funds, bye-laws, etc. in respect of the Transferred Employees.

c) All contributions, made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

d) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.

e) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees by the Transferor. Company, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the Transferred Employees.

3.2.7 **Transferred Liabilities and Security**

a) All Liabilities of the Transferor Company, shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Transferred Liabilities.

b) The Transferee Company alone shall be liable to meet, discharge and satisfy the Transferred Liabilities as the borrower/ creditor in respect thereof.

c) This Scheme shall not operate to enlarge or extend the security for any of the Transferred Liabilities and the Transferee Company shall not be obliged to create any further or additional securities after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as the security shall not extend to any of the assets forming part of the Transferred Undertakings.

d) In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferred Undertakings of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Transferred Liabilities. Provided that if any of the assets forming part of the Transferred Undertakings of the concerned Transferor Company have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.

e) It shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such Transferred Liabilities have arisen in order to give effect to the provisions of this paragraph.

f) It is expressly provided that, save as mentioned in this paragraph 3.2.7, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication or by law.

g) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee Company, in accordance with Part V of this Scheme.

3.2.8 **Legal and other such Proceedings**

All Proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated-by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relatable to the period from the Appointed Date up to the Effective Date upon submission of necessary evidence by the said Transferor Company to the Transferee Company for making such payment.

3.2.9 **Tax Treatment**

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward

losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

3.2.10 **Books and Records**

All books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

3.3. **Conduct of Business**

3.3.1 With effect from the Appointed Dates and upto the Effective Date:

a) The Transferor Company shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it has been doing hitherto;

b) The Transferor Company shall carry on and shall be deemed to have carried on all their respective business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

c) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company, and

d) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.

3.3.2 All assets acquired, leased or licensed, Licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax has been paid by the Transferor Company, then upon the Scheme coming into effect, the Transferee Company shall be entitled to claim refund of such service tax paid by the Transferor Company.

3.3.3 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee

3.3.4 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue, of Part III of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to any Contract to which the Transferor Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

3.3.5 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the RD/NCLT,Chandigarh.

3.3.6 For the purpose of giving effect to the order passed under Sections 230 to 233 and any other applicable provisions if any of the Companies Act, 2013 in respect of this Scheme by the RD/NCLT, Chandigarh, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favour in accordance with such order and the provisions of Sections 230 to 233 and any other applicable provisions if any of the Companies Act, 2013.

3.4 **Saving of Concluded Transactions**

The transfer and vesting of the Transferor Company with and into the Transferee Company under Part III of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

3.5 EMPLOYEES:

3.5.1 All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

3.5.2 Accordingly the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

3.5.3 It is expressly provided that the Provident Fund or Gratuity Fund or Superannuation or other fund created for the benefit of the employees of the Transferor Company shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions there to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company.

3.6 **Dissolution of Transferor Company**

Upon this Scheme becoming effective, Satva Jewellery and Design Limited shall stand dissolved without being wound-up.

PART IV

CANCELLATION OF SHARES OF TRANSFEROR COMPANY &INCREASE/CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY

4.1 Cancellation of Shares of Transferor Company

4.1.1 The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

4.2 Increase/ consolidation of authorized share capital of the Transferee Company

4.2.1 Upon this Scheme becoming effective and upon the transfer and vesting of SJDL into KDDL pursuant to this Scheme, the entire authorized share capital of SJDL equals to Rs. 3,00,00,000/- (divided into 30,00,000 equity shares of Rs. 10 each shall stand merged with the authorized share capital of the KDDL, the Transferee Company.

4.2.2 Thus, the Authorized Share Capital of the Transferee Company (KDDL) of Rs.12,48,00,000/-. comprising of Equity Share Capital of Rs.12,48,00,000/- divided into 1,24,80,000 Equity Shares of the face value of Rs.10/- each, shall stand increased by Rs.3,00,00,000/- to Rs. 15,48,00,000/- comprising of Equity Share Capital of Rs. 15,48,00,000 divided into 1,54,80,000 Equity Shares of the face value of Rs.10/- each.

4.2.3 Accordingly, the authorized share capital of the Transferee Company shall stand increased to an amount of Rs. 15,48,00,000/- and Clause V of the Memorandum of Association of KDDL (relating to the authorized share capital) shall, without any further act, fee, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act, 2013 and Section and other applicable provisions of the Companies Act, 2013 as the case may be and be replaced by the following clause:

'The Authorized Share Capital of the Company is Rs.15,48,00,000/- (Rupees Fifteen Crores Forty lacs only) divided into 1,54,80,000 (One Crore Fifty Four Lacs Eighty thousand only) Equity Shares of the face value of Rs.10 (Rupees Ten) each, with power to the Company to increase or reduce or modify the said classes into several classes and to attach thereto respectively and preferential, deferred, qualified or special right privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided for by the Articles of Association of the Company.

4.2.4 The stamp duty, or filing fees paid on the authorized share capital of the Transferor Company is permitted to be utilized and applied towards the increase in the authorized share capital of the Transferee Company in accordance with this paragraph 4.2 and no additional stamp duty shall be payable and no additional fee shall be payable to any regulatory authorities in relation to such increase in the. authorized share capital of the Transferee Company. The Transferee Company shall file the requisite documentation with the relevant Registrar of Companies, which has jurisdiction over the Transferee Company, for the increase of the authorized share capital of the Transferee Company as aforesaid. It is hereby clarified that for the purposes of increasing the authorized share capital in accordance with this paragraph 4.2, the sanction of the RD/NCLT, Chandigarh shall be deemed to be sufficient for the purposes of effecting this amendment and that no further approval or resolution under any applicable provisions of the Companies Act, 2013 would be required to be separately passed.

PART V

ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

5.1 Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

5.1.1 Accounting for the amalgamation of SJDL (the "Transferor 'Company"), and treatment of reserves, if any, in the Financial Statements of the Transferee Company shall be as per Indian Accounting Standard (Ind AS) 103 on Business Combinations prescribed by the Central Government under section 133 of the Companies Act, 2013 under the Companies (Indian Accounting Standard) Rules, 2015, including any modifications, amendments or changes from time to time.

5.1.2 Transferee Company shall record the assets and liabilities relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the consolidated financial statement of the Transferee Company.

5.1.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in thefinancial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company. Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.

5.1.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may, be, the corresponding balance appearing in the financial statements of the Transferee Company,

5.1.5 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

5.1.6 The shares held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

5.1.7. The difference between the investment in the financial statements of the Transferee Company in the Transferor Company and, the amount of paid-up share capital of the Transferor Company respectively, shall be recorded as per the provisions of the applicable accounting standard.

5.1.8 In case of any differences in the accounting policies between Transferor Company as compared to the Transferee Company (KDDL), the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.

5.1.9 The Transferor Company is wholly owned subsidiary of the Transferee Company, thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the RD/NCLT, Chandigarh.

5.1.10 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

5.1.11 The Board of directors of the Transferee Company are authorised to take decisions for the operative part for implementation and interpretation of the scheme as it may deem fit in accordance with the applicable accounting standards and generally accepted accounting policies.

PART VI

GENERAL TERMS AND CONDITIONS

6.1. **Application(s) to the Regional Director, Ministry of Company Affairs, New Delhi /National Company Law Tribunal [NCLT]**

6.1.1 The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications/ petitions under Section 230 to 233 of the Companies Act, 2013 to the Regional Director of Department of Company Affairs, New Delhi/ NCLT, Chandigarh as necessary, inter act, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective, shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further applications / petitions under Sections 230 to 233 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

6.2 **Revision of accounts and tax filings, modification of charge**

6.2.1 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has, expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

6.2.2 Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies, Chandigarh shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the, provisions of this Scheme.

6.3 **Tax Neutrality**

6.3.1 The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961, or any modification or re-enactment thereof.

6.3.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modifications will, however, not affect other parts of this Scheme.

6.4 **Adjustment of reserve within equity**

6.4.1 Upon the scheme becoming effective and after obtaining the necessary approvals, the amount of reserve mentioned in paragraph 5.1.7 will be adjusted against the accumulated losses of the Transferor Company. The Reduction in the reserve shall be effected as an integral part of the Scheme, and here applicable, in accordance with the provisions of Section 66 of the Companies Act, 2013 and the order of the RD/ NCLT, Chandigarh sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Companies Act, 2013 for

the purpose of confirming the relevant reductions. The reductions would not involve whether a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 66 of the Companies Act, 2013 will not be applicable. Notwithstanding the reduction as mentioned above, KDDL Limited the Transferee company shall not be required to add "and reduced" as a suffix to its name and KDDL Limited shall continue in its existing name.

6.5 Modifications and Amendments to the Scheme

6.5.1 Notwithstanding anything to the contrary contained in this Scheme, the TransferorCompany and the Transferee Company (acting through their respective Board ofDirectors or a committee thereof or authorised representatives) may make or assent,from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to theinterests of the stakeholders and the Regional Director, Northern Region /National Company Law Tribunal, Chandigarh.

6.5.2 The Transferor Company and the Transferee Company (acting through theirrespective Board of Directors or a committee thereof or authorised representatives)shall be authorised to take all such steps and give such directions, as may benecessary, desirable or proper, to resolve any doubts, difficulties or questions thatmay arise in regard to and of the meaning or interpretation of this Scheme orimplementation thereof or in any manner whatsoever connected therewith, whetherby reason of any directive or orders of the RD/NCLT, Chandigarh or any other authorities or otherwise, howsoever arising out of or under or by virtue of thisScheme or any matter concerned or connected therewith and to do and execute allacts, deeds, matters and, things necessary for giving effect to this Scheme.

6.5.3 For the purpose of giving effect to this Scheme or to any modifications oramendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

6.5.4 However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the RD/NCLT, Chandigarh and the same shall be subject to powers of the RD/NCLT, Chandigarh under Section 230 to 233 of the Companies Act, 2013.

6.6 Conditionality of the Scheme

6.6.1 This Scheme is conditional upon and subject to the following:

A Requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

B The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the Regional Director/NCLT, Chandigarh and/or any other, competent authority and it being sanctioned by the RD/NCLT, Chandigarh and / or any other competent authority, as may be applicable.

C As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CIR/CFD/CMD/ 16/2015 dated 30th November, 2015 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.

D As para (I) (A) (9) (a) of Annexure I of SEW Circular No. CIR/ CFD/CMD/16/2015 dated 30th November, 2015 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

E The SEBI has vide its Circular No CFD/DL3/CIR/2017/21 dated 10.03.2017 granted exemption to Listed Company for obtaining NOC from the Stock Exchanges where the share of the Company are listed in the case of amalgamation of a Listed Company with its wholly owned subsidiary Company and only disclosures requirements are applicable.

F All other sanctions and approvals as may be required by law including registration of the order of the RD/NCLT, sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.

G Certified copies of the orders of the RD/ NCLT, Chandigarh or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies.

6.6.2 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide.

6.6.3 On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

a) Amalgamation of SJDL and transfer and vesting thereof in KDDL;

b) Transfer of the Authorized Share Capital of SJDL to KDDL and consequential increase in the authorised share capital of the Transferee Company (in accordance with paragraph 4.2 hereof).

6.7 Revocation and withdrawal of this Scheme

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not

approved by the RD/NCLT, Chandigarh or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the RD/NCLT, Chandigarh and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the respective Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior .thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

6.8 **Severability**

If any part of this Scheme is held invalid, ruled illegal by any RD/NCLT, Chandigarh of competent jurisdiction, or becomes unenforceable for any reason, Whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or, the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

6.9 **Mutation of property**

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties including development rights, of the Transferred Undertakings shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties including development rights of the Transferred Undertakings with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

6.10 **Dividend**

6.10.1 The respective Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their, respective shareholders, as may be decided by their respective Board of Directors, in respect of the accounting period prior to the Effective Date.

6.10.2 It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of either of the Transferor Company or the Transferee Company to demand or claim any dividends, which is subject to the provisions of the Companies Act, 2013, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, as the case may be, subject to such approval of the respective shareholders, as may be required.

6.11 **Costs and expenses**

All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.

SATVA JEWELLERY AND DESIGN LIMITED

ANNEXURE-II

Unaudited Balance Sheet as at 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
ASSETS			
Non-current assets			
Fixed assets			
Tangible Assests	2	**6,869,979**	**7,323,053**
Intangible Assets			
Long-Term Loans And Advances	3	94,550	94,550
Total non-current assets		**6,964,529**	**7,417,603**
Current assets			
Financial Assets			
-Cash and cash equivalents	4	847,741	900,447
Other Current Assets	5	169,700	163,309
Total current assets		**1,017,440**	**1,063,756**
Total Assets		**7,981,970**	**8,481,360**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	6	30,000,000	30,000,000
Other Equity	7	(38,325,925)	(37,642,686)
Total Equity		**(8,325,925)**	**(7,642,686)**
LIABILITIES			
Current liabilities			
Financial Liabilities			
-Borrowings	8	10,394,200	10,394,200
-Trade payables	9	4,299,756	4,595,256
-Other financial liabilities	10	1,593,144	1,105,000
Other current liabilities	11	20,795	29,589
Total current liabilities		**16,307,895**	**16,124,045**
Total liabilities		**16,307,895**	**16,124,045**
Total Equity and Liabilities		**7,981,970**	**8,481,359**

SATVA JEWELLERY AND DESIGN LIMITED

Unaudited Statement of Profit and Loss for the period ended 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars	Note	For the period ended 30th Sep, 2020	For the year ended 31st March, 2020
REVENUE			
Other income	12	325,207	709,843
Total Income		**325,207**	**709,843**
EXPENSE			
Depreciation and amortization expense	13	453,074	943,337
Financial costs	14	551,508	1,200,000
Other expenses	15	3,865	75,995
Total expenses		**1,008,447**	**2,219,332**
Profit (loss) before tax		**(683,240)**	**(1,509,489)**
Tax expense:			
Current tax charge		-	-
MAT Credit Entitlement		-	-
Deferred tax charge (credit)		-	-
Profit/(loss) for the year		**(683,240)**	**(1,509,489)**
Earnings per equity share [Nominal value of Rs.10 (previous year Rs.10)]			
Basic (Rs.)		(0.23)	(0.50)
Diluted (Rs.)		(0.23)	(0.50)

SATVA JEWELLERY AND DESIGN LIMITED

Unaudited Cash flow statement for the period ended 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars		For the period ended 30th September, 2020	For the year ended 31st March, 2020
A.	**Cash flow from operating activities:**		
	Net profit before tax	(683,240)	(1,509,489)
	Adjustments for:		
	Depreciation	453,074	943,337
	Interest expense	1,590,144	1,080,000
	Interest income	(25,207)	(109,843)
	Operating profit before working capital changes		
	Adjustments for:		
	(Increase) / decrease in loans and advances	(6,391)	52,849
	Increase / (decrease) in trade payables	(295,500)	(918,247)
	Increase / (decrease) in other current liabilities	488,144	-
	Cash flow from operating activities before taxes	**1,521,025**	**(461,393)**
	Direct taxes paid / (refunds) (net)	8,794	**-**
	Net cash flow from operating activities	**1,512,231**	**(461,393)**
B.	**Cash flow from investing activities:**		
	Interest received	25,207	109,843
	Net cash used in investing activities	**25,207**	**109,843**
C.	**Cash flow from financing activities:**		
	Interest paid	(1,590,144)	(1,080,000)
	Net cash used in financing activities	**(1,590,144)**	**(1,080,000)**
	Net increase/(decrease) in cash and cash equivalents	**(52,706)**	**(1,431,550)**
	Opening cash and cash equivalents	900,447	2,331,997
	Closing cash and cash equivalents	**847,741**	**900,447**
	Excluding the following:		
	Pledge in fixed deposit account against margin money	-	-

Notes:

1 Cash and cash equivalents include:

Cash in Hand	550	650
Balances with banks in current accounts	27,974	103,896
Fixed deposit with banks in deposit account	790,000	790,000
Interest accrued on deposits	29,217	5,901
	847,741	**900,447**

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”

SATVA JEWELLERY AND DESIGN LIMITED
Notes to the Financial Statements for the period ended 30th September,2020

2 Plant and equipment

Reconciliation of carrying amount

	Plant and machinery	Total
Deemed cost (gross carrying amount)		
Balance as at 1 April 2018	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	**30,652,098**	**30,652,098**
Balance as at 1 April 2019	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	**30,652,098**	**30,652,098**
Balance as at 1 April 2020	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 30 September 2020	**30,652,098**	**30,652,098**

Accumulated depreciation		
Balance as at 1 April 2018	21,383,069	21,383,069
Depreciation for the year	1,002,639	1,002,639
Disposals	-	-
Balance as at 31 March 2019	**22,385,708**	**22,385,708**
Balance as at 1 April 2019	22,385,708	22,385,708
Depreciation for the year	943,337	943,337
Balance as at 31 March 2020	**23,329,045**	**23,329,045**
Balance as at 1 April 2020	23,329,045	23,329,045
Depreciation for the year	453,074	453,074
Balance as at 30 September 2020	**23,782,119**	**23,782,119**

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**
At 30 September 2020	**6,869,979**	**6,869,979**

		As at 30th September, 2020	As at 31st March, 2020
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	550	650
	Balances with banks in current accounts	27,974	103,896
	Fixed deposit with banks in deposit account	790,000	790,000
	Interest accrued on deposits	29,217	5,901
		847,741	**900,447**
5 .	**Other Current Assets**		
	TDS recoverable	53,040	46,649
	MAT Recoverable	116,660	116,660
		169,700	**163,309**

		As at 30th September, 2020		As at 31st March, 2020	
6 .	**Share capital**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
	Authorised				
	Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	**30,000,000**	**3,000,000**	**30,000,000**
	Issued, optionally, subscribed and paid up				
	Equity shares of Rs.10 each fully paid up	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	**30,000,000**	**3,000,000**	**30,000,000**

(a) Reconciliation of share capital outstanding as at the beginning and at the end of the year

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	**3,000,000**	**30,000,000**	**3,000,000**	**30,000,000**

(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.

(c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

	As at 30th September, 2020		As at 31st March, 2020	
	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)				

(d) Details of shareholders holding more than 5% shares of the Company

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid up held by				
KDDL Limited	3,000,000	100.00	3,000,000	100.00

	As at 30th September, 2020	As at 31st March, 2020
7 . Other Equity		
(i) Retained Earnings		
Balance at beginning of the year	(37,642,686)	(36,133,197)
Add: Profit / (loss) for the year	(683,240)	(1,509,489)
Balance at the end of the year	**(38,325,925)**	**(37,642,686)**
8 . Short term borrowing		
KDDL Ltd	10,394,200	10,394,200
	10,394,200	**10,394,200**
9 . Trade payable		
Other trade payables		
- To related parties	4,299,756	4,595,256
	4,299,756	**4,595,256**

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 whereever necessary.

10 . Other financial liabilities		
Interest due but not paid	1,590,144	1,080,000
Expenses payable	3,000	25,000
	1,593,144	**1,105,000**
11 . Other current liabilities		
TDS Payable	20,795	29,589
	20,795	**29,589**

Particulars	For the period ended 30th September, 2020	For the period ended 31st March, 2020
12 . Other income		
Interest Income	25,207	109,843
Lease Rent	300,000	600,000
Misc Income	-	-
	325,207	**709,843**
13 . Depreciation		
Depreciation	453,074	943,337
	453,074	**943,337**

Particulars	For the period ended 30th September, 2020	For the period ended 31st March, 2020
14 . Financial costs		
Interest Expenses	551,508	1,200,000
	551,508	**1,200,000**
15 . Other expenses		
Legal and professional Expenses	-	-
Audit fees	-	25,000
Rates, Taxes & Fees	100	350
Bank Charges	325	50,645
Certification Charges	3,000	-
Interest on late payment of TDS	440	-
	3,865	**75,995**

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
Director:	1) Mr. Yashovardhan 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 30 Sep 2020	As at 31 March 2020
Interest expenses	**551,508**	**1,200,000**
- KDDL Ltd	551,508	1,200,000
Lease Rent	**300,000**	**600,000**
- KDDL Ltd	300,000	600,000
Reimbursement of Expenses	**-**	**-**
- KDDL Ltd	-	-

d) Outstanding balances as at year end

Particulars	As at 30 Sep 2020	As at 31 March 2020
Short Term Borrowing Payables	**10,394,200**	**10,394,200**
- KDDL Ltd	10,394,200	10,394,200
Other trade payables	**4,299,756**	**4,595,256**
- KDDL Ltd	4,299,756	4,595,256
Other financial liabilities	**1,590,144**	**1,080,000**
- KDDL Ltd	1,590,144	1,080,000

KDDL Limited

Unaudited Balance sheet as at Half year ended 30 September 2020
(All amounts are in Indian Rupees Lakhs except for share data)

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	9,087.83	9,378.69
Capital work-in-progress	3	297.77	219.92
Right-of-use assets		1,125.70	1,265.29
Investment property		36.47	44.57
Intangible assets	4	26.38	40.19
Financial assets			
- Investments	5	10,418.50	10,072.25
- Loans	6	289.22	220.55
Income tax assets (net)	7	226.81	225.77
Other non-current assets	8	39.02	130.31
Total non-current assets		**21,547.70**	**21,597.54**
Current assets			
Inventories	9	2,923.30	3,209.45
Financial assets			
- Trade receivables	10	2,285.40	2,463.84
- Cash and cash equivalents	11	529.71	953.72
- Other bank balances	12	547.20	542.51
- Loans	6	103.94	185.75
- Other financial assets	13	152.30	209.43
Other current assets	14	1,009.95	844.23
Total current assets		**7,551.80**	**8,408.93**
Total assets		**29,099.50**	**30,006.47**
Equity and Liabilities			
Equity			
Equity share capital	15	1,173.72	1,173.72
Other equity	16	15,371.04	15,775.14
Total equity		**16,544.76**	**16,948.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	5,534.87	4,520.43
- Lease liabilities	17	487.39	593.91
- Other financial liabilities	18	308.61	121.56
Provisions	19	108.99	106.29
Deferred tax liabilities (net)	20	418.29	505.86
Total non-current liabilities		**6,858.15**	**5,848.05**
Current liabilities			
Financial liabilities			
- Borrowings	17	1,492.22	1,925.03
- Lease liabilities	17	194.69	199.99
- Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		76.80	75.05
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,265.21	1,278.43
- Other financial liabilities	18	1,683.07	3,106.55
Other current liabilities	22	689.51	319.31
Provisions	19	265.18	273.69
Current tax liabilities (net)	23	29.91	31.51
Total current liabilities		**5,696.59**	**7,209.56**
Total liabilities		**12,554.74**	**13,057.61**
Total equity and liabilities		**29,099.50**	**30,006.47**

KDDL Limited

Unaudited Statement of Profit and Loss for the Half year ended 30 September 2020
(All amounts are in Indian Rupees Lakhs except for share data)

	Note	Year ended 30th Sep, 2020	Year ended 31st March, 2020
Revenue from operations	24	5,526.96	18,059.28
Other income	25	153.78	526.92
Total income		**5,680.74**	**18,586.20**
Expenses			
Cost of materials consumed	26	1,186.22	4,522.03
Changes in inventories of finished goods, work-in-progress and scrap	27	301.70	(12.79)
Employee benefits expenses	28	2,204.00	5,530.92
Finance costs	29	467.73	885.38
Depreciation and amortisation expense	30	589.51	1,193.44
Other expenses	31	1,447.60	5,079.05
Total expenses		**6,196.76**	**17,198.03**
Profit before income tax		**(516.02)**	**1,388.17**
Income tax expense:	32		
- Current tax		-	384.38
- Tax for earlier years		-	(19.05)
- Deferred tax		(94.66)	91.45
- Deferred tax for earlier years		-	19.05
Total income tax expense		**(94.66)**	**475.83**
Profit for the year		**(421.36)**	**912.34**
Other comprehensive income / (expense)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability / (asset)		24.35	(69.63)
Income tax on remeasurement of defined benefit liability / (asset)		(7.09)	20.28
Other comprehensive (expense) for the year (net of income tax)		**17.26**	**(49.35)**
Total comprehensive income for the year		**(404.10)**	**862.99**
Earnings per share [nominal value of share Rs. 10 (previous year Rs. 10)]			
Basic (Rs.)	33	(3.62)	7.84
Diluted (Rs.)		(3.62)	7.84

3 Property, plant and equipment and capital work in progress

Gross carrying amount	Freehold land	Leasehold land	Buildings*	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment**	Vehicles	Total	Capital work-in-progress
Balance as at 1 April 2019	78.60	577.80	3,685.39	82.14	6,431.56	275.92	146.78	224.35	11,502.54	244.02
Additions	-	-	323.48	-	1,034.64	32.98	55.80	1.68	1,448.57	346.20
Reclassified to right-of-use asset (Refer to note 41)	-	(577.80)	-	-	-	-	-	-	(577.80)	-
Disposals	-	-	-	-	(31.90)	(7.35)	(3.77)	(9.23)	(52.25)	(370.30)
Balance as at 31 March 2020	**78.60**	**-**	**4,008.87**	**82.14**	**7,434.30**	**301.55**	**198.81**	**216.80**	**12,321.06**	**219.92**
Balance as at 1 April 2020	78.60	-	4,008.87	82.14	7,434.30	301.55	198.81	216.80	12,321.06	219.92
Additions	-	-	-	-	148.30	9.91	15.35	-	173.56	152.89
Disposals	-	-	-	-	(5.27)	(0.40)	0	-	(5.67)	(75.04)
Balance as at 30 September 2020	**78.60**	**-**	**4008.87**	**82.14**	**7,577.33**	**311.06**	**214.15**	**216.80**	**12,488.95**	**297.77**
Accumulated depreciation										
Balance as at 1 April 2019	-	17.00	153.51	26.97	1,665.54	103.83	58.88	64.39	2,090.12	-
Depreciation for the year (refer to note c)	-	-	136.75	10.90	644.16	28.70	48.17	28.40	897.07	-
Disposals	-	(17.00)	-	-	(14.49)	(6.01)	(1.55)	(5.77)	(27.82)	-
Balance as at 30 September 2020	**-**	**-**	**290.26**	**37.87**	**2,295.21**	**126.52**	**105.50**	**87.02**	**2,959.37**	**-**
Balance as at 1 April 2020	-	-	290.26	37.87	2,295.21	126.52	105.50	87.02	2,942.38	-
Depreciation for the period	-	-	70.16	4.34	336.83	13.91	24.25	11.22	460.72	-
Disposals	-	-	-	-	(1.59)	(0.38)	-	-	(1.97)	-
Balance as at 30 September 2020	**-**	**-**	**360.42**	**42.21**	**2,630.45**	**140.05**	**129.75**	**98.24**	**3,401.12**	**-**
Carrying amounts (net)										
At 31 March 2020	**78.60**	**-**	**3,718.61**	**44.27**	**5,139.09**	**175.03**	**93.31**	**129.78**	**9,378.68**	**219.92**
At 30 September 2020	**78.60**	**-**	**3,648.45**	**39.93**	**4,946.88**	**171.01**	**84.40**	**118.56**	**9,087.83**	**297.77**

Notes:

a. Refer to note 17 for information on property, plant and equipment are pledged as security by the Company.

b. Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. The Company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	30 September 2020	31 March 2020
Raw materials consumed		170.77
Salaries and wages		43.39
Contributions to provident and other funds		2.49
Staff welfare expenses		2.80
Job charges		13.34
Store consumed		-
Depreciation		7.62
Power and fuel		5.60
Others		3.68
	-	**249.69**

*Includes capitalised borrowing costs related to the construction of the new factory amounted to Rs. Nil (previous year: Rs. 6.74).

Represents capital work in progress capitalized during the current year and previous year.

**Including block of computers

4 Intangible assets

Gross carrying amount	Technical know-how	Softwares	Web portal	Total
Balance as at 1 April 2019	40.01	108.14	-	148.15
Additions	-	9.92	-	9.92
Disposals	-	-	-	-
Balance as at 31 March 2020	**40.01**	**118.06**	**-**	**158.07**
Balance as at 1 April 2020	40.01	118.06	-	158.07
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 30 September 2020	**40.01**	**118.06**	**-**	**158.07**
Accumulated amortisation				
Balance as at 1 April 2019	6.93	73.85	-	80.78
Amortisation for the year	4.60	32.50	-	37.10
Disposals	-	-	-	-
Balance as at 31 March 2020	**11.53**	**106.35**	**-**	**117.88**
Balance as at 1 April 2020	11.53	106.35	-	117.88
Amortisation for the period	2.31	11.50	-	13.81
Disposals	-	-	-	-
Balance as at 30 September 2020	**13.84**	**117.85**	**-**	**131.69**
Carrying amounts (net)				
At 31 March 2020	**28.48**	**11.71**	**-**	**40.19**
At 30 September 2020	**26.17**	**0.21**	**-**	**26.38**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
5 Investments			
Non-current investments			
Unquoted investments (fully paid up)			
Investment in equity shares (at cost)			
Subsidiary companies (at cost):			
- Pylania SA, Switzerland			
7,550 (31 March 2020: 7,550) equity shares of Swiss Franc (CHF) 100 each fully paid up		281.24	281.24
- Ethos Limited			
11,271,646 (31 March 2020: 11,133,146) equity shares of Rs. 10 each fully paid up	(a), (b), (c)	8,362.23	8,015.98
- Mahen Distribution Limited			
5,928,700 (31 March 2020: 5,928,700) equity shares of Rs 10 each fully paid up		698.07	698.07
- Kamla International Holdings SA, Switzerland			
16,000 (31 March 2020: 16,000) equity shares of Swiss Franc (CHF) 100 each fully paid up		1,097.66	1,097.66
- Satva Jewellery and Design Limited			
3,000,000 (31 March 2020: 3,000,000) equity shares of Rs. 10 each fully paid up		150.00	150.00
		10,589.20	**10,242.95**
Associate (at cost):			
- Kamla Tesio Dials Limited.			
300,000 (31 March 2020: 300,000) equity shares of Rs. 10 each fully paid up		30.00	30.00
		30.00	**30.00**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
Other Companies (Fair value through Statement of profit and loss):			
- Karolview Developers Private Limited			
500,000 (31 March 2020: 500,000) equity shares of Rs. 10 each fully paid up		44.15	44.15
- Shivalik Waste Management Limited			
17,500 (31 March 2020: 17,500) equity shares of Rs. 10 each fully paid up		3.58	3.58
		47.73	**47.73**
		10,666.93	**10,320.68**
Impairment in value of investments			
Subsidiary companies:			
- Pylania SA, Switzerland		98.43	98.43
- Satva Jewellery and Design Limited		150.00	150.00
		248.43	**248.43**
Total non-current investments		**10,418.50**	**10,072.25**
Aggregate amount of unquoted investments		10,418.50	10,072.25
Aggregate amount of impairment in value of investments		248.43	248.43

Notes:

(a) This includes Rs. 14.51 (31 March 2019: Rs. 14.51) which represents fair value of financial guarantees given to Ethos Limited.

(b) This includes Rs. 36.07 (31 March 2019: Rs. 36.07) which represents dividend on investment in preference shares of Ethos Limited which has been waived by the Company and " is considered as quasi equity contribution as it is no longer payable by Ethos Limited."

(c) During the current year, the Company has invested an amount of Rs 2,100 by way of preferential allotment in fully paid up 7,19,176 equity shares of Rs. 10 each of Ethos Limited (a subsidiary company) at a premium of Rs. 282 per share. Further, Ethos Limited (a subsidiary company) has converted its 14% Cumulative Compulsorily Convertible Preference Shares into 19,230 equity shares of Rs. 10 each.

		Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
6	**Loans**		
	(Loans receivables considered good- Unsecured)		
	Security deposits		
	- to others	-	23.79
	Loan to related party (refer to note 38)	103.94	103.94
	Loan to employees		
	- to related party (refer to note 38)	-	8.13
	- to others	-	49.89
		103.94	**185.75**

	Non-Current	
	As at 30th Sep, 2020	As at 31st Mar, 2020
Security deposits		
- to related party (refer to note 38)	-	-
- to others	161.86	139.79
Loan to employees		
- to related party (refer to note 38)	-	22.17
- to others	127.36	58.59
	289.22	**220.55**

		As at 30th Sep, 2020	As at 31st Mar, 2020
7	**Income tax asset (net)**		
	Advance income-tax (net of provision)	226.81	225.77
		226.81	225.77

			As at 30th Sep, 2020	As at 31st Mar, 2020
8	**Other non-current assets**			
	(Unsecured and considered good)			
	Capital advances			
	- to others		37.24	103.09
	Deposit under protest		-	-
	Prepaid expenses		1.78	27.22
			39.02	**130.31**
9	**Inventories**			
	(at lower of cost and net realisable value)			
	Raw materials*		1,847.29	1,842.58
	Work-in-progress		703.70	871.61
	Finished goods**		86.64	194.96
	Stores and spares		294.59	283.75
	Scrap		(8.92)	16.55
			2,923.30	**3,209.45**
	*Includes goods-in-transit - raw materials		7.02	29.16
	**The write down of inventories during the year amounted to Rs. 4.82 (Previous year: Rs. 16.00)			
10	**Trade receivables**			
	(Unsecured, considered good, unless otherwise stated)			
	Trade receivables from others		2,292.59	1,924.16
	Trade receivables from related parties (refer to note 38)		-	551.37
	Less : Allowance for expected credit loss		(7.19)	(11.69)
			2,285.40	**2,463.84**
	Break-up of security details			
	Trade receivable considered good -Secured		-	-
	Trade receivable considered good -Unsecured		2,285.40	2,463.84
	Trade Receivables which have significant increase in Credit risk		-	-
	Trade receivable -credit impaired		7.19	11.69
	Total		**2,292.59**	**2,475.53**
	Allowance for expected credit loss		(7.19)	(11.69)
	Total trade receivables		**2,285.40**	**2,463.84**
11	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts		524.67	949.42
	Remittances in-transit		-	0.14
	Cash on hand		5.04	4.16
			529.71	**953.72**
12	**Other bank balances**	**Note**		
	Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date	(a)	517.75	510.76
	Balance in unclaimed dividend accounts		29.45	31.75
			547.20	**542.51**

Note:

(a) These deposits include restricted bank deposits amounting to Rs. 510.76 (31 March 2019: Rs. 580.79) on account of deposits pledged as security for deposits from shareholders, bank guarantee and margin money.

		As at 30th Sep, 2020	As at 31st Mar, 2020
13	**Other financial assets**		
	Interest accrued but not due on deposits	9.97	22.55
	Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	6.71	-
	Recoverable from related parties (refer to note 38)	4.04	38.20
	Interest receivable from related parties (refer to note 38)	-	58.22
	Recoverable from / balance with government authorities	113.99	76.20
	Recoverable from others	17.59	14.26
		152.30	**209.43**
14	**Other current assets**		
	(Unsecured and considered good)		
	Recoverable from / balance with government authorities	539.78	566.06
	Advances for supply of goods and services	315.54	169.62
	Advances to employees (refer to note 38)	59.64	50.60
	Prepaid expenses	94.99	57.95
		1,009.95	**844.23**

		As at 30th September, 2020		As at 31st March, 2020	
		Number of shares	Amount	Number of shares	Amount
15	**Equity Share capital**				
(i)	Details of share capital				
	Authorised				
	Equity shares of Rs. 10 each.	2,50,00,000	2,500.00	1,24,80,000	1,248.00
		2,50,00,000	**2,500.00**	**1,24,80,000**	**1,248.00**
	Issued				
	Equity shares of Rs. 10 each	1,18,24,388	1,182.43	1,18,24,388	1,182.43
		1,18,24,388	**1,182.43**	**1,18,24,388**	**1,182.43**
	Subscribed and paid up capital				
	Equity shares of Rs. 10 each fully paid up	1,16,50,108	1,165.01	1,16,50,108	1,165.01
	Forfeited equity shares of Rs.10 each	1,74,280	8.71	1,74,280	8.71
		1,18,24,388	**1,173.72**	**1,18,24,388**	**1,173.72**

(ii) Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iii) Reconciliation of the shares outstanding at beginning and at the end of the year

Particulars	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,16,50,108	1,165.01	1,16,33,608	1,163.36
Add: Shares issued during the year	-	-	16,500	1.65
Balance at the end of the year	**1,16,50,108**	**1,165.01**	**1,16,50,108**	**1,165.01**

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
R. K. Saboo	18,34,292	15.74%	18,34,292	15.74%
Yashovardhan Saboo	13,38,791	11.49%	13,38,791	11.49%
Saif India V FII Holdings Limited	10,08,400	8.66%	10,08,400	8.66%
Saif Partners India V Limited	7,54,716	6.48%	7,54,716	6.48%
Pranav Shankar Saboo	6,80,851	5.84%	6,80,851	5.84%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash (during five years immediately preceding 31 March 2020)

During the five years immediately preceding 31 March 2020, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash except during the current year ended 31 March 2020, 16,500 equity shares of Rs. 10 each had been issued under employee stock option plans for which only exercise price had been received in cash.

(vi) Employee stock option plan

Terms attached to stock options granted to employees of the Company are described in note 37D regarding share based payments.

(vii) Shares reserved for issue under options and other commitments

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
"Under KDDL Employee Stock Option Plan - 2011: "equity shares of Rs.10 each, at an exercise price of Rs. 120 per share"(Refer note 37D)"	-	-	-	-

	As at 30th Sep, 2020	As at 31st Mar, 2020
16 Other equity		
(also refer to Statement of Changes in Equity)		
(i) ***Share application money pending allotment***		
Balance at the beginning of the year	-	-
Add : Additions during the year	-	-
Less : Share issue expense made during the year	-	-
Balance at the end of the year	**-**	**-**
(i) ***Securities premium***		
Balance at the beginning of the year	9,480.99	9,462.84
Add : Additions during the year	-	18.15
Less : Share issue expense made during the year	-	-
Balance at the end of the year	**9,480.99**	**9,480.99**

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilised in accordance with the applicable provisions of the Companies Act, 2013.

(ii) ***General reserve***		
Balance at the beginning of the year	2,776.20	2,776.20
Add : Amount transferred from retained earnings	-	-
Balance at the end of the year	**2,776.20**	**2,776.20**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

	As at 30th Sep, 2020	As at 31st Mar, 2020
(iii) ***Employee stock options outstanding reserve***		
Balance at the beginning of the year	-	16.34
Less : Options expired during the year	-	(16.34)
Balance at the end of the year	-	-

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve.

(iv) ***Retained earnings***		
Balance at the beginning of the year	3,517.95	3,286.48
Add: Profit for the year	(421.36)	912.34
Less : Final dividend on equity shares (Rs. 2.50 per share)	-	(523.84)
Less : Corporate dividend tax	-	(107.68)
Less : Transfer to general reserve	-	-
Add: Effective portion of gains/(losses) on hedging instruments in cash flow hedges		
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	-	-
Income tax on effective portion of gains/(losses) on hedging instruments in cash flow hedges	-	-
Add: Remeasurement of defined benefit liability (asset)		
Remeasurement of defined benefit liability (asset)	24.35	(69.63)
Income tax on remeasurement of defined benefit liability (asset)	(7.09)	20.28
Balance at the end of the year	**3,113.85**	**3,517.95**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

(v) ***Money received against shares warrants***

A share warrant is a financial instrument which gives holder the right to acquire equity shares. Money Received against Shares Warrants comprise of share warrants issued by the Company against which shares are yet to be allotted.

During the year ended 31 March 2017, the Company had issued 377,356 share warrants at Rs. 265 per share warrant (including securities premium of Rs 255 per share warrant) on a preferential allotment basis to certain promoters and promoter entities ('warrant holders') and had also received 25% application money amounting to Rs 66.25 per share warrant. The warrants were to be converted into equivalent number of equity shares on payment of balance 75% amount at any time on or before the end of eighteen months from the date of allotment failing which these would stand forfeited. During the year ended 31 March 2019, the Company had allotted 113,206 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants. During the year ended 30 June 2019, the Company has allotted remaining 264,150 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants.

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
17 Borrowings			
Non-current borrowings			
Term-loans			
From banks (secured)	(a)	64.96	48.61
From others (secured)	(b)	3,775.24	4,060.70
		3,840.20	**4,109.31**
Deposits from shareholders/ directors			
Related parties (unsecured) (refer to note 38)	(c)		
-From Directors		522.39	412.69
-From Inter-Corporate		30.00	40.00
-From Others		86.16	67.61
From others (unsecured)	(c)	1,672.55	1,621.94
		2,311.10	**2,142.24**
Total non-current borrowings (including current maturities)		**6,151.30**	**6,251.55**
Less : Current maturities of non-current borrowings (refer to note 18)		616.43	1,731.12
		5,534.87	**4,520.43**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
(ii) Lease liabilities			
-From Others		682.08	793.90
Total non-current Finance lease (including current maturities)		**682.08**	**793.90**
Less : Current maturities of non-current Finance lease (refer to note 18)		194.69	199.99
		487.39	**593.91**

Notes:

(a) - Vehicle loans from banks amounting to Rs. 48.61 (31 March 2019: Rs. 67.08) carrying interest rate in the range of 7.50% to 10.50% (previous year 7.50% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(b) - Term loan from Tata Capital Financial Services Limited amounting to Rs. 101.45 (31 March 2019: Rs. 236.88) carrying interest rate equal to LTLR less 7% (presently 10.25%) (previous year 10.50%) is secured by way of first pari passu charge over the project leasehold immovable property and over movable fixed assets of Eigen III, situated at plot no. 55-A (Aerospace sector) Hitech, Devanahalli, Bengaluru. The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 21 monthly installments of Rs. 11.30 as per the repayment schedule in equal annual installments commencing from 25 April 2018. The last instalment would be repaid on 25 December 2020.

- Term loan from Tata Capital Financial Services Limited amounting to Rs. 157.50 (31 March 2019: Rs. 247.48) carrying interest rate equal to LTLR less 7.25% (presently 10.25%) (previous year 10.50%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru and exclusive charge by way of hypothecation over the plant & machineries & other movable assets of KHAN II, situated at 408, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore 560058 (Karnataka). The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 11 quarterly installments of Rs. 22.50 as per the repayment schedule in equal annual installments commencing from 8 April 2018. The last instalment would be repaid on 8 October 2021.

- Term loan from Tata Capital Financial Services Limited amounting to Rs. 583.65 (31 March 2019: Rs. 757.62) carrying interest rate equal to LTLR less 8.75% (presently 10.25%) (previous year 10.50%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru 560058 (Karnataka). The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 52 monthly installments of Rs. 14.65 as per the repayment schedule in equal annual installments commencing from 30 July 2018. The last instalment would be repaid on 20 July 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 1321.69 (31 March 2019: Rs. 1868.56) carrying interest rate of 10% (previous year 10%) is secured by pari passu charge by way of hypothecation of equipment procured out of the term loan, Mortgage of leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru. The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan of Rs. 1,200 is to be repaid in 43 instalments of Rs.21.13 and last instalment would be paid on 5th October, 2022. The loan of Rs. 1,000 is to be repaid in 46 monthly installments of Rs. 20.83 as per the repayment schedule in equal monthly installments commencing from 05 January 2018. The last instalment would be repaid on 5 January 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 873.17 (31 March 2019: Rs. 200) carrying interest rate of 10% (previous year 10%) is secured by way of first pari passu charge over movable fixed assets of of Company . The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 48 instalments of Rs.20.83 as per the repayment schedule in equal monthly installments commencing from 05 September 2019. The Last instalment would be paid on 5 September 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 997.04 (31 March 2019: Rs. Nil) carrying interest rate of 9.20% is secured by way of first pari passu charge over movable fixed assets of of Company . The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 18 instalments of Rs. 55.55 as per the repayment schedule in equal quarterly installments commencing from 05 September 2020. The Last instalment would be paid on 05 March 2025.

- Vehicle loans from Daimler Financial Services and Kotak Mahindra Prime Limited amounting to Rs. 26.21 (31 March 2019: Rs. 35.58) carrying interest rate in range of 7.75% to 9.50% (previous year 7.50% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(c) Deposits from shareholders/ directors amounting to Rs. 2,142.24 (31 March 2019: Rs. 1,532.43) carrying interest rates in the range of 9.50% to 11.50% (previous year 9% to 12.5%) per annum are repayable in 1 years to 3 years from the respective dates of deposit.

		Note	As at 30th Sep, 2020	As at 31st Mar, 2020
(iii)	**Current borrowings**			
	Loans repayable on demand			
	From banks (secured)	(a)	1,061.38	1,433.21
	From others (secured)	(b)	300.00	300.00
	Deposit from shareholders/directors			
	Related parties (unsecured) (refer to note 38)			
	-From Directors		46.50	87.07
	-From Others		-	0.50
	From others (unsecured)	(c)	54.48	104.25
			1,492.22	**1,925.03**

Notes:

(a) Working capital borrowings from banks amounting to Rs. 1,435.51 (31 March 2019: Rs. 702.84) carrying interest rate varying from 9.00% to 10.20% (previous year 9.25% to 11.90%) per annum are secured by hypothecation of stocks of stores and spares, raw materials and components, finished goods and stock-in-process and book debts and other assets of the Company (both present and future), on pari passu basis except packaging unit (KPAC) and are further secured by a second charge on the entire fixed assets of the Company. These loans are also guaranteed by the Chairman & Managing Director of the Company and is repayable on demand.

(b) Working capital borrowings from others amounting to Rs. 300 (31 March 2019: Rs. Nil) carrying interest rate of 9.15% per annum are secured by first pari passu charge on current assets. The loan is also personally guaranteed by the Chairman & Managing Director of the Company and is repayable on demand

(c) Deposits from shareholders/ directors amounting to Rs. 191.82 (31 March 2019: Rs. 37.43) carrying interest rates in the range of 8.50% to 10% (previous year 9% to 12.5%) per annum are repayable within 1 year from the respective dates of deposit.

		Year ended 30 September 2020	Year ended 31 March 2020
(iii)	**Reconciliation of movements of liabilities to cash flows arising from financing activities**		
	Balance as at the beginning of the year (including current and non-current borrowings)	**8,176.58**	**5,685.90**
	Proceeds from non-current borrowings	47.19	2,869.77
	Repayment of non-current borrowings	(120.38)	(1,564.50)
	Proceeds from current borrowings having maturity period more than 3 months	7.73	272.66
	Repayment of current borrowings having maturity period more than 3 months	(34.54)	(118.27)
	Repayments of/proceeds from current borrowings (net)	(678.51)	1,030.37
	Transaction costs related to borrowings	-	0.65
	Balance as at the end of the year (including current and non-current borrowings)	**7,398.07**	**8,176.58**

* Non-current borrowings include current maturities of non-current borrowings

		Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
18	**Other financial liabilities**		
	Current maturities of non-current borrowings [refer to note 17(i)]	616.43	1,731.12
	Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	-	74.35
	Interest accrued but not due (refer to note 38)	0.63	100.02
	Unpaid dividends*	29.46	31.76
	Capital creditors	88.02	477.57
	Employee related payables (refer to note 38)	948.53	691.73
		1,683.07	**3,106.55**

* not due for deposit to investor education and protection fund

	Non-Current	
	As at 30th Sep, 2020	As at 31st Mar, 2020
Interest accrued but not due (refer to note 38)	296.25	109.10
Unpaid dividends*	-	-
Application money received for allotment of securities to the extent refundable	-	-
Capital creditors	-	-
Employee related payables	-	-
Security Deposits		
- from related parties (refer to note 38)	6.77	6.77
- from others	5.59	5.69
	308.61	**121.56**

		Non-Current		Current	
		As at 30 September 2020	As at 31 March 2020	As at 30 September 2020	As at 31 March 2020
19	**Provisions**				
	Provisions for employee benefits (refer to note 37)				
	Liability for gratuity	108.99	106.29	-	19.66
	Liability for compensated absences	-	-	265.18	254.03
		108.99	**106.29**	**265.18**	**273.69**
	Other provisions				
	Provision for warranties	-	-	-	-
		-	-	-	-
		108.99	**106.29**	**265.18**	**273.69**

Movement in other provisions	**Warranties**
Balance as on 1 April 2018	26.15
Provisions made during the year	4.32
Provisions utilised during the year	(9.80)
Balance as on 31 March 2019	**20.67**
Provisions made during the year	-
Provisions reversed during the year	(20.67)
Balance as on 31 March 2020	-

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when the claim will arise. Any recovery of cost incurred is netted off against the relevant cost.

		As at 30th Sep, 2020	As at 31st Mar, 2020
20	**Deferred tax liabilities (net)**		
	Deferred tax liability on		
	- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	659.86	659.86
	- MTM Gain/(Loss) on foreign exchange contracts	(21.65)	(21.65)
	Deferred tax liability (A)	**638.21**	**638.21**
	Deferred tax assets on		
	- Expected credit loss allowance	3.40	3.40
	- Provision for warranties	-	-
	- Provision for employee benefits	101.70	101.70
	- Provision for bonus	10.29	10.29
	- Lease liabilities and Right of use assets (Net)	16.96	16.96
	Deferred tax assets (B)	**132.35**	**132.35**
	Net deferred tax liabilities (A - B)	**418.29**	**505.86**

	As at 31 March 2019	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 31 March 2020
(b) Movement in temporary differences:				
2018-2019				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	558.46	101.40	-	659.86
- MTM Gain/(loss) on foreign exchange contracts	8.67	(30.32)	-	(21.65)
- Expected credit loss allowance	(0.24)	(3.16)	-	(3.40)
- Provision for warranties	(6.02)	6.02	-	-
- Provision for employee benefits	(74.96)	(6.47)	(20.28)	(101.70)
- Provision for bonus	(70.27)	59.98	-	(10.29)
- Lease liabilities and Right of use assets (Net)	-	(16.96)	-	(16.96)
	415.64	**127.45**	**(20.28)**	**522.82**

	As at 31 March 2020	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 30 September 2020
2019-2020				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	659.86	-	-	659.86
- MTM Gain/(loss) on foreign exchange contracts	(21.65)	-	-	(21.65)
- Expected credit loss allowance	(3.40)	-	-	(3.40)
- Provision for warranties	-	-	-	-
- Provision for employee benefits	(101.70)	(7.10)	7.09	(101.70)
- Provision for bonus	(10.29)	-	-	(10.29)
- Lease liabilities and Right of use assets (Net)	-	(16.96)	-	(16.96)
	522.82	**(24.06)**	**7.09**	**505.85**

	As at 30th Sep, 2020	As at 31st Mar, 2020
21 Trade payables		
Dues of Micro Enterprises and Small Enterprises (refer to note below)	76.80	75.05
Trade payables to related parties (refer to note 38)	-	93.40
Other trade payables	1,265.21	1,185.03
	1,342.01	**1,353.48**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 30th Sep, 2020	As at 31st Mar, 2020
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	69.59	67.84
- Interest	7.21	7.21
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed date during each accounting year;	223.97	223.97
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006;	7.21	7.21

	Particulars	As at 30th Sep, 2020	As at 31st Mar, 2020
	(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.21	7.21
	(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	7.21	7.21

		As at 30th Sep, 2020	As at 31st Mar, 2020
22	**Other current liabilities**		
	Advance from customers	527.98	148.46
	Advance from related parties (refer to note 38)	-	-
	Statutory dues	160.48	169.80
	Deferred revenue	1.05	1.05
		689.51	**319.31**
23	**Current tax liabilities (net)**		
	Provision for income tax (net of advance tax)	29.91	31.51
		29.91	**31.51**

		Year ended 30 September 2020	Year ended 31 March 2020
24	**Revenue from operations**		
	Sale of products	5,033.41	16,602.57
	Sale of services	192.56	644.21
	Export incentives	126.30	390.45
	Other operating revenues		
	Scrap sales	174.69	422.05
		5,526.96	**18,059.28**
	Revenue disaggregation as per industry vertical and geography has been included in segment information (refer to note 39).		
a.	**Revenue from contracts with customers disaggregated based on nature of products and services**		
	Revenue from sale of products		
	- Precision and watch components	4,909.25	15,748.24
	- Others	124.16	854.33
	Sale of services	192.56	644.21
	Other operating revenue	174.69	422.05
		5,400.66	**17,668.83**
	Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss		
	Total revenue from contracts with customers	5,400.66	17,668.83
	Add: Items not included in disaggregated revenue:		
	- Export Incentives	126.30	390.45
	Revenue from operations as per the statement of profit and loss	**5,526.96**	**18,059.28**
b.	**Contract balances**		
	The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:		
	Trade receivables (refer to note 10)	2,285.40	2,463.84
	Advances from customers (refer to note 22)	527.98	148.46

		Year ended 30 September 2020	Year ended 31 March 2020
25	**Other income**		
	Interest income		
	Fixed deposits with banks	19.98	36.88
	Interest income from related parties (refer to note 38)	-	49.23
	Interest income from others	15.10	113.90
	Interest income from financial assets at amortised cost		
	Dividend income	0.26	0.31
	Rental income (refer to note 38)	16.62	28.33
	Liabilities/ provision no longer required written back	-	45.46
	Exchange gain on foreign exchange fluctuations (net)	93.85	248.30
	Net gain on sale of property, plant and equipment and intangible assets	0.92	1.43
	Miscellaneous income	7.05	3.08
		153.78	**526.92**
26	**Cost of materials consumed***		
	Inventory of material at the beginning of the year	1,842.58	1,724.65
	Purchases of raw materials	1,190.93	4,639.96
		3,033.51	6,364.61
	Inventory of material at the end of the year	1,847.29	1,842.58
		1,186.22	**4,522.03**
	* Refer to note 3 (c)		
27	**Changes in inventories of finished goods, work-in-progress and scrap**		
	Opening stock		
	Work-in-progress	871.61	954.42
	Finished goods	194.96	115.91
	Scrap	16.55	-
		1,083.12	1,070.33
	Less:		
	Closing stock		
	Work-in-progress	703.70	871.61
	Finished goods	86.64	194.96
	Scrap	(8.92)	17
		781.42	1,083.12
		301.70	**(12.79)**
28	**Employee benefits expenses**		
	Salaries and wages [refer to note 3 (c)]	1,942.81	4,867.46
	Contributions to provident and other funds (refer to note 37)	207.49	448.03
	Staff welfare expenses	53.70	215.43
		2,204.00	**5,530.92**
29	**Finance costs**		
	Interest expense on financial liabilities measured at amortised cost	421.69	765.13
	Interest on lease liabilities (refer to note 41)	43.01	102.47
	Other borrowing costs	3.03	17.78
		467.73	**885.38**

		Year ended 30 September 2020	Year ended 31 March 2020
30	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment*	467.16	889.45
	Amortisation of other intangible asset (refer to note 4)	7.38	37.10
	Depreciation of Right-of-use assets (refer to note 41)	114.97	250.68
	Depreciation of investment property (refer to note 41)		16.21
		589.51	**1,193.44**

*Excludes Rs. 7.62 (previous year : Rs 19.17) charged on plant and equipment at tool room division at Bengaluru which was utilised for development of in-house tools. Accordingly, such amount has been capitalised under plant and equipment. Also, refer to note 3(c).

31	**Other expenses**		
	Stores and spares consumed [refer to note 3 (c)]	246.03	882.52
	Power, fuel and water charges [refer to note 3 (c)]	166.43	461.24
	Contractual labour expenses	113.06	783.55
	Insurance	18.81	16.71
	Rent (refer to note 41)	18.66	11.98
	Rates and taxes	11.61	19.69
	Repair and maintenance		
	- Plant and machinery	72.47	263.46
	- Buildings	16.59	43.80
	- Others	40.98	146.10
	Legal and professional fees [refer to note (a) below]	155.82	444.92
	Travelling and conveyance	103.04	455.13
	Job charges [refer to note 3 (c)]	190.08	549.62
	Bank Charges	16.91	47.06
	Printing and stationery	14.68	40.92
	Communication expenses	21.14	50.40
	Commission	72.90	212.14
	Events and exhibitions	23.84	152.41
	Property, plant and equipment written off	0.68	11.59
	Expected credit loss on trade receivables	-	10.83
	Donation	1.50	5.50
	Advances / deposits written off	-	3.60
	Directors' sitting fees	7.90	22.60
	Security service charges	44.21	75.29
	Net change in fair value of financial assets (at FVTPL) (net)	-	1.29
	Corporate social responsibility expenditure [refer to note (b) below]	10.00	34.50
	Miscellaneous expenses	80.26	332.20
		1,447.60	**5,079.05**
	Note (a): Auditors' remuneration (including to ex-statutory auditor) (excluding taxes as applicable)		
	As Auditor		
	- Statutory audit	7.00	14.00
	- Tax audit	-	-
	- Limited review of quarterly results	4.84	6.50
	In other capacity		
	- Certification work	-	7.43
	- Reimbursement of expenses	1.78	3.69
		13.62	**31.62**

		Year ended 30 September 2020	Year ended 31 March 2020
	Note(b): Detail of corporate social responsibility expenditure		
	a. Amount required to be spent by the Company during the year	34.50	34.50
	b. Amount spent during the year (in cash)		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purpose other than (i) above (refer to note 38)	10.00	34.50
		10.00	**34.50**
32	**Income tax expense**		
A.	*Amounts recognised in statement of profit and loss*		
	Current tax		
	Current year	-	384.38
	Changes in estimates related to prior years	-	(19.05)
		-	365.33
	Deferred tax		
	Attributable to–		
	Origination and reversal of temporary differences	(94.66)	30.25
	Changes in estimates related to prior years	-	80.25
		(94.66)	110.50
		(94.66)	**475.83**
B.	*Income tax recognised in other comprehensive income*		
	Arising on income and expenses recognised in other comprehensive income		
	Remeasurement of defined benefit liability (asset)	24.35	(69.63)
		24.35	**(69.63)**
	Bifurcation of the income tax recognised in other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Income tax on remeasurement of defined benefit liability (asset)	(7.09)	20.28
		(7.09)	**20.28**
33	**Earnings per share**		
A.	Basic earnings per share		
	i. Profit / (loss) for basic earning per share of Rs. 10 each		
	Profit for the year	(421.36)	912.34
	ii. Weighted average number of equity shares for (basic)		
	Balance at the beginning of the year	1,16,50,108	1,16,33,608
	Effect of fresh issue of shares	-	3,553
		1,16,50,108	**1,16,37,161**
	Basic Earnings per share (face value of Rs 10 each)	**(3.62)**	**7.84**
B.	Diluted earnings per share		
	i. Profit / (loss) for diluted earning per share of Rs. 10 each		
	Profit for the year	(421.36)	912.34
	ii. Weighted average number of equity shares for (diluted)		
	Balance at the beginning of the year	1,16,50,108	1,16,33,608
	Effect of fresh issue of shares	-	3,553
	Effect of employee stock options*	-	-
		1,16,50,108	**1,16,37,161**
	Diluted Earnings per share (face value of Rs. 10 each)	**(3.62)**	**7.84**

* Nil options (31 March 2019: 4,737 options) were excluded from calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

NATIONAL COMPANY LAW TRIBUNAL **ANNEXURE-III**

CHANDIGARH BENCH, CHANDIGARH

(through web-based video conferencing platform)

CA (CAA) No. 25/Chd/HP/2020
(First Motion)

Under Sections 230 to 232
of the Companies Act, 2013

IN THE MATTER OF SCHEME OF AMALGAMATION AMONGST:

SATVA JEWELLERY AND DESIGN LIMITED
having its registered office at:
SCO 88-89, Sector-8C,
Madhya Marg, Chandigarh -160009

…Transferor Company/ Applicant Company-1

And

KDDL LIMITED
having its registered office at:
Plot no. 3, Sector III,
Parwanoo, Himachal Pradesh-173220

… Transferee Company / Applicant Company-2

Order delivered on: 10.11.2020

Coram: HON'BLE MR. AJAY KUMAR VATSAVAYI, MEMBER (JUDICIAL)
HON'BLE MR. RAGHU NAYYAR, MEMBER (TECHNICAL)

For the applicant companies: 1. Ms. Munisha Gandhi, Senior Advocate
2. Ms. Salina Chalana, Advocate

Per: Mr. Ajay Kumar Vatsavayi, Member (Judicial)

ORDER

This is a joint First Motion application filed by the Applicant Companies herein, namely Satva Jewellery and Design Limited (Applicant Company 1/ Transferor Company) and KDDL Limited (Applicant Company 2/Transferee Company) (jointly described as 'Applicant Companies') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (for brevity, the 'Act') read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity, the 'Rules') for sanctioning of the proposed Scheme of Amalgamation (for short, the 'Scheme'). The Scheme proposed in the Application is at Annexure A.1 of the Application. The contents of the application are supported by the affidavit of Mr. Sanjeev Kumar Masown, the authorized signatory of the Applicant Companies. The prayers made in the application are to seek appropriate orders/direction for dispensing with the meetings of Shareholders and Creditors of the Transferor Company and appropriate orders/directions for convening the meetings of Shareholders and creditors of the Transferee Company. The joint application is maintainable in terms of Rule 3(2) of the Rules.

2. It is submitted that in 2018, the Applicant Companies had filed an application under section 233 (2) of the Companies Act, 2013 before the Regional Director, seeking approval of the scheme between the wholly owned subsidiary company i.e. Transferor Company and the holding company i.e. Transferee Company. The Application was referred by the Regional Director to this Hon'ble Tribunal under section 233 (5) vide CA (CAA) No. 18/Chd/HP/2018. However, since the scheme was not approved by the requisite majority, as required under section 233 (1) (b) of the Act, this Hon'ble Tribunal, vide order dated 15.10.2019 (Annexure A-2) held the following:

   "After taking into consideration the above discussion and in view of the provisions of Section 233(6) of the Act, we are of the opinion that the scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly direct that necessary further action be taken by both the companies under section 232 of the Act."

   Hence, the present application under sections 230-232 has been filed by the Applicant Companies.

3. The Board of Directors of the Applicant Companies at their Board meetings held on December, 3, 2019 have approved and adopted the Scheme subject to the approval of the equity shareholders, secured creditors and unsecured creditors of the Applicant Companies and the sanction by this Tribunal. Further, the Board of Directors of the Applicant Companies at their Board meetings held on May 26, 2020 have approved the changes, made in the scheme of amalgamation due to increase in paid up equity share capital of the Transferee Company post March 31, 2019. The Board resolutions of the Transferor Company as well as Transferee Company are at Annexures A.5 and A.11 of the application, respectively.

4. As per the Memorandum and Articles of Association (Annexure- A.3), the main objects of Applicant Company-1 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."

5. As per the Certificate of Incorporation of Applicant Company- 1 (Annexure- A.3), Applicant Company-1 was incorporated on 23.12.2004 under the name 'Satya Jewellery and Design Limited'. The CIN of Applicant Company-1 is U36911CH2004PLC027767. The master data of the Company is at page no. 626 of the application.

6. The authorized, issued, subscribed and paid-up share capital of the Applicant Company-1 as on 31.03.2020 is as under:-

Share Capital	**Amount in Rs.**
Authorised Share Capital(30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

7. It is also stated that there has been no change in the share capital structure of the Applicant Company-1 post 31.03.2020 till the date of filling of this application. It is submitted that the shares of the Applicant Company-1 are not listed on any stock exchanges and also, 100% of the paid-up equity share capital of the Applicant Company-1 is held by the Applicant Company-2/Transferee Company.

8. As per the Memorandum and Articles of Association (Annexure- A.9), the main objects of Applicant Company-2 are as under:

   (i) 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.

   (ii) 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.

9. As per the Certificate of Incorporation of Applicant Company- 2 (Annexure- A.9), Applicant Company-2 was incorporated as a public limited company on 08.01.1981 under the name 'Kamal Dials And Devices Limited'. The CIN of the Applicant Company- 2 is L33302HP1981PLC008123. The master data of the Company is at page no. 627 of the application.

10. The authorized, issued, subscribed and paid-up share capital of the Applicant Company-2 as on 31.03.2019 is as under:-

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608 Equityshares of Rs. 10 each fully paid up	11,633,6080

It is stated that the Board of Directors of Transferee Company had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6th November, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020 is as follows:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (1,18,24,388 Equity Shares of Rs.10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

11. It is also stated that there has been no change in the share capital structure of the Applicant Company-2 post 31.03.2020 till the date of filling of this application.

12. The registered offices of the Applicant Company 1 and Applicant Company 2 are in the Union Territory, Chandigarh and the State of Himachal Pradesh, respectively, therefore, the matter falls within the territorial jurisdiction of this Tribunal.

13. It is also stated in the para 27 of the application that no proceedings under Sections 206 to 229 of the Companies Act, 2013 are pending against the Applicant Companies.

14. The Applicant Companies have made the prayers in the joint application for the following directions: -

I. Dispensing with requirement for convening the meeting of the equity shareholders of the Transferor Company / Applicant Company 1 and also to dispense with the requirement of issue and publication of notices for the same as equity shareholder of the Transferor Company / Applicant Company 1 has given its consent in writing to the Scheme and towards dispensing with their meeting;

II. Dispensing with requirement for convening the meetings of the secured and unsecured creditors of Transferor Company / Applicant Company 1 and also to dispense with the requirement of issue and publication of notices for the same since there is one secured creditor and one unsecured creditor who has given their consent to the Scheme and towards dispensing with their meetings;

III. Issuing necessary directions for convening the meeting of shareholders of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

IV. Issuing necessary directions for convening the meeting of secured creditors of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

V. Issuing necessary directions for convening the meeting of unsecured creditors of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

VI. Issuing necessary direction for appointment of Chairperson and scrutinizer for the meeting or meetings to be held and terms of appointment and remuneration for the Chairperson.

VII. Issuing necessary direction fixing the time period within which the chairperson shall report the result of the meeting to this Hon'ble Tribunal;

VIII. Issuing direction for permitting the filing of application, petition and other documents as may be required, for the purpose of sanctioning the proposed Scheme of Arrangement.

IX. For sending notices to (a) the Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, (b) Registrar of Companies at Chandigarh, (c) Income Tax Department, Chandigarh and New Delhi, (d) the Official Liquidator, and (e) Securities and Exchange Board of India, seeking their representation if any, on the scheme of arrangement.

X. It is also prayed that the Applicant Companies may kindly be exempted from filing certified copies and true typed copies of the Annexures and permission to file photocopies thereof may kindly be granted, in the interest of justice.

XI. Passing such other and further orders as this Hon'ble Tribunal may deem proper in the facts and circumstances on the instant case.

15. Learned Senior Counsel for the Applicant Companies submitted that as per list attached at Annexure- A.6 (Colly) as on 31.03.2020, Applicant Company-1 / Transferor Company has 8 (Eight) equity shareholders, however, there is only 1 beneficial equity shareholder in the Applicant Company-1. The beneficial equity shareholder (along with its Nominees) of the Applicant Company-1 have given their consent in writing by way of affidavit to the Scheme. The consent affidavits along with Board resolutions are at Annexure- A.6 (Colly) of the application. Hence, the requirement of calling and convening the meeting of equity shareholders may be dispensed with.

16. It is submitted that the Applicant Company-1 / Transferor Company has 1 has (one) secured creditor and 1 (one) unsecured creditor as on 31.03.2020.The certificates of KAN & Associates, Chartered Accountants to this effect are at Annexure-A.7 (Colly) of the application. The consent affidavits of the creditors are also a part of Annexure- A.7 (Colly) of the application.

17. Learned Senior Counsel for the Applicant Companies submitted that as per list attached at Annexure - A.12 as on 31.03.2020, the Applicant Company-2 has 4538 (Four Thousand Five Hundred Thirty-Eight) equity shareholders.

18. It is further submitted that the Applicant Company 2/Transferee Company has 10(ten) Secured Creditors and 1286 (one Thousand Eight Hundred Eighty-Six unsecured creditors as on 31.03.2020. The certificates of KAN & Associates, Chartered Accountants, to this effect are at Annexure-A13 (Colly) of the application.

19. It is prayed for directions to convene meetings of shareholders, secured creditors as well as unsecured creditors of the Transferee Company.

20. We have heard the Learned Senior Counsel for the Applicant Companies and have perused the records and the supporting documents/papers filed along with the "Scheme" contemplated between the Applicant Companies.

21. The rationale for the "Scheme" is stated as below:

    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 / Applicant Company 1 to increase operations and confer a competitive advantage on the entire business. With integrated processes, Transferee Company / Applicant Company 2 can achieve higher scales of operation.*

    c) *The amalgamation of the operations of the Transferor Company / Applicant Company 1 into the Transferee Company / Applicant Company 2 will assist the Transferor Company / Applicant Company 1 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).*

22. The appointed date as defined in the Scheme, shall mean the April 1, 2019 or such other date as this Tribunal may direct for the purposes of this Scheme.

23. The Learned Senior Counsel also submitted that the Applicant Company-1 is the wholly owned subsidiary of the Applicant Company-2. Therefore, upon the Scheme becoming effective, all the equity shares, as held by the Applicant Company-2 in the Applicant Company-1, shall stand cancelled and extinguished. Clause 4.1 of the Scheme is the relevant clause in that aspect.

24. It is represented that the Applicant Company-1 and Applicant Company-2 have filed their audited financial statements for the year ended 31.03.2018, 31.03.2019 and 31.03.2020 attached as Annexures A.4 and A.10 of the application respectively.

25. On the last date of hearing, the Applicant Companies were directed to file unaudited financial statements as on 30.09.2020. In compliance of the same, the Applicant Companies have filed their unaudited financial statements as on 30.09.2020 attached as Annexure A1 vide Diary No. 01061/1 dated 02.11.2020.

26. Clause 3.2.8. of the Scheme states that all proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been had not been made. It is also stated that the Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date., and to have the same continued, prosecuted and enforced by or against the Transferee Company.

27. Clause 3.5.1. of the Scheme states that all the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

28. The certificate of S.R. Batliboi & Co. LLP and Singhal Karun and Co, Statutory Auditors of the Applicant Companies have been filed at Annexure- A.15 (Colly) of the application, stating that the accounting treatment proposed in the Scheme is in conformity with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

29. Learned Senior Counsel for the Applicant Companies submitted that the Applicant Company-1 is not a public listed company whereas the Applicant Company-2 is a public listed company and is therefore regulated by the Securities and Exchange Board of India. Affidavit in this respect is attached as Annexure- A.16 of the application. Learned Senior Counsel has also relied upon the SEBI Circular No. CFD/DIL3/CIR/ 2017/21 (dated 10-March-2017) ('Çircular') which lays down the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements and, which amongst others, include procedures to obtain approval from Stock Exchange(s) and SEBI. It is submitted that Provision 7 of the aforesaid Circular provides that provisions of this circular (which, amongst others, includes approval from Stock Exchange and SEBI) shall not apply to schemes which solely provide for merger of a wholly owned subsidiary with the parent company.

30. It is submitted that the present Scheme envisages merger of wholly owned subsidiaries (i.e. Applicant Company 1) with the Parent company (i.e. Applicant Company 2) only, and approval from SEBI and Stock Exchanges (BSE and National Stock Exchange of India Limited) may not be required in the present case in view of the above circular.

31. In view of the above, following directions are issued with respect to calling, convening and holding of meetings of the shareholders, secured creditors and unsecured creditors or dispensing with the same as well as issue of notices to regulatory authorities, which are as follows:

A. <u>In relation to Applicant Company-1 / Transferor Company 1:</u>

a. Meeting of the Equity Shareholders is dispensed with the consent affidavits of all shareholders have been obtained and placed on record.

b. Meeting of the Secured Creditors is dispensed with as there is only one (One) Secured Creditor and the consent affidavit of the sole secured creditor has been obtained and placed on record.

c. Meeting of the Unsecured Creditors is dispensed with as there is only one (One) Unsecured Creditor and the consent affidavit of the sole Unsecured Creditor has been obtained and placed on record.

B. In relation to Applicant Company-2 / Transferee Company:

a. Meeting of the Equity Shareholders to be convened on 19.12.2020 at 10:00 a.m. vide video- conferencing, subject to notice of meeting being issued. The quorum of the meeting of the Equity Shareholders shall be 1815 in number and 40% in value of the equity shareholders.

b. Meeting of the Secured Creditors to be convened on 19.12.2020 at 11:30 a.m. vide video-conferencing, subject to notice of meeting being issued. The quorum of the meeting of the Secured Creditors shall be 4 in number and 40% in value of the Secured Creditors.

c. Meeting of the Unsecured Creditors to be convened on 19.12.2020 at 12:30 p.m. vide video-conferencing, subject to notice of meeting being issued. The quorum of the meeting of the unsecured Creditors shall be 514 in number and 40% in value of the unsecured Creditors.

C In case the required quorum as noted above for the aforesaid meetings of the Applicant Company 2/Transferee Company is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meetings, is filed with the registered office of the Applicant Company 2, at least 48 hours before the meetings. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy register is properly maintained. The Scrutinizer is duty bound to record the proceedings of the meeting conducted through video conference.

d. Mr. Pushkar Sood, Advocate, R/o D-13, (GF), Anand Niketan, New Delhi-110021, M: 98100-10790, email ID: <u>pushkarsood03@gmail.com</u>, is appointed as the Chairperson for the meeting to be called under this order. He shall be paid fee of Rs. 2,00,000/- for his services as the Chairperson.

e. Ms. Sehej Sandhawalia, Advocate, R/o House No. 3060, Sector 28-D, Chandigarh, M: 78373-35849, e-mail ID: <u>sehejsandhawalia1801@gmail.com</u>, is appointed as the Alternate Chairperson for the meetings to be called under this order. She shall be paid fee of Rs. 1,25,000/- for her services as the Alternative Chairperson.

f. Mr. Jaspreet Singh Dhawan, Company Secretary, M: 98885- 15184, e-mail ID: <u>jaspreetsdhawan1@gmail.com</u>, is appointed as the Scrutinizer for the meetings to be called under this order. He shall be paid fee of Rs. 75,000/- for his services as the Scrutinizer.

g. The fee of Chairperson, Alternate Chairperson and Scrutinizer shall be borne by the Transferee Company.

h. It is further directed that the individual notices of the said meeting shall be sent by the Applicant Company 2/Transferee Company to the Shareholders, Secured and Unsecured Creditors through registered post or speed post or courier, 30 days in advance before the scheduled date of the meeting, indicating the day, date and the time and the e-link or information of the meeting, together with a copy of 'Scheme', copy of explanatory statement required to be sent under the Companies Act, 2013 and the

applicable Rules along with the proxy forms. Any other documents as may be prescribed under the Act shall also be duly sent with the notice.

i. It is further directed that along with the notices, the Applicant Company 2/Transferee Company shall also send, statement explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members etc. along with effect of the scheme on any material interests of the director of the company if any as per sub-section 3 of Section 230 of the Act.

j. It is also directed that the supplementary accounting statement of the Applicant Companies relating to the period ending 30.09.2020 be also circulated for the aforesaid meetings apart from other requirements of subsection 2 of section 230 of the Act.

k. That the Applicant Company 2 shall publish with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date and the place and the time of the meetings as aforesaid, to be published in the Financial Express (English), Himachal Pradesh and Chandigarh Edition and Jansatta (Hindi), Himachal Pradesh and Chandigarh Edition. It be stated in the advertisement that the copies of "Scheme", the explanatory statement required to be published pursuant to section 230-232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company 2. The Applicant Company 2 shall also publish the notice on its website, if any.

l. It shall be the responsibility of the Applicant Company 2 to ensure that the notices are sent under the signature and supervision of the authorized representative of the company and that they shall file their affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least 7 days before the date fixed for the meetings.

m. Voting shall be allowed on the "Scheme" in person or by proxy or through electronic means or by postal ballot, as may be applicable to the Applicant Companies under the Act and the Rules framed thereunder.

n. The Chairperson shall be responsible to report the result of the meeting to the tribunal in form number CAA 4, as per rule 14 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 within 7 days of the conclusion of the meetings. He would be fully assisted by the authorized representative of the Applicant Company 2 and the Scrutinizer, who will assist the Chairperson and Alternate Chairperson in preparing and finalizing the reports.

o. The Applicant Company 2, shall individually and in compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (Compromise Arrangement and Amalgamation) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the 'Rules' to (a) the Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, (b) Jurisdictional Registrar of Companies, (c) Commissioner of Income Tax within whose jurisdiction the Applicant Companies are assessed by mentioning the PAN numbers of both the Applicant Companies, (d) the Official Liquidator, and (e) Securities and Exchange Board of India (in Transferee Company only), (f) BSE (in Transferee Company only), (g) NSE (in Transferee Company only), stating that representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representations shall be simultaneously sent to the concerned companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

p. The Applicant Company 2 further shall furnish copy of the Scheme free of charge within one day of any requisition for the 'Scheme' made by any member or creditor entitled to attend the meetings, as aforesaid.

q. All the aforesaid directions are to be strictly complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.

32. With the aforesaid directions, this First Motion Petition stands allowed giving liberty to the Applicant Companies to file Second Motion Petition. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutiniser.

Sd/-
(Raghu Nayyar)
Member (Technical)

Sd/-
(Ajay Kumar Vatsavayi)
Member (Judicial)

November 10, 2020
Yashpal

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L33302HP1981PLC008123
Name of the company: **KDDL Limited**
Registered Office: Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220

Name of the member (s): Equity Registered address: E-mail Id: Folio No/ Client Id: DP ID: Client Id:	

I/We, being the Equity Shareholder of the above named company, hereby appoint

Name:

Address:

E-mail Id:

Signature: .....

as my/our proxy to participate and vote for me/us and on my/our behalf at the meeting of Equity Shareholders of the Company, to be held on Saturday, 19th December, 2020 at 10:00 a.m, through video conferencing and at any adjournment thereof in respect of proposed Scheme of Amalgamation between Satva Jewellery and Design Limited and KDDL Limited pursuant to the order dated 10th November, 2020 passed by the National Company Law Tribunal, Chandigarh.

Signed this ..... day of ....., 2020

Affix Revenue Stamp

Signature of Equity Shareholder

Signature of Proxy holder(s)

Note: The form of proxy in order to be effective should be duly completed and deposited with the Transferee Company at its registered office or by sending an email to the authorised representative of the Transferee Companyat investor.complaints@kddl.com not later than 48 hours before the meeting.

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, **Fax:** 0172-2548302

NOTICE OF MEETING OF THE SECURED CREDITORS OF KDDL LIMITED CONVENED PURSUANT TO ORDER DATED 10TH NOVEMBER 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH

Particulars	Meeting of the Secured Creditors of KDDL Limited
Day	Saturday
Date	19th December, 2020
Time	11:30 A.M
Venue/Manner of Participation	In view of the ongoing COVID-19 pandemic and related social distancing norms and as per the directions of the Hon'ble National Company Law Tribunal, Chandigarh, the meeting shall be conducted through Video Conferencing . Secured Creditors can join the meeting by logging on to https://www.evotingindia.com and by following the steps mentioned in this notice. The venue of the meeting shall be deemed to be the Registered Office address of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220.

Sr. No.	Contents	Page No
1.	Notice of the meeting of the Secured Creditors of KDDL Limited as per the directions of the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench.	2
2.	Explanatory Statement under Section 102 read with Sections 230 to 232 of Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	6
3.	Scheme of Amalgamation.	14
4.	Supplementary accounting statements of Satva Jewellery and Design Limited and KDDL Limited for the period ended 30th September, 2020.	26
5.	A copy of the NCLT order dated 10th November, 2020.	50
6.	Proxy Form	56

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
CA (CAA) No. 25/Chd/HP/2020

In the matter of Companies Act, 2013
And
In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013
And
In the matter of the Scheme of Amalgamation of Satva Jewellery and Design Limited **(Transferor Company/ Applicant Company-1)**
With
KDDL Limited **(Transferee Company / Applicant Company-2)**

KDDL Limited (CIN: L33302HP1981PLC008123), a company incorporated under the Companies Act, 1956 and having registered office at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220. .....Applicant Company-2/ Transferee Company in CA (CAA) No. 25/Chd/HP/2020

NOTICE OF MEETING OF THE SECURED CREDITORS OF TRANSFEREE COMPANY / APPLICANT COMPANY-2 CONVENED PURSUANT TO ORDER DATED 10TH NOVEMBER 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH

To,

Secured Creditors of KDDL Limited – Transferee Company / Applicant Company-2

Notice is hereby given that by an order dated the 10th November, 2020 the Chandigarh Bench of the National Company Law Tribunal has directed a meeting of Secured Creditors of KDDL Limited (Transferee Company / Applicant Company-2) for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation between "Satva Jewellery and Design Limited" (Transferor Company/ Applicant Company-1) and "KDDL Limited"(Transferee Company / Applicant Company-2). The Scheme, if approved by the Secured Creditors, will be subject to the subsequent approval of the Hon'ble Tribunal.

In pursuance of the said Order and as directed therein, a meeting of the Secured Creditors of the Transferee Company / Applicant Company-2 will be held on Saturday, 19th December, 2020 through Video Conferencing ("VC") at 11.30 a.m. which the Secured Creditors are requested to attend.

Copies of the Scheme and Statement containing necessary details required to be furnished pursuant to Section 102 read with Section 230(3) can be obtained free of charge at the registered office of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220 or at the office of its Advocate, Mrs Munisha Gandhi, 62, Sector 2, Chandigarh – 160001

Persons entitled to attend and vote at the meeting(s) to be held through VC, may vote in person or by proxy, provided that the proxies in the prescribed form are deposited at the registered office of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220 not later than 48 hours before the meeting. Forms of proxy can be had at the registered office of the Company.

NCLT has appointed Mr. Pushkar Sood, Advocate to be the Chairperson and Ms. Sehej Sandhawalia, Advocate to be the Alternate Chairperson and Mr. Jaspreet Singh Dhawan, Company Secretary to be the Scrutinizer of the aforesaid meeting.

The above mentioned Scheme of Amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Hon'ble NCLT, Chandigarh.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Act and the provisions of the memorandum of association and the articles of association of the Transferee Company, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

"RESOLVED THAT pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modifications or re-enactment thereof) as may be applicable, the provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and subject to the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, Chandigarh Bench (hereafter referred as the **Hon'ble Tribunal**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications

as may be prescribed or imposed by the Hon'ble Tribunal, or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **Board**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Scheme of Amalgamation between Transferor Company/ Applicant Company-1 with Transferee Company / Applicant Company-2 and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act ("Scheme") as enclosed to the notice of the Tribunal convened meeting of the Secured Creditors of the Transferee Company and placed before this meeting, be and is hereby approved."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and / or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

In compliance with the provisions of (i) Section 230 read with Section 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company-2 has provided the facility of voting by remote electronic voting ("remote e-voting") and e-voting during the NCLT convened meeting using facility offered by Central Depository Services (India) Limited ("CDSL") so as to enable the Secured Creditor, to consider and approve the Scheme by way of the aforesaid resolution.

Explanatory Statement under Section 230(3) read with Section 102 of the Act along with copy of the Scheme and other enclosures, as indicated in the index, are enclosed herewith.

For KDDL Limited

Date : 12th November, 2020
Place : Chandigarh

Brahm Prakash Kumar
Company Secretary

Notes*:*

1. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and in terms of the order dated 10th November, 2020 passed by the Hon'ble Tribunal read with general circular issued by Ministry of Corporate Affairs ('MCA') viz. circular no. 14 of 2020 dated April 08, 2020, circular no. 17 of 2020 dated April 13, 2020,circular no. 20 of 2020 dated May 05, 2020 and circular no.33 dated September 28, 2020 (collectively referred to as MCA Circulars')and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the meeting is being convened through Video- Conferencing (VC) without the physical presence of the Secured Creditor at a common venue.
2. The Explanatory Statement pursuant to Section 102 read with Sections 230 to 232 of the Companies Act, 2013 ('Act') and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Company will be available for inspection by the Secured Creditors at the Registered Office of the Transferee Company / Applicant Company-2 during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the meeting.
4. Corporate Secured Creditors intending to authorise their representatives to participate and vote through e-voting on their behalf during the meeting are requested to send a certified copy of the Board Resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, 48 hours before the meeting to the Company at investor.complaints@kddl.com
5. Pursuant to MCA Circulars, Secured Creditors can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
6. This Notice will also be available on the Company's website i.e. www.kddl.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
7. In terms of the directions contained in the Order, "The quorum of the meeting of the Secured Creditors shall be 4 in number and 40% in value of the Secured Creditors. Further, the Order directs that in case the required quorum as noted above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum.
8. Secured Creditors attending the meeting through VC shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013. Further, the Order directs that for the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meetings, is filed with the registered office of the Applicant Company 2, at least 48 hours before the meeting.
9. In terms of the directions contained in the Order, notice convening the meeting through this notice is also being published in the Financial Express (English), Himachal Pradesh and Chandigarh Edition and Jansatta (Hindi), Himachal Pradesh and Chandigarh Edition.
10. Pursuant to order of Hon'ble Tribunal, the Company is pleased to provide e-voting facility through CDSL to Secured Creditors as on Friday, 11th December 2020 (cut-off date). It is hereby clarified that it is mandatory for Secured Creditors to vote using the e-voting facility only,

subject to compliance with the instructions for e-voting. The voting right may be exercised either by remote e-voting within prescribed period OR by e-voting during the meeting being convened through VC. The Secured Creditors desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions set out in the notes below under the heading "Voting Process and other instructions regarding e-voting". Any person who becomes Secured Creditor of the Applicant Transferee Company after dispatch of the Notice and has amount due to him by the Applicant Transferee Company as on the cut-off date may cast his vote by following the instructions of remote e-voting and voting during the meeting provided in this Notice.

11. As directed by Hon'ble Tribunal, Mr. Jaspreet Singh Dhawan, Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting during the meeting and remote e-voting process in a fair and transparent manner.
12. The Scrutinizer shall, immediately after and not later than 48 hours from conclusion of the meeting, make a consolidated Scrutinizer's Report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the meeting, in writing, who shall countersign the same.
13. The result of the voting shall be announced by the Chairman of the meeting in writing upon receipt of the Scrutinizer's Report. The results announced, along with the Scrutinizer's Report, shall be displayed at the Registered Office of the Transferee Company and its website viz. www.kddl.com and on the website of CDSL, immediately after declaration. The results shall also be immediately forwarded to the stock exchanges where the Company's equity shares are listed i.e. BSE Limited and National Stock Exchange of India Limited.
14. The Scheme shall be considered approved by the Secured Creditors of the Transferee Company if the resolution mentioned above in the notice has been approved by requisite majority of persons representing three-fourths in value of the Secured Creditors in terms of Sections 230 to 232 of the Act.
15. The Secured Creditors, seeking any information with regard to any matter to be placed at the meeting, are requested to write to the Company on or before 16th December, 2020, through Email on investor.complaints@kddl.com. The same will be replied by/ on behalf of the Company suitably.
16. Since the Meeting will be held through VC, route map of venue of the Meeting and admission slip is not attached to this Notice
17. Voting Process and other instructions regarding e-voting:

Section A: Voting Process and other instructions regarding e-voting

The remote e-voting period will commence on Tuesday, 15th December, 2020 at 09:00 a.m. and will end on Friday, 18th December, 2020 at 05:00 pm. During this period, Secured Creditors whose names appear in the list of Secured Creditors of the Transferee Company as on cut-off i.e. 11th December 2020 may cast their vote electronically in the manner and process set out herein below. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast, the Secured Creditor shall not be allowed to change it subsequently. Further, the Secured Creditors who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote at the meeting.

The Secured Creditors should follow the following steps to cast their votes electronically:

Step 1: Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com

Step 2: Click on 'Shareholders/ Members' to cast your vote(s).

Step 3: Please enter USER ID as printed on covering letter in case of physical copy and as mentioned in covering email in case of soft copy.

Step 4: Enter the Image Verification as displayed and Click on 'LOGIN'.

Step 5: Please enter PASSWORD as printed on letter sticker in case of physical copy and as mentioned in covering email in case of soft copy.

Step 6: After entering these details appropriately, click on 'SUBMIT' tab.

Step 7: Click on the EVSN of 'KDDL LMITED' to vote.

Step 8: On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES / NO' for voting. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution. Select the option 'YES' or 'NO' as desired for casting your vote.

Step 9: Click on 'RESOLUTION FILE LINK' if you wish to view the Notice.

Step 10: After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

Step11: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

You can also take print-out of the voting done by you by clicking on 'CLICK HERE TO PRINT' option on the voting page.

Note for Non – Individual Creditors

Step 1: Non-Individual Secured Creditors are also required to follow the above process for remote e-voting.

Step 2: Non Individual Secured Creditors are required to send the scanned certified copy of the Board Resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, atleast 48 hours before the meeting to the Company at investor.complaints@kddl.com

Section B: Process of e-voting during meeting

Step 1: The procedure for e-voting on the day of meeting is same as the instructions mentioned above for remote e-voting.

Step 2: Only those Secured Creditors, who will be present at the meeting through VCfacility and have not casted their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available at the meeting.

Step 3: If any votes are casted by the Secured Creditors through e-voting available during the meeting and if the same Secured Creditors have not participated in the meeting through VCfacility, then the votes casted by such Secured Creditor shall be considered invalid as the facility of e-voting during the meeting is available only to the Secured Creditors participating in the meeting.

Step 4: Secured Creditors who have voted through remote e-voting will be eligible to attend meeting. However, they will not be eligible to vote at the meeting. In case of any query or grievance pertaining to e-voting, members may contact Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25 Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel, East Mumbai 400013. Email: helpdesk.evong@cdslindia.com, Tel.: 1800-225-533. Further, Secured Creditors may also contact with Mr. Deepanshu Rastogi, Asst. Manager, MAS Services Limited, RTA at info@masserv.com or on Telephone No.: 011-26387281/82/83.

18. Instruction for Secured Creditors for attending the meeting through VC:

a) Secured Creditors will be provided with a facility to attend the meeting through VC through the CDSL e-voting system. Creditors may access the same at https://www.evotingindia.com under Shareholders/Members login by using the remote e-voting credentials. The link for VC will be available in Shareholder/Members login where the EVSN of Company will be displayed.

b) Secured Creditors are encouraged to join the meeting through Laptops/Desktops for better experience. Further, the Secured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

c) 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.

d) Secured Creditors who would like to express their views/have questions may send their views/questions 7 days prior to meeting mentioning their name, email id, mobile number at investor.complaints@kddl.comand register themselves as a speaker. Only those Secured Creditors who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

KDDL Limited

(**CIN** - L33302HP1981PLC008123)
Registered Office: Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220
Email: investor.complaints.com; **Website:** www.kddl.com
Phone: 0172-2548223/24, **Fax:** 0172-2548302

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 10th November, 2020 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench (the 'NCLT'/ 'Tribunal'), in Company Application No. **CA (CAA) No. 25/Chd/HP/2020**, a meeting of Secured Creditors of the Company of – Transferee Company / Applicant Company-2 is being convened on Saturday, 19th December, 2020 at 11:30 a.m through Video Conferencing without the physical presence of the Secured Creditors at a common venue for the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation between "Satva Jewellery and Design Limited" **-** Transferor Company/ Applicant Company-1 ("**SJDL**")and "KDDL Limited" – Transferee Company / Applicant Company-2 ("**KDDL**")under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').
2. The Board of Directors of the Applicant Companies at their respective meetings held on 3rd December, 2019 unanimously approved the scheme. Further, the Board of Directors of the Applicant Companies at their Board meetings held on 26th May, 2020 unanimously approved the changes, made in the scheme of amalgamation due to increase in paid up equity share capital of the Transferee Company post 31st March, 2019. A copy of the said scheme is attached as Annexure I.
3. The Scheme provides for amalgamation between "Satva Jewellery and Design Limited" **-** Transferor Company/ Applicant Company-1 and "KDDL Limited" – Transferee Company / Applicant Company-2 and the dissolution of the Transferor Company/ Applicant Company-1 Transferor Company without winding up.
4. **Particulars of SJDL (Transferor Company/ Applicant Company-1) :**

   (i) M/s Satva Jewellery and Design Limited, a public Company was incorporated on 23.12.2004 with its Registered Office located at SCO 88-89, Sector 8-C, Madhya Marg, Chandigarh , India 160009 and email id is sjdl2004@gmail.com. The Transferor company is engaged in the business of all types of jewellery items and good or articles and precious metals. The Corporate Identity Number (CIN) and Permanent Account Number (PAN) of the Company is U36911CH2004PLC027767 and AAICS6482P respectively.

   (ii) Main Objects of the Transferor Company/ Applicant Company-1 :

   - 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.

   (iii) There is no change in name, registered office and objects of the Transferor Company in last five years.

   (iv) The equity shares of the Transferor Company are not listed on any Stock Exchange.

   (v) The capital structure of Satva Jewellery and Design Limited (the Transferor Company) as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

Upto and as on date of approval of the Scheme by the Board of Directors of Transferor Company, there is no change in Authorized, Issued, Subscribed and Paid-up share Capital of Transferor Company.

(vi) List of Directors of the Transferor Company as on 31st March, 2020 :

Sr. No.	**Name of the Director**	**Address**	**Category**
1	Mr. Yashovardhan Saboo	House No. 1, Sector 5, Chandigarh	Director
2	Mr. Sanjeev Kumar Masown	H. No. 190/1, Sector 40-A, Chandigarh	Director
3	Mr. Rakesh Mohunta	House No. 29, Sector 7, Panchkula	Director

(vii) List of Promoters of the Transferor Company as on 31st March, 2020

S. No	Name	Address	No of shares
1	M/s KDDL Limited	Registered Office : Plot no 3, Sector III, Parwanoo(H.P) - 173220	29,69,600
2	Mr. Yashovardhan Saboo (as a nominee of KDL Limited)	House no 1 ,sector 5, Chandigarh-160009	15,000
3	Mr. R.K Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	10,000
4	Mrs Anuradha Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	5,000
5	Mrs Usha Devi saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100
6	Ms. Satvika Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100
7	Mr.Dinesh Agarwal (as a nominee of KDDL Limited)	House no 243, sector 2 , Panchkula, Haryana-134109	100
8	Mr. Pranav Shankar Saboo (as nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100``

5. Particulars of KDDL Limited (Transferee Company / Applicant Company-2) :

(i) The Transferee Company M/s KDDL Limited, a public Company was incorporated as Kamla Dials and Devices Limited under the Companies Act, 1956 (hereinafter referred to as Transferee Company) on 08.01.1981 in the Union Territory of New Delhi. The Transferee Company changed its registered office to the State of Himachal Pradesh and the certificate to said effect was issued on 07.03.1988. the Company subsequently changed its name to 'KDDL Limited' and obtained fresh Certificate of Incorporation consequent upon change of name on 14.09.2007. The registered office of the Transferee Company is situated at Plot No.3, Sector-III, Parwanoo, Himachal Pradesh, India – 173220 and email id is investor.complaints@kddl.com. The Transferee Company is engaged in the business of manufacturing, buying, selling, indenting, 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, electronics instruments of all types and descriptions and all components, parts and accessories, materials required directly or indirectly for the manufacturing of the same.The CIN and PAN of the Company are L33302HP1981PLC008123 and AAACK1929M respectively.

(ii) Main Objects of the Transferee Company / Applicant Company-2 :

- 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.
- 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.
- To deal in import replenishment entitlements earned against export under the import trade control policy.
- 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.
- 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.
- 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 Tools, assemblies, sub-assemblies, components, machines, equipment related to the aforementioned products.
- To carry on the business of providing web-services, including selling of internet leads, marketing and technology solutions, advertisements and related services.
- 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.

- To carry on the business of manufacturers, distributers, 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.

(iii) There is no change in name, registered office and objects of the Transferee Company in last five years.

(iv) The equity shares of the Transferee Company are listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

(v) The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608Equity shares of Rs. 10 each fully paid up	11,633,6080

Upto and as on date of approval of the Scheme by the Board of Directors of SJDL, there is no change in Issued,Subscribed and Paid-up share Capital of SJDL. However, the Board of Directors of KDDL had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6th November, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000*
Issued Share Capital (1,18,24,388 Equity Shares of Rs. 10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

* Authorised Share Capital of the Transferee Company increased from Rs. 12,48,00,000 divided into 1,24,80,000 equity shares of Rs. 10 each to Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs. 10 each vide special resolution passed in the 40th annual general meeting.

(vi) List of Directors as on 31st March, 2020 :

Sr. No.	**Name of the Director**	**Address**	**Category**
1	Mr. Yashovardhan Saboo	House No. 1, Sector 5, Chandigarh	Chairman & Managing Director
2	Mr. Anil Khanna	House No. 515, Sector 36-B, Chandigarh	Independent Director
3	Mr. Praveen Gupta	B2/1401, World Spa West, Sector 30, Gurgaon 122001 (Haryana)	Independent Director
4	Mrs. Ranjana Agarwal	C-62, South Extension, Part II, New Delhi	Independent Director
5	Mr. Vishal Satinder Sood	B-902, Central Park 1, Golf Course Road, Sector 42, Gurgaon (Haryana)	Nominee Director
6	Mr. Jai Vardhan Saboo,	1701, Kirby Road, Mclean, USA	Non-Executive Director
7	Mr. Sanjiv Sachar	1525 B, The Magnolias, DLF Golf Links, DLF 5, Gurgaon-122009, Haryana	Independent Director
8	Mr. Sanjeev Kumar Masown	H. No. 190/1, Sector 40-A, Chandigarh	Whole time Director

(i) List of Promoters/ Promoter Group as on 31st March, 2020 :

Sr. No	**Name of the Promoters/ Promoter Group**	**No. of Shares Held in KDDL**	**% of Holding**	**Address**
1.	Rajendra Kumar Saboo (HUF)	69,820	0.60	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
2.	Yashovardhan Saboo (HUF)	48,752	0.42	House No. 1, Sector 5, Chandigarh - 160009
3.	Rajendra Kumar Saboo (HUF)	30,800	0.26	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009

Sr. No	Name of the Promoters/ Promoter Group	No. of Shares Held in KDDL	% of Holding	Address
4.	Mr. Rajendra Kumar Saboo	17,33,672	14.88	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
5.	Mr. Yashovardhan Saboo	12,90,039	11.07	House No. 1, Sector 5, Chandigarh - 160009
6.	Mrs. Anuradha Saboo	4,36,857	3.75	House No. 1, Sector 5, Chandigarh - 160009
7.	Mrs. Usha Devi Saboo	4,51,180	3.87	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
8.	Mrs. Asha Devi Saboo	30,925	0.27	6 A Penn Road, Kolkata, Kolkata, West Bengal, 700027
9.	Mrs. Satvika Saboo	1,35,728	1.17	House No. 1, Sector 5, Chandigarh - 160009
10.	Mr. Pranav Shankar Saboo	6,80,851	5.84	House No. 1, Sector 5, Chandigarh - 160009
11.	Vardhan Properties and Investment Limited	9,951	0.09	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
12.	Dream Digital Technology Private Limited	19,255	0.17	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
13.	Swades Capital LLC	3,24,150	2.78	1701, Kirby Road, Mclean, USA

(6) Relationship subsisting between Transferor and Transferee Company

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Both Companies are related parties as per the Companies Act, 2013.

(7) Purpose, Rationale and Benefits of the Scheme

(i) 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.

(ii) 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).

(iii) 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.

(8) The material provisions of the proposed Scheme of Amalgamation are as under:

1.1 **Definitions**

1.1.1 **"**Appointed Date" means 1st April, 2019 for Transferor Company or such other date as the Competent Authorities like Regional Director (Northern Region, Ministry of Company Affairs, New Delhi / National Company Law Tribunal,(NCLT) Chandigarh in case reference is made by the Regional Director to NCLT, may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

Reasons for fixing "1st April, 2019" as "Appointed Date" :

(a) Pursuant to previous merger application filed under section 233 of the Company Act, 2013 (the act) between Satva Jewellery and Design Limited ("the Transferor Company") with KDDL LIMITED ("the Transferee Company'), National Company Law Tribunal (NCLT) Chandigarh Bench vide its order dated 15th October, 2019 directed that scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly the Company's Board of Directors at its meeting held on 3rd December, 2019 approved the present scheme and fixed "1st April, 2019" in place of "1st April, 2017" as appointed date. The date of 1st April, 2019 was fixed as the board and Company wanted to have the nearest possible date and preferably the financial year beginning to avoid unnecessary hassles of revision of financial results and tax returns of previous years. In addition, the latest financial year date will be reflecting true financial position of the Company. Also, the transferee 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 from appointed date i.e 1st April, 2019.

1.1.2 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.

1.1.5 **"Effective Date"** shall mean the last of the dates on which a certified copy of the order passed by the Regional Director/NCLT, Chandigarh sanctioning the Scheme, is filed by SJDL and KDDL respectively, with the Registrar of Companies, Punjab and Chandigarh and Registrar of Companies, Shimla, Himachal Pradesh respectively in terms of applicable provisions if any of the Companies Act, 2013.

1.1.11 **"Scheme"** means this Scheme of Amalgamation of Satva Jewellery and Design Limited with KDDL Limited, in its present form, or with any modification(s) made under paragraph 6.4 hereof.

1.1.15 **"Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together, as on the Appointed Date (further details of which are set out in Paragraph 3.2. thereof), and includes:

i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including, without limitation current assets, capital work in progress including any 'capital expenditure on projects pending commencement of operations and project expenditure incurred, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances),provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

ii. all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises including those provided to/occupied by the Transferred Employees. (as defined hereinafter) and documents of title, if any, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments'); if any,

iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, carried forward of losses, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;

vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be eligible ("Contracts")

vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights,

finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");

viii. all employees of the Transferor Company whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ('Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ('Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;

ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");

x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");

xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referableor related to the Transferor Company, including all credits under Income tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and

xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

3.1 Transfer & Vesting of the Transferor Company

3.2.9 Tax Treatment

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

4.1 Cancellation of Shares of Transferor Company

4.1.1 The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

4.2 Increase/ consolidation of authorized share capital of the Transferee Company

4.2.1 Upon this Scheme becoming effective and upon the transfer and vesting of SJDL into KDDL pursuant to this Scheme, the entire authorized share capital of SJDL equals to Rs. 3,00,00,000/- (divided into 30,00,000 equity shares of Rs. 10 each shall stand merged with the authorized share capital of the KDDL, the Transferee Company.

5 . 1 Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

5.1.1 Accounting for the amalgamation of SJDL (the "Transferor 'Company"), and treatment of reserves, if any, in the Financial Statements of the Transferee Company shall be as per Indian Accounting Standard (Ind AS) 103 on Business Combinations prescribed by the Central Government under section 133 of the Companies Act, 2013 under the Companies (Indian Accounting Standard) Rules, 2015, including any modifications, amendments or changes from time to time.

5.1.2 Transferee Company shall record the assets and liabilities relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the consolidated financial statement of the Transferee Company.

5.1.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in thefinancial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.

5.1.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may, be, the corresponding balance appearing in the financial statements of the Transferee Company,

5.1.5 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

5.1.6 The shares held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

5.1.7. The difference between the investment in the financial statements of the Transferee Company in the Transferor Company and, the amount of paid-up share capital of the Transferor Company respectively, shall be recorded as per the provisions of the applicable accounting standard.

5.1.8 In case of any differences in the accounting policies between Transferor Company as compared to the Transferee Company (KDDL), the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.

5.1.9 The Transferor Company is wholly owned subsidiary of the Transferee Company, thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the RD/NCLT, Chandigarh.

5.1.10 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

5.1.11 The Board of directors of the Transferee Company are authorised to take decisions for the operative part for implementation and interpretation of the scheme as it may deem fit in accordance with the applicable accounting standards and generally accepted accounting policies.

The material provisions set out above being only the salient features of the Scheme of Arrangement, the Secured Creditors are requested to read the entire text of the Scheme as attached hereto to get fully acquainted with the provisions thereof.

(9) Approvals required/ pending in relation to the scheme

(i) Since the scheme is for the purpose of amalgamation of Transferor Company with its holding Company i.e Transferee Company, hence, in terms of the regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transferee Company being listed Company is not required to obtain observation letter or NOC from Stock Exchanges.

(ii) Both the Transferor Company and the Transferee Company or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

(iii) The application along with the requisite annexures thereto were filed by the Companies with NCLT.

(10) Disclosure about the effect of the scheme

(i) The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

(ii) The Scheme is not expected to have any adverse effect on the KMPs, Directors, Promoters, Non-Promoter Members, Depositors, Creditors, Debenture Holders, Debenture Trustees and employees of the Transferor Company and the Transferee Company, wherever relevant.

(11) Disclosure about effect of the scheme on material interests

The Scheme is not expected to have any adverse effect on material interest of directors, Key Managerial Personnel (KMP) and debenture trustee of the Transferor Company and the Transferee Company, wherever relevant.

(12) There are no proceedings/investigation pending against any of the Transferor Company and Transferee Company under Sections 210 – 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013 ("Act") and/or Sections 235 to 251 of the Companies Act, 1956 and the like. No winding up proceedings have been filed or are pending against the Transferor Company and the Transferee Company under the Act or the corresponding provisions of the Act of 1956.

(13) As per the books of accounts of the Transferor Company as on 31st March, 2020, the amount due to the Unsecured Creditors (KDDL Limited) are Rs. 56,75,256/-

(14) As per the books of accounts of the Transferee Company as on 31st March, 2020, the amount due to the Unsecured Creditors are Rs. 40,83,89,394/-.

(15) Details of capital or debt restructuring, if any

The present Scheme involves the amalgamation of wholly owned subsidiary i.e. Satva Jewellery and Design Limited with its parent company i.e. KDDL Limited. Therefore, there is no capital or debt restructuring.

(16) The present Scheme involves the amalgamation of wholly owned subsidiary i.e. Satva Jewellery and Design Limited with its parent company i.e. KDDL Limited and no shares of KDDL will be issued on the amalgamation of SJDL with KDDL. Therefore, there is no requirement for a share exchange ratio or valuation certificate.

(17) Documents Available for Inspection

The following documents shall be available for obtaining extract from or for making copies of or for inspection by the Secured Creditor at the Registered Office of the Transferee Company during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the meeting:

(i) Latest audited financial statements of the company including consolidated financial statements;

(ii) Scheme of Amalgamation.

(iii) A copy of the NCLT order dated 10th November, 2020.

(iv) Certificates issued by the Statutory Auditors of the Transferor Company and of the Transferee Company respectively, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

Considering the rationale and benefits, the Transferee Company recommends the Scheme for approval of Secured Creditors as it is in the best interest of the Company and its stakeholders. The Directors/KMPs of the Transferee Company may be deemed to be concerned and/ or interested in the Scheme only to the extent of their or their relatives shareholding in the respective companies or to the extent the said Directors or their relatives are common directors in the Transferor Company and/ or the Transferee Company or to the extent the said Directors or their relatives are the partners, directors, Members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the Transferor Company and Transferee Company. Their interest in both the Transferor Company and the Transferee Company shall not be treated in any way differently than the other Shareholders of the Transferor Company and Transferee Company.

For KDDL Limited

Date : 12th November, 2020
Place : Chandigarh

Brahm Prakash Kumar
Company Secretary

SCHEME OF AMALGAMATION ANNEXURE-I

PREAMBLE

A. Purpose of the Scheme

This Scheme of Amalgamation is presented under Section 232 and other applicable provisions if any of the Companies Act, 2013 for amalgamation of Satva Jewellery and Design Limited ("the Transferor Company") and with KDDL LIMITED ("the Transferee Company'), and the dissolution of the Transferor Company without winding up. The Transferor Company is the wholly owned subsidiary of Transferee Company.

B. Description of Companies

1.1 KDDL Ltd ("KDDL"), the Transferee Company

1) The Transferee company M/s KDDL Limited was incorporated as Kamla Dials and Devices Limited under the Companies Act, 1956 (hereinafter referred to as Transferee Company) on 08.01.1981 in the Union Territory of New Delhi. The Transferee Company changed its registered office to the State of Himachal Pradesh and the certificate to said effect was issued on 07.03.1988. That the Company subsequently changed its name to 'KDDL Limited' and obtained fresh Certificate of Incorporation consequent upon change of name on 14.09.2007. The registered office of the Transferee Company is situated at Plot No.3, Sector-lll, Parwanoo, Himachal Pradesh, India – 173220. The Transferee Company is engaged in the business of manufacturing, buying, selling, indenting, 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, electronics instruments of all types and descriptions and all components, parts and accessories, materials required directly or indirectly for the manufacturing of the same.

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, distributers, 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 Transferee Company is a Public Company and its shares are listed on BSE Limited and National Stock Exchange of India Limited.

1.2 **Satva Jewellery and Design Limited ("SJDL"), the Transferor Company**

M/s Satva Jewellery and Design Limited (hereinafter referred to as the Transferor Company) were incorporated on 23.12.2004 with its Registered Office located in the Union Territory of Chandigarh. That the Transferor company is engaged in the business of all types of jewellery items and good or articles and precious metals. The main object of the Transferor company as enumerated in the Memorandum of Association is 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.

The Registered Office of the Transferor Company is situated at SCO 88-89, Sector 8-C, Madhya Marg, Chandigarh, India 160009.

The Transferor Company is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Transferee Company. By virtue of the Shareholding pattern, the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

C. Purpose and Rationale of the Scheme

1.1 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.

1.2 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).

1.3 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.

The Scheme is divided into following parts:

Part I: Definitions and Interpretations -

Part II: Capital Structure

Part III: Amalgamation of the Transferor Company with the Transferee Company

Part IV: Cancellation of Shares of Transferor Company & Increase of Authorized Share Capital of Transferee Company

Part V: Accounting treatment in the books of the Transferee Company

Part VI: General terms and conditions

PART I

DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In addition to the words and expressions defined elsewhere in this Scheme, unless it is contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

1.1.1 "**Act**" means the (Indian) Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactments thereof, except where Otherwise expressly provided;

1.1.2 **"Appointed Date**" means 1st April, 2019 for Transferor Company or such other date as the Competent Authorities like Regional Director (Northern Region, Ministry of Company Affairs, New Delhi / National Company Law Tribunal,(NCLT) Chandigarh in case reference is made by the Regional Director to NCLT, may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

Reasons for fixing "1st April, 2019" as "Appointed Date" :

(a) Pursuant to previous merger application filed under section 233 of the Company Act, 2013 (the act) between Satva Jewellery and Design Limited ("the Transferor Company") with KDDL LIMITED ("the Transferee Company'), National Company Law Tribunal (NCLT) Chandigarh Bench vide its order dated 15th October, 2019 directed that scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly the Company's Board of Directors at its meeting held on 3rd December, 2019 approved the present scheme and fixed "1st April, 2019" in place of "1st April, 2017" as appointed date. The date of 1st April, 2019 was fixed as the board and Company wanted to have the nearest possible date and preferably the financial year beginning to avoid unnecessary hassles of revision of financial results and tax returns of previous years. In addition, the latest financial year date will be reflecting true financial position of the Company. Also, the transferee 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 from appointed date i.e 1st April, 2019.

1.1.3 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.

1.1.4 **"Board of Directors"** in relation to SJDL or KDDL as the case may be, means the Board of Directors of the respective companies for the time being and shall include a committee of directors or any person authorized by the Board of Directors or such committee of directors.

1.1.5 **"Effective Date**" shall mean the last of the dates on which a certified copy of the order passed by the Regional Director/NCLT, Chandigarh sanctioning the Scheme, is filed by SJDL and KDDL respectively, with the Registrar of Companies, Punjab and Chandigarh and Registrar of Companies, Shimla Himachal Pradesh respectively in terms of applicable provisions if any of the Companies Act, 2013.

1.1.6 **"Financial Statements"** include standalone and consolidated accounts, i.e.,Balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor Company and the Transferee Company, as the context may require.

1.1.7 **"Governmental Authority**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, Registrar of Companies, Regional Director, The Official Liquidator, National Company Law Tribunal and Courts of Relevant Jurisdiction, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India.

1.1.8 **"National Company Law Tribunal**" means the Hon'ble National Company Law Tribunal, Chandigarh Bench that has jurisdiction over SJDL and KDDL or such other forum or authority that may be vested with requisite powers under the Companies Act, 2013 in relation to provisions of 230 to 233 of the Companies Act, 2013

1.1.9 **"Satva Jewellery"** means Satva Jewellery and Design Limited (CIN: **U36911CH2004PLC027767),** an Unlisted Public Limited Company, which was incorporated on 23rd December, 2004 under the Indian Companies Act, 1956 having its registered office at SCO 88-89,Sector 8-C,Madhya Marg, Chandigarh 160009.

1.1.10 **"KDDL**" means **KDDL Limited** (CIN: **L33302HP1981PLC008123),** a listedPublic Company, which was incorporated on 08.01.1981 under the Companies Act, 1956 having its, registered office at Plot No.3, Sector-Ill, Parwanoo, Himachal Pradesh - 173220, India.

1.1.11 **"Scheme"** means this Scheme of Amalgamation of Satva Jewellery and Design Limited with KDDL Limited, in its present form, or with any modification(s) made under paragraph 6.4 hereof.

1.1.12 **"Subsidiary"** means a subsidiary of KDDL Limited under Section 2(87) of the Act 2013.

1.1.13 **"Transferor Company"** means the Company i.e. Satva Jewellery and Design Limited amalgamating into KDDL Limited in terms of the Scheme.

1.1.14 **"Transferee Company"** means KDDL Limited.

1.1.15 **"Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together, as on the Appointed Date (further details of which are set out in Paragraph 3.2. thereof), and includes:

i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including, without limitation current assets, capital work in progress including any 'capital expenditure on projects pending commencement of operations and project expenditure incurred, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances),provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

ii. all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises including those provided to/occupied by the Transferred Employees. (as defined hereinafter) and documents of title, if any, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds,debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments'); if any,

iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, carried forward of losses, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;

vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be eligible ("Contracts")

vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");

viii. all employees of the Transferor Company whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ('Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ('Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;

ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability, and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");

x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");

xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referableor related to the Transferor Company, including all credits under Income tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and

xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

1.2 Interpretations

In this Scheme, unless the context otherwise requires:

1.2.1 References in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;

1.2.2 References to the singular include a reference to plural and vice versa and reference to any gender includes a reference to all other genders;

1.2.3 Reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;

1.2.4 Headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

1.2.5 References to a paragraph shall be deemed to be a reference to a paragraph or Schedule of this Scheme;

1.2.6 Reference to the words 'hereof, 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;

1.2.7 References to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

1.2.8 any reference to any statute or statutory provision shall include:

i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART-II
CAPITAL STRUCTURE

2 . 1 The capital structure of Satva Jewellery and Design Limited (the Transferor Company) as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

2 . 2 The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608Equity shares of Rs. 10 each fully paid up	11,633,6080

Upto and as on date of approval of the Scheme by the Board of Directors of SJDL, there is no change in Issued,Subscribed and Paid-up share Capital of SJDL. However,the Board of Directors of KDDL had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6thNovember, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (1,18,24,388 Equity Shares of Rs. 10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

PART III
AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

3.1 Transfer & Vesting of the Transferor Company

Upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, Joint Venture Agreements, Expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 3.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law; be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

3.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning this Scheme becoming effective, on and from the Appointed Date:

3.2.1 **Assets**

a) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

b) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand.transferred/ transmitted to and be vested in and/or be deemed to have, been transferred/ transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company shall be deemed to be holding such investments for and on behalf of (and in trust for) and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.

c) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in paragraph 3.2.1(a) and (b) hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge. created over any assets in relation to the loans orborrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.

d) All immovable properties of the Transferor Company (i.e. land together with the buildings and structures standing thereon or under construction, development rights). (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the Transferred Employees and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/ executed by the Transferor Company or the Transferee Company or both The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all, rights in relation to or as applicable to such immovable properties.

3.2.2 Licenses &Certificates

All Licenses, building plans, permits, registrations & ownership certificate issued by various registering & statutory authorities relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the TransfereeCompany, and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to theTransferee Company.

3.2.3 Benefits, Entitlements, Incentives and Concessions

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the respective Transferor Company is entitled to, including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any governmental authority, direct tax benefit/ exemptions/ deductions, carried forward of losses shall, to the extent statutorily available and alongwith associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.

3.2.4 Contracts

a) All Contracts, Agreements which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

b) Any inter-se contracts between the Transferor Company on one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

c) All guarantees provided by any bank in favour of the Transferor Company outstanding as on the Effective Date, shall vest in the Transferee Company and shall ensure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue in favour of such third party till its maturity or earlier termination.

3.2.5 Intellectual Property

All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

3.2.6 Transferred Shares

a) All Transferred Employees of the Transferor Company shall be. deemed to have become the employees and staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.

b) The Transferee Company agrees that the services of all transferred Employees with the Transferor Company prior to the transfer, shall be taken into account for the purposes of all benefits to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Transferor Company The Transferee Company undertakes to pay the same, as and when payable under applicable laws.

For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the respective Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such funds in accordance with the Provisions of such funds, bye-laws, etc. in respect of the Transferred Employees.

c) All contributions, made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

d) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.

e) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees by the Transferor. Company, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the Transferred Employees.

3.2.7 **Transferred Liabilities and Security**

a) All Liabilities of the Transferor Company, shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Transferred Liabilities.

b) The Transferee Company alone shall be liable to meet, discharge and satisfy the Transferred Liabilities as the borrower/ creditor in respect thereof.

c) This Scheme shall not operate to enlarge or extend the security for any of the Transferred Liabilities and the Transferee Company shall not be obliged to create any further or additional securities after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as the security shall not extend to any of the assets forming part of the Transferred Undertakings.

d) In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferred Undertakings of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Transferred Liabilities. Provided that if any of the assets forming part of the Transferred Undertakings of the concerned Transferor Company have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.

e) It shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such Transferred Liabilities have arisen in order to give effect to the provisions of this paragraph.

f) It is expressly provided that, save as mentioned in this paragraph 3.2.7, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication or by law.

g) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee Company, in accordance with Part V of this Scheme.

3.2.8 **Legal and other such Proceedings**

All Proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated-by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relatable to the period from the Appointed Date up to the Effective Date upon submission of necessary evidence by the said Transferor Company to the Transferee Company for making such payment.

3.2.9 **Tax Treatment**

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward

losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

3.2.10 **Books and Records**

All books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

3.3. **Conduct of Business**

3.3.1 With effect from the Appointed Dates and upto the Effective Date:

a) The Transferor Company shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it has been doing hitherto;

b) The Transferor Company shall carry on and shall be deemed to have carried on all their respective business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

c) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company, and

d) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.

3.3.2 All assets acquired, leased or licensed, Licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax has been paid by the Transferor Company, then upon the Scheme coming into effect, the Transferee Company shall be entitled to claim refund of such service tax paid by the Transferor Company.

3.3.3 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee

3.3.4 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue, of Part III of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to any Contract to which the Transferor Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

3.3.5 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the RD/NCLT,Chandigarh.

3.3.6 For the purpose of giving effect to the order passed under Sections 230 to 233 and any other applicable provisions if any of the Companies Act, 2013 in respect of this Scheme by the RD/NCLT, Chandigarh, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favour in accordance with such order and the provisions of Sections 230 to 233 and any other applicable provisions if any of the Companies Act, 2013.

3.4 **Saving of Concluded Transactions**

The transfer and vesting of the Transferor Company with and into the Transferee Company under Part III of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

3.5 EMPLOYEES:

3.5.1 All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

3.5.2 Accordingly the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

3.5.3 It is expressly provided that the Provident Fund or Gratuity Fund or Superannuation or other fund created for the benefit of the employees of the Transferor Company shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions there to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company.

3.6 **Dissolution of Transferor Company**

Upon this Scheme becoming effective, Satva Jewellery and Design Limited shall stand dissolved without being wound-up.

PART IV

CANCELLATION OF SHARES OF TRANSFEROR COMPANY &INCREASE/CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY

4.1 Cancellation of Shares of Transferor Company

4.1.1 The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

4.2 Increase/ consolidation of authorized share capital of the Transferee Company

4.2.1 Upon this Scheme becoming effective and upon the transfer and vesting of SJDL into KDDL pursuant to this Scheme, the entire authorized share capital of SJDL equals to Rs. 3,00,00,000/- (divided into 30,00,000 equity shares of Rs. 10 each shall stand merged with the authorized share capital of the KDDL, the Transferee Company.

4.2.2 Thus, the Authorized Share Capital of the Transferee Company (KDDL) of Rs.12,48,00,000/-. comprising of Equity Share Capital of Rs.12,48,00,000/- divided into 1,24,80,000 Equity Shares of the face value of Rs.10/- each, shall stand increased by Rs.3,00,00,000/- to Rs. 15,48,00,000/- comprising of Equity Share Capital of Rs. 15,48,00,000 divided into 1,54,80,000 Equity Shares of the face value of Rs.10/- each.

4.2.3 Accordingly, the authorized share capital of the Transferee Company shall stand increased to an amount of Rs. 15,48,00,000/- and Clause V of the Memorandum of Association of KDDL (relating to the authorized share capital) shall, without any further act, fee, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act, 2013 and Section and other applicable provisions of the Companies Act, 2013 as the case may be and be replaced by the following clause:

'The Authorized Share Capital of the Company is Rs.15,48,00,000/- (Rupees Fifteen Crores Forty lacs only) divided into 1,54,80,000 (One Crore Fifty Four Lacs Eighty thousand only) Equity Shares of the face value of Rs.10 (Rupees Ten) each, with power to the Company to increase or reduce or modify the said classes into several classes and to attach thereto respectively and preferential, deferred, qualified or special right privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided for by the Articles of Association of the Company.

4.2.4 The stamp duty, or filing fees paid on the authorized share capital of the Transferor Company is permitted to be utilized and applied towards the increase in the authorized share capital of the Transferee Company in accordance with this paragraph 4.2 and no additional stamp duty shall be payable and no additional fee shall be payable to any regulatory authorities in relation to such increase in the. authorized share capital of the Transferee Company. The Transferee Company shall file the requisite documentation with the relevant Registrar of Companies, which has jurisdiction over the Transferee Company, for the increase of the authorized share capital of the Transferee Company as aforesaid. It is hereby clarified that for the purposes of increasing the authorized share capital in accordance with this paragraph 4.2, the sanction of the RD/NCLT, Chandigarh shall be deemed to be sufficient for the purposes of effecting this amendment and that no further approval or resolution under any applicable provisions of the Companies Act, 2013 would be required to be separately passed.

PART V

ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

5.1 Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

5.1.1 Accounting for the amalgamation of SJDL (the "Transferor 'Company"), and treatment of reserves, if any, in the Financial Statements of the Transferee Company shall be as per Indian Accounting Standard (Ind AS) 103 on Business Combinations prescribed by the Central Government under section 133 of the Companies Act, 2013 under the Companies (Indian Accounting Standard) Rules, 2015, including any modifications, amendments or changes from time to time.

5.1.2 Transferee Company shall record the assets and liabilities relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the consolidated financial statement of the Transferee Company.

5.1.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in thefinancial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company. Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.

5.1.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may, be, the corresponding balance appearing in the financial statements of the Transferee Company,

5.1.5 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

5.1.6 The shares held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

5.1.7. The difference between the investment in the financial statements of the Transferee Company in the Transferor Company and, the amount of paid-up share capital of the Transferor Company respectively, shall be recorded as per the provisions of the applicable accounting standard.

5.1.8 In case of any differences in the accounting policies between Transferor Company as compared to the Transferee Company (KDDL), the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.

5.1.9 The Transferor Company is wholly owned subsidiary of the Transferee Company, thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the RD/NCLT, Chandigarh.

5.1.10 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

5.1.11 The Board of directors of the Transferee Company are authorised to take decisions for the operative part for implementation and interpretation of the scheme as it may deem fit in accordance with the applicable accounting standards and generally accepted accounting policies.

PART VI

GENERAL TERMS AND CONDITIONS

6.1. **Application(s) to the Regional Director, Ministry of Company Affairs, New Delhi /National Company Law Tribunal [NCLT]**

6.1.1 The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications/ petitions under Section 230 to 233 of the Companies Act, 2013 to the Regional Director of Department of Company Affairs, New Delhi/ NCLT, Chandigarh as necessary, inter act, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective, shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further applications / petitions under Sections 230 to 233 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

6.2 **Revision of accounts and tax filings, modification of charge**

6.2.1 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has, expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

6.2.2 Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies, Chandigarh shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the, provisions of this Scheme.

6.3 **Tax Neutrality**

6.3.1 The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961, or any modification or re-enactment thereof.

6.3.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modifications will, however, not affect other parts of this Scheme.

6.4 **Adjustment of reserve within equity**

6.4.1 Upon the scheme becoming effective and after obtaining the necessary approvals, the amount of reserve mentioned in paragraph 5.1.7 will be adjusted against the accumulated losses of the Transferor Company. The Reduction in the reserve shall be effected as an integral part of the Scheme, and here applicable, in accordance with the provisions of Section 66 of the Companies Act, 2013 and the order of the RD/ NCLT, Chandigarh sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Companies Act, 2013 for

the purpose of confirming the relevant reductions. The reductions would not involve whether a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 66 of the Companies Act, 2013 will not be applicable. Notwithstanding the reduction as mentioned above, KDDL Limited the Transferee company shall not be required to add "and reduced" as a suffix to its name and KDDL Limited shall continue in its existing name.

6.5 Modifications and Amendments to the Scheme

6.5.1 Notwithstanding anything to the contrary contained in this Scheme, the TransferorCompany and the Transferee Company (acting through their respective Board ofDirectors or a committee thereof or authorised representatives) may make or assent,from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to theinterests of the stakeholders and the Regional Director, Northern Region /National Company Law Tribunal, Chandigarh.

6.5.2 The Transferor Company and the Transferee Company (acting through theirrespective Board of Directors or a committee thereof or authorised representatives)shall be authorised to take all such steps and give such directions, as may benecessary, desirable or proper, to resolve any doubts, difficulties or questions thatmay arise in regard to and of the meaning or interpretation of this Scheme orimplementation thereof or in any manner whatsoever connected therewith, whetherby reason of any directive or orders of the RD/NCLT, Chandigarh or any other authorities or otherwise, howsoever arising out of or under or by virtue of thisScheme or any matter concerned or connected therewith and to do and execute allacts, deeds, matters and, things necessary for giving effect to this Scheme.

6.5.3 For the purpose of giving effect to this Scheme or to any modifications oramendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

6.5.4 However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the RD/NCLT, Chandigarh and the same shall be subject to powers of the RD/NCLT, Chandigarh under Section 230 to 233 of the Companies Act, 2013.

6.6 Conditionality of the Scheme

6.6.1 This Scheme is conditional upon and subject to the following:

A Requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

B The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the Regional Director/NCLT, Chandigarh and/or any other, competent authority and it being sanctioned by the RD/NCLT, Chandigarh and / or any other competent authority, as may be applicable.

C As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CIR/CFD/CMD/ 16/2015 dated 30th November, 2015 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.

D As para (I) (A) (9) (a) of Annexure I of SEW Circular No. CIR/ CFD/CMD/16/2015 dated 30th November, 2015 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

E The SEBI has vide its Circular No CFD/DL3/CIR/2017/21 dated 10.03.2017 granted exemption to Listed Company for obtaining NOC from the Stock Exchanges where the share of the Company are listed in the case of amalgamation of a Listed Company with its wholly owned subsidiary Company and only disclosures requirements are applicable.

F All other sanctions and approvals as may be required by law including registration of the order of the RD/NCLT, sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.

G Certified copies of the orders of the RD/ NCLT, Chandigarh or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies.

6.6.2 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide.

6.6.3 On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

a) Amalgamation of SJDL and transfer and vesting thereof in KDDL;

b) Transfer of the Authorized Share Capital of SJDL to KDDL and consequential increase in the authorised share capital of the Transferee Company (in accordance with paragraph 4.2 hereof).

6.7 Revocation and withdrawal of this Scheme

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not

approved by the RD/NCLT, Chandigarh or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the RD/NCLT, Chandigarh and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the respective Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior .thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

6.8 **Severability**

If any part of this Scheme is held invalid, ruled illegal by any RD/NCLT, Chandigarh of competent jurisdiction, or becomes unenforceable for any reason, Whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or, the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

6.9 **Mutation of property**

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties including development rights, of the Transferred Undertakings shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties including development rights of the Transferred Undertakings with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

6.10 **Dividend**

6.10.1 The respective Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their, respective shareholders, as may be decided by their respective Board of Directors, in respect of the accounting period prior to the Effective Date.

6.10.2 It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of either of the Transferor Company or the Transferee Company to demand or claim any dividends, which is subject to the provisions of the Companies Act, 2013, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, as the case may be, subject to such approval of the respective shareholders, as may be required.

6.11 **Costs and expenses**

All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.

SATVA JEWELLERY AND DESIGN LIMITED

ANNEXURE-II

Unaudited Balance Sheet as at 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
ASSETS			
Non-current assets			
Fixed assets			
Tangible Assests	2	**6,869,979**	**7,323,053**
Intangible Assets			
Long-Term Loans And Advances	3	94,550	94,550
Total non-current assets		**6,964,529**	**7,417,603**
Current assets			
Financial Assets			
-Cash and cash equivalents	4	847,741	900,447
Other Current Assets	5	169,700	163,309
Total current assets		**1,017,440**	**1,063,756**
Total Assets		**7,981,970**	**8,481,360**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	6	30,000,000	30,000,000
Other Equity	7	(38,325,925)	(37,642,686)
Total Equity		**(8,325,925)**	**(7,642,686)**
LIABILITIES			
Current liabilities			
Financial Liabilities			
-Borrowings	8	10,394,200	10,394,200
-Trade payables	9	4,299,756	4,595,256
-Other financial liabilities	10	1,593,144	1,105,000
Other current liabilities	11	20,795	29,589
Total current liabilities		**16,307,895**	**16,124,045**
Total liabilities		**16,307,895**	**16,124,045**
Total Equity and Liabilities		**7,981,970**	**8,481,359**

SATVA JEWELLERY AND DESIGN LIMITED

Unaudited Statement of Profit and Loss for the period ended 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars	Note	For the period ended 30th Sep, 2020	For the year ended 31st March, 2020
REVENUE			
Other income	12	325,207	709,843
Total Income		**325,207**	**709,843**
EXPENSE			
Depreciation and amortization expense	13	453,074	943,337
Financial costs	14	551,508	1,200,000
Other expenses	15	3,865	75,995
Total expenses		**1,008,447**	**2,219,332**
Profit (loss) before tax		**(683,240)**	**(1,509,489)**
Tax expense:			
Current tax charge		-	-
MAT Credit Entitlement		-	-
Deferred tax charge (credit)		-	-
Profit/(loss) for the year		**(683,240)**	**(1,509,489)**
Earnings per equity share [Nominal value of Rs.10 (previous year Rs.10)]			
Basic (Rs.)		(0.23)	(0.50)
Diluted (Rs.)		(0.23)	(0.50)

SATVA JEWELLERY AND DESIGN LIMITED

Unaudited Cash flow statement for the period ended 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars		For the period ended 30th September, 2020	For the year ended 31st March, 2020
A.	**Cash flow from operating activities:**		
	Net profit before tax	(683,240)	(1,509,489)
	Adjustments for:		
	Depreciation	453,074	943,337
	Interest expense	1,590,144	1,080,000
	Interest income	(25,207)	(109,843)
	Operating profit before working capital changes		
	Adjustments for:		
	(Increase) / decrease in loans and advances	(6,391)	52,849
	Increase / (decrease) in trade payables	(295,500)	(918,247)
	Increase / (decrease) in other current liabilities	488,144	-
	Cash flow from operating activities before taxes	**1,521,025**	**(461,393)**
	Direct taxes paid / (refunds) (net)	8,794	**-**
	Net cash flow from operating activities	**1,512,231**	**(461,393)**
B.	**Cash flow from investing activities:**		
	Interest received	25,207	109,843
	Net cash used in investing activities	**25,207**	**109,843**
C.	**Cash flow from financing activities:**		
	Interest paid	(1,590,144)	(1,080,000)
	Net cash used in financing activities	**(1,590,144)**	**(1,080,000)**
	Net increase/(decrease) in cash and cash equivalents	**(52,706)**	**(1,431,550)**
	Opening cash and cash equivalents	900,447	2,331,997
	Closing cash and cash equivalents	**847,741**	**900,447**
	Excluding the following:		
	Pledge in fixed deposit account against margin money	-	-

Notes:

1 Cash and cash equivalents include:

Cash in Hand	550	650
Balances with banks in current accounts	27,974	103,896
Fixed deposit with banks in deposit account	790,000	790,000
Interest accrued on deposits	29,217	5,901
	847,741	**900,447**

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”

SATVA JEWELLERY AND DESIGN LIMITED
Notes to the Financial Statements for the period ended 30th September,2020

2 Plant and equipment

Reconciliation of carrying amount

	Plant and machinery	Total
Deemed cost (gross carrying amount)		
Balance as at 1 April 2018	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	**30,652,098**	**30,652,098**
Balance as at 1 April 2019	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	**30,652,098**	**30,652,098**
Balance as at 1 April 2020	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 30 September 2020	**30,652,098**	**30,652,098**

Accumulated depreciation		
Balance as at 1 April 2018	21,383,069	21,383,069
Depreciation for the year	1,002,639	1,002,639
Disposals	-	-
Balance as at 31 March 2019	**22,385,708**	**22,385,708**
Balance as at 1 April 2019	22,385,708	22,385,708
Depreciation for the year	943,337	943,337
Balance as at 31 March 2020	**23,329,045**	**23,329,045**
Balance as at 1 April 2020	23,329,045	23,329,045
Depreciation for the year	453,074	453,074
Balance as at 30 September 2020	**23,782,119**	**23,782,119**

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**
At 30 September 2020	**6,869,979**	**6,869,979**

		As at 30th September, 2020	As at 31st March, 2020
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	550	650
	Balances with banks in current accounts	27,974	103,896
	Fixed deposit with banks in deposit account	790,000	790,000
	Interest accrued on deposits	29,217	5,901
		847,741	**900,447**
5 .	**Other Current Assets**		
	TDS recoverable	53,040	46,649
	MAT Recoverable	116,660	116,660
		169,700	**163,309**

		As at 30th September, 2020		As at 31st March, 2020	
6 .	**Share capital**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
	Authorised				
	Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	**30,000,000**	**3,000,000**	**30,000,000**
	Issued, optionally, subscribed and paid up				
	Equity shares of Rs.10 each fully paid up	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	**30,000,000**	**3,000,000**	**30,000,000**

(a) Reconciliation of share capital outstanding as at the beginning and at the end of the year

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	**3,000,000**	**30,000,000**	**3,000,000**	**30,000,000**

(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.

(c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

	As at 30th September, 2020		As at 31st March, 2020	
	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)				

(d) Details of shareholders holding more than 5% shares of the Company

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid up held by				
KDDL Limited	3,000,000	100.00	3,000,000	100.00

	As at 30th September, 2020	As at 31st March, 2020
7 . Other Equity		
(i) Retained Earnings		
Balance at beginning of the year	(37,642,686)	(36,133,197)
Add: Profit / (loss) for the year	(683,240)	(1,509,489)
Balance at the end of the year	**(38,325,925)**	**(37,642,686)**
8 . Short term borrowing		
KDDL Ltd	10,394,200	10,394,200
	10,394,200	**10,394,200**
9 . Trade payable		
Other trade payables		
- To related parties	4,299,756	4,595,256
	4,299,756	**4,595,256**

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 whereever necessary.

10 . Other financial liabilities		
Interest due but not paid	1,590,144	1,080,000
Expenses payable	3,000	25,000
	1,593,144	**1,105,000**
11 . Other current liabilities		
TDS Payable	20,795	29,589
	20,795	**29,589**

Particulars	For the period ended 30th September, 2020	For the period ended 31st March, 2020
12 . Other income		
Interest Income	25,207	109,843
Lease Rent	300,000	600,000
Misc Income	-	-
	325,207	**709,843**
13 . Depreciation		
Depreciation	453,074	943,337
	453,074	**943,337**

Particulars	For the period ended 30th September, 2020	For the period ended 31st March, 2020
14 . Financial costs		
Interest Expenses	551,508	1,200,000
	551,508	**1,200,000**
15 . Other expenses		
Legal and professional Expenses	-	-
Audit fees	-	25,000
Rates, Taxes & Fees	100	350
Bank Charges	325	50,645
Certification Charges	3,000	-
Interest on late payment of TDS	440	-
	3,865	**75,995**

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
Director:	1) Mr. Yashovardhan 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 30 Sep 2020	As at 31 March 2020
Interest expenses	**551,508**	**1,200,000**
- KDDL Ltd	551,508	1,200,000
Lease Rent	**300,000**	**600,000**
- KDDL Ltd	300,000	600,000
Reimbursement of Expenses	**-**	**-**
- KDDL Ltd	-	-

d) Outstanding balances as at year end

Particulars	As at 30 Sep 2020	As at 31 March 2020
Short Term Borrowing Payables	**10,394,200**	**10,394,200**
- KDDL Ltd	10,394,200	10,394,200
Other trade payables	**4,299,756**	**4,595,256**
- KDDL Ltd	4,299,756	4,595,256
Other financial liabilities	**1,590,144**	**1,080,000**
- KDDL Ltd	1,590,144	1,080,000

KDDL Limited

Unaudited Balance sheet as at Half year ended 30 September 2020
(All amounts are in Indian Rupees Lakhs except for share data)

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	9,087.83	9,378.69
Capital work-in-progress	3	297.77	219.92
Right-of-use assets		1,125.70	1,265.29
Investment property		36.47	44.57
Intangible assets	4	26.38	40.19
Financial assets			
- Investments	5	10,418.50	10,072.25
- Loans	6	289.22	220.55
Income tax assets (net)	7	226.81	225.77
Other non-current assets	8	39.02	130.31
Total non-current assets		**21,547.70**	**21,597.54**
Current assets			
Inventories	9	2,923.30	3,209.45
Financial assets			
- Trade receivables	10	2,285.40	2,463.84
- Cash and cash equivalents	11	529.71	953.72
- Other bank balances	12	547.20	542.51
- Loans	6	103.94	185.75
- Other financial assets	13	152.30	209.43
Other current assets	14	1,009.95	844.23
Total current assets		**7,551.80**	**8,408.93**
Total assets		**29,099.50**	**30,006.47**
Equity and Liabilities			
Equity			
Equity share capital	15	1,173.72	1,173.72
Other equity	16	15,371.04	15,775.14
Total equity		**16,544.76**	**16,948.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	5,534.87	4,520.43
- Lease liabilities	17	487.39	593.91
- Other financial liabilities	18	308.61	121.56
Provisions	19	108.99	106.29
Deferred tax liabilities (net)	20	418.29	505.86
Total non-current liabilities		**6,858.15**	**5,848.05**
Current liabilities			
Financial liabilities			
- Borrowings	17	1,492.22	1,925.03
- Lease liabilities	17	194.69	199.99
- Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		76.80	75.05
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,265.21	1,278.43
- Other financial liabilities	18	1,683.07	3,106.55
Other current liabilities	22	689.51	319.31
Provisions	19	265.18	273.69
Current tax liabilities (net)	23	29.91	31.51
Total current liabilities		**5,696.59**	**7,209.56**
Total liabilities		**12,554.74**	**13,057.61**
Total equity and liabilities		**29,099.50**	**30,006.47**

KDDL Limited

Unaudited Statement of Profit and Loss for the Half year ended 30 September 2020
(All amounts are in Indian Rupees Lakhs except for share data)

	Note	Year ended 30th Sep, 2020	Year ended 31st March, 2020
Revenue from operations	24	5,526.96	18,059.28
Other income	25	153.78	526.92
Total income		**5,680.74**	**18,586.20**
Expenses			
Cost of materials consumed	26	1,186.22	4,522.03
Changes in inventories of finished goods, work-in-progress and scrap	27	301.70	(12.79)
Employee benefits expenses	28	2,204.00	5,530.92
Finance costs	29	467.73	885.38
Depreciation and amortisation expense	30	589.51	1,193.44
Other expenses	31	1,447.60	5,079.05
Total expenses		**6,196.76**	**17,198.03**
Profit before income tax		**(516.02)**	**1,388.17**
Income tax expense:	32		
- Current tax		-	384.38
- Tax for earlier years		-	(19.05)
- Deferred tax		(94.66)	91.45
- Deferred tax for earlier years		-	19.05
Total income tax expense		**(94.66)**	**475.83**
Profit for the year		**(421.36)**	**912.34**
Other comprehensive income / (expense)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability / (asset)		24.35	(69.63)
Income tax on remeasurement of defined benefit liability / (asset)		(7.09)	20.28
Other comprehensive (expense) for the year (net of income tax)		**17.26**	**(49.35)**
Total comprehensive income for the year		**(404.10)**	**862.99**
Earnings per share [nominal value of share Rs. 10 (previous year Rs. 10)]			
Basic (Rs.)	33	(3.62)	7.84
Diluted (Rs.)		(3.62)	7.84

3 Property, plant and equipment and capital work in progress

Gross carrying amount	Freehold land	Leasehold land	Buildings*	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment**	Vehicles	Total	Capital work-in-progress
Balance as at 1 April 2019	78.60	577.80	3,685.39	82.14	6,431.56	275.92	146.78	224.35	11,502.54	244.02
Additions	-	-	323.48	-	1,034.64	32.98	55.80	1.68	1,448.57	346.20
Reclassified to right-of-use asset (Refer to note 41)	-	(577.80)	-	-	-	-	-	-	(577.80)	-
Disposals	-	-	-	-	(31.90)	(7.35)	(3.77)	(9.23)	(52.25)	(370.30)
Balance as at 31 March 2020	**78.60**	**-**	**4,008.87**	**82.14**	**7,434.30**	**301.55**	**198.81**	**216.80**	**12,321.06**	**219.92**
Balance as at 1 April 2020	78.60	-	4,008.87	82.14	7,434.30	301.55	198.81	216.80	12,321.06	219.92
Additions	-	-	-	-	148.30	9.91	15.35	-	173.56	152.89
Disposals	-	-	-	-	(5.27)	(0.40)	0	-	(5.67)	(75.04)
Balance as at 30 September 2020	**78.60**	**-**	**4008.87**	**82.14**	**7,577.33**	**311.06**	**214.15**	**216.80**	**12,488.95**	**297.77**
Accumulated depreciation										
Balance as at 1 April 2019	-	17.00	153.51	26.97	1,665.54	103.83	58.88	64.39	2,090.12	-
Depreciation for the year (refer to note c)	-	-	136.75	10.90	644.16	28.70	48.17	28.40	897.07	-
Disposals	-	(17.00)	-	-	(14.49)	(6.01)	(1.55)	(5.77)	(27.82)	-
Balance as at 30 September 2020	**-**	**-**	**290.26**	**37.87**	**2,295.21**	**126.52**	**105.50**	**87.02**	**2,959.37**	**-**
Balance as at 1 April 2020	-	-	290.26	37.87	2,295.21	126.52	105.50	87.02	2,942.38	-
Depreciation for the period	-	-	70.16	4.34	336.83	13.91	24.25	11.22	460.72	-
Disposals	-	-	-	-	(1.59)	(0.38)	-	-	(1.97)	-
Balance as at 30 September 2020	**-**	**-**	**360.42**	**42.21**	**2,630.45**	**140.05**	**129.75**	**98.24**	**3,401.12**	**-**
Carrying amounts (net)										
At 31 March 2020	**78.60**	**-**	**3,718.61**	**44.27**	**5,139.09**	**175.03**	**93.31**	**129.78**	**9,378.68**	**219.92**
At 30 September 2020	**78.60**	**-**	**3,648.45**	**39.93**	**4,946.88**	**171.01**	**84.40**	**118.56**	**9,087.83**	**297.77**

Notes:

a. Refer to note 17 for information on property, plant and equipment are pledged as security by the Company.

b. Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. The Company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	30 September 2020	31 March 2020
Raw materials consumed		170.77
Salaries and wages		43.39
Contributions to provident and other funds		2.49
Staff welfare expenses		2.80
Job charges		13.34
Store consumed		-
Depreciation		7.62
Power and fuel		5.60
Others		3.68
	-	**249.69**

*Includes capitalised borrowing costs related to the construction of the new factory amounted to Rs. Nil (previous year: Rs. 6.74).

Represents capital work in progress capitalized during the current year and previous year.

**Including block of computers

4 Intangible assets

Gross carrying amount	Technical know-how	Softwares	Web portal	Total
Balance as at 1 April 2019	40.01	108.14	-	148.15
Additions	-	9.92	-	9.92
Disposals	-	-	-	-
Balance as at 31 March 2020	**40.01**	**118.06**	**-**	**158.07**
Balance as at 1 April 2020	40.01	118.06	-	158.07
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 30 September 2020	**40.01**	**118.06**	**-**	**158.07**
Accumulated amortisation				
Balance as at 1 April 2019	6.93	73.85	-	80.78
Amortisation for the year	4.60	32.50	-	37.10
Disposals	-	-	-	-
Balance as at 31 March 2020	**11.53**	**106.35**	**-**	**117.88**
Balance as at 1 April 2020	11.53	106.35	-	117.88
Amortisation for the period	2.31	11.50	-	13.81
Disposals	-	-	-	-
Balance as at 30 September 2020	**13.84**	**117.85**	**-**	**131.69**
Carrying amounts (net)				
At 31 March 2020	**28.48**	**11.71**	**-**	**40.19**
At 30 September 2020	**26.17**	**0.21**	**-**	**26.38**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
5 Investments			
Non-current investments			
Unquoted investments (fully paid up)			
Investment in equity shares (at cost)			
Subsidiary companies (at cost):			
- Pylania SA, Switzerland			
7,550 (31 March 2020: 7,550) equity shares of Swiss Franc (CHF) 100 each fully paid up		281.24	281.24
- Ethos Limited			
11,271,646 (31 March 2020: 11,133,146) equity shares of Rs. 10 each fully paid up	(a), (b), (c)	8,362.23	8,015.98
- Mahen Distribution Limited			
5,928,700 (31 March 2020: 5,928,700) equity shares of Rs 10 each fully paid up		698.07	698.07
- Kamla International Holdings SA, Switzerland			
16,000 (31 March 2020: 16,000) equity shares of Swiss Franc (CHF) 100 each fully paid up		1,097.66	1,097.66
- Satva Jewellery and Design Limited			
3,000,000 (31 March 2020: 3,000,000) equity shares of Rs. 10 each fully paid up		150.00	150.00
		10,589.20	**10,242.95**
Associate (at cost):			
- Kamla Tesio Dials Limited.			
300,000 (31 March 2020: 300,000) equity shares of Rs. 10 each fully paid up		30.00	30.00
		30.00	**30.00**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
Other Companies (Fair value through Statement of profit and loss):			
- Karolview Developers Private Limited			
500,000 (31 March 2020: 500,000) equity shares of Rs. 10 each fully paid up		44.15	44.15
- Shivalik Waste Management Limited			
17,500 (31 March 2020: 17,500) equity shares of Rs. 10 each fully paid up		3.58	3.58
		47.73	**47.73**
		10,666.93	**10,320.68**
Impairment in value of investments			
Subsidiary companies:			
- Pylania SA, Switzerland		98.43	98.43
- Satva Jewellery and Design Limited		150.00	150.00
		248.43	**248.43**
Total non-current investments		**10,418.50**	**10,072.25**
Aggregate amount of unquoted investments		10,418.50	10,072.25
Aggregate amount of impairment in value of investments		248.43	248.43

Notes:

(a) This includes Rs. 14.51 (31 March 2019: Rs. 14.51) which represents fair value of financial guarantees given to Ethos Limited.

(b) This includes Rs. 36.07 (31 March 2019: Rs. 36.07) which represents dividend on investment in preference shares of Ethos Limited which has been waived by the Company and " is considered as quasi equity contribution as it is no longer payable by Ethos Limited."

(c) During the current year, the Company has invested an amount of Rs 2,100 by way of preferential allotment in fully paid up 7,19,176 equity shares of Rs. 10 each of Ethos Limited (a subsidiary company) at a premium of Rs. 282 per share. Further, Ethos Limited (a subsidiary company) has converted its 14% Cumulative Compulsorily Convertible Preference Shares into 19,230 equity shares of Rs. 10 each.

		Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
6	**Loans**		
	(Loans receivables considered good- Unsecured)		
	Security deposits		
	- to others	-	23.79
	Loan to related party (refer to note 38)	103.94	103.94
	Loan to employees		
	- to related party (refer to note 38)	-	8.13
	- to others	-	49.89
		103.94	**185.75**

	Non-Current	
	As at 30th Sep, 2020	As at 31st Mar, 2020
Security deposits		
- to related party (refer to note 38)	-	-
- to others	161.86	139.79
Loan to employees		
- to related party (refer to note 38)	-	22.17
- to others	127.36	58.59
	289.22	**220.55**

		As at 30th Sep, 2020	As at 31st Mar, 2020
7	**Income tax asset (net)**		
	Advance income-tax (net of provision)	226.81	225.77
		226.81	225.77

			As at 30th Sep, 2020	As at 31st Mar, 2020
8	**Other non-current assets**			
	(Unsecured and considered good)			
	Capital advances			
	- to others		37.24	103.09
	Deposit under protest		-	-
	Prepaid expenses		1.78	27.22
			39.02	**130.31**
9	**Inventories**			
	(at lower of cost and net realisable value)			
	Raw materials*		1,847.29	1,842.58
	Work-in-progress		703.70	871.61
	Finished goods**		86.64	194.96
	Stores and spares		294.59	283.75
	Scrap		(8.92)	16.55
			2,923.30	**3,209.45**
	*Includes goods-in-transit - raw materials		7.02	29.16
	**The write down of inventories during the year amounted to Rs. 4.82 (Previous year: Rs. 16.00)			
10	**Trade receivables**			
	(Unsecured, considered good, unless otherwise stated)			
	Trade receivables from others		2,292.59	1,924.16
	Trade receivables from related parties (refer to note 38)		-	551.37
	Less : Allowance for expected credit loss		(7.19)	(11.69)
			2,285.40	**2,463.84**
	Break-up of security details			
	Trade receivable considered good -Secured		-	-
	Trade receivable considered good -Unsecured		2,285.40	2,463.84
	Trade Receivables which have significant increase in Credit risk		-	-
	Trade receivable -credit impaired		7.19	11.69
	Total		**2,292.59**	**2,475.53**
	Allowance for expected credit loss		(7.19)	(11.69)
	Total trade receivables		**2,285.40**	**2,463.84**
11	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts		524.67	949.42
	Remittances in-transit		-	0.14
	Cash on hand		5.04	4.16
			529.71	**953.72**
12	**Other bank balances**	**Note**		
	Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date	(a)	517.75	510.76
	Balance in unclaimed dividend accounts		29.45	31.75
			547.20	**542.51**

Note:

(a) These deposits include restricted bank deposits amounting to Rs. 510.76 (31 March 2019: Rs. 580.79) on account of deposits pledged as security for deposits from shareholders, bank guarantee and margin money.

		As at 30th Sep, 2020	As at 31st Mar, 2020
13	**Other financial assets**		
	Interest accrued but not due on deposits	9.97	22.55
	Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	6.71	-
	Recoverable from related parties (refer to note 38)	4.04	38.20
	Interest receivable from related parties (refer to note 38)	-	58.22
	Recoverable from / balance with government authorities	113.99	76.20
	Recoverable from others	17.59	14.26
		152.30	**209.43**
14	**Other current assets**		
	(Unsecured and considered good)		
	Recoverable from / balance with government authorities	539.78	566.06
	Advances for supply of goods and services	315.54	169.62
	Advances to employees (refer to note 38)	59.64	50.60
	Prepaid expenses	94.99	57.95
		1,009.95	**844.23**

		As at 30th September, 2020		As at 31st March, 2020	
		Number of shares	Amount	Number of shares	Amount
15	**Equity Share capital**				
(i)	Details of share capital				
	Authorised				
	Equity shares of Rs. 10 each.	2,50,00,000	2,500.00	1,24,80,000	1,248.00
		2,50,00,000	**2,500.00**	**1,24,80,000**	**1,248.00**
	Issued				
	Equity shares of Rs. 10 each	1,18,24,388	1,182.43	1,18,24,388	1,182.43
		1,18,24,388	**1,182.43**	**1,18,24,388**	**1,182.43**
	Subscribed and paid up capital				
	Equity shares of Rs. 10 each fully paid up	1,16,50,108	1,165.01	1,16,50,108	1,165.01
	Forfeited equity shares of Rs.10 each	1,74,280	8.71	1,74,280	8.71
		1,18,24,388	**1,173.72**	**1,18,24,388**	**1,173.72**

(ii) Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iii) Reconciliation of the shares outstanding at beginning and at the end of the year

Particulars	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,16,50,108	1,165.01	1,16,33,608	1,163.36
Add: Shares issued during the year	-	-	16,500	1.65
Balance at the end of the year	**1,16,50,108**	**1,165.01**	**1,16,50,108**	**1,165.01**

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
R. K. Saboo	18,34,292	15.74%	18,34,292	15.74%
Yashovardhan Saboo	13,38,791	11.49%	13,38,791	11.49%
Saif India V FII Holdings Limited	10,08,400	8.66%	10,08,400	8.66%
Saif Partners India V Limited	7,54,716	6.48%	7,54,716	6.48%
Pranav Shankar Saboo	6,80,851	5.84%	6,80,851	5.84%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash (during five years immediately preceding 31 March 2020)

During the five years immediately preceding 31 March 2020, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash except during the current year ended 31 March 2020, 16,500 equity shares of Rs. 10 each had been issued under employee stock option plans for which only exercise price had been received in cash.

(vi) Employee stock option plan

Terms attached to stock options granted to employees of the Company are described in note 37D regarding share based payments.

(vii) Shares reserved for issue under options and other commitments

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
"Under KDDL Employee Stock Option Plan - 2011: "equity shares of Rs.10 each, at an exercise price of Rs. 120 per share"(Refer note 37D)"	-	-	-	-

		As at 30th Sep, 2020	As at 31st Mar, 2020
16	**Other equity**		
	(also refer to Statement of Changes in Equity)		
(i)	***Share application money pending allotment***		
	Balance at the beginning of the year	-	-
	Add : Additions during the year	-	-
	Less : Share issue expense made during the year	-	-
	Balance at the end of the year	**-**	**-**
(i)	***Securities premium***		
	Balance at the beginning of the year	9,480.99	9,462.84
	Add : Additions during the year	-	18.15
	Less : Share issue expense made during the year	-	-
	Balance at the end of the year	**9,480.99**	**9,480.99**

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilised in accordance with the applicable provisions of the Companies Act, 2013.

(ii)	***General reserve***		
	Balance at the beginning of the year	2,776.20	2,776.20
	Add : Amount transferred from retained earnings	-	-
	Balance at the end of the year	**2,776.20**	**2,776.20**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

	As at 30th Sep, 2020	As at 31st Mar, 2020
(iii) ***Employee stock options outstanding reserve***		
Balance at the beginning of the year	-	16.34
Less : Options expired during the year	-	(16.34)
Balance at the end of the year	-	-

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve.

(iv) ***Retained earnings***		
Balance at the beginning of the year	3,517.95	3,286.48
Add: Profit for the year	(421.36)	912.34
Less : Final dividend on equity shares (Rs. 2.50 per share)	-	(523.84)
Less : Corporate dividend tax	-	(107.68)
Less : Transfer to general reserve	-	-
Add: Effective portion of gains/(losses) on hedging instruments in cash flow hedges		
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	-	-
Income tax on effective portion of gains/(losses) on hedging instruments in cash flow hedges	-	-
Add: Remeasurement of defined benefit liability (asset)		
Remeasurement of defined benefit liability (asset)	24.35	(69.63)
Income tax on remeasurement of defined benefit liability (asset)	(7.09)	20.28
Balance at the end of the year	**3,113.85**	**3,517.95**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

(v) ***Money received against shares warrants***

A share warrant is a financial instrument which gives holder the right to acquire equity shares. Money Received against Shares Warrants comprise of share warrants issued by the Company against which shares are yet to be allotted.

During the year ended 31 March 2017, the Company had issued 377,356 share warrants at Rs. 265 per share warrant (including securities premium of Rs 255 per share warrant) on a preferential allotment basis to certain promoters and promoter entities ('warrant holders') and had also received 25% application money amounting to Rs 66.25 per share warrant. The warrants were to be converted into equivalent number of equity shares on payment of balance 75% amount at any time on or before the end of eighteen months from the date of allotment failing which these would stand forfeited. During the year ended 31 March 2019, the Company had allotted 113,206 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants. During the year ended 30 June 2019, the Company has allotted remaining 264,150 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants.

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
17 Borrowings			
Non-current borrowings			
Term-loans			
From banks (secured)	(a)	64.96	48.61
From others (secured)	(b)	3,775.24	4,060.70
		3,840.20	**4,109.31**
Deposits from shareholders/ directors			
Related parties (unsecured) (refer to note 38)	(c)		
-From Directors		522.39	412.69
-From Inter-Corporate		30.00	40.00
-From Others		86.16	67.61
From others (unsecured)	(c)	1,672.55	1,621.94
		2,311.10	**2,142.24**
Total non-current borrowings (including current maturities)		**6,151.30**	**6,251.55**
Less : Current maturities of non-current borrowings (refer to note 18)		616.43	1,731.12
		5,534.87	**4,520.43**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
(ii) Lease liabilities			
-From Others		682.08	793.90
Total non-current Finance lease (including current maturities)		**682.08**	**793.90**
Less : Current maturities of non-current Finance lease (refer to note 18)		194.69	199.99
		487.39	**593.91**

Notes:

(a) - Vehicle loans from banks amounting to Rs. 48.61 (31 March 2019: Rs. 67.08) carrying interest rate in the range of 7.50% to 10.50% (previous year 7.50% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(b) - Term loan from Tata Capital Financial Services Limited amounting to Rs. 101.45 (31 March 2019: Rs. 236.88) carrying interest rate equal to LTLR less 7% (presently 10.25%) (previous year 10.50%) is secured by way of first pari passu charge over the project leasehold immovable property and over movable fixed assets of Eigen III, situated at plot no. 55-A (Aerospace sector) Hitech, Devanahalli, Bengaluru. The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 21 monthly installments of Rs. 11.30 as per the repayment schedule in equal annual installments commencing from 25 April 2018. The last instalment would be repaid on 25 December 2020.

- Term loan from Tata Capital Financial Services Limited amounting to Rs. 157.50 (31 March 2019: Rs. 247.48) carrying interest rate equal to LTLR less 7.25% (presently 10.25%) (previous year 10.50%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru and exclusive charge by way of hypothecation over the plant & machineries & other movable assets of KHAN II, situated at 408, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore 560058 (Karnataka). The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 11 quarterly installments of Rs. 22.50 as per the repayment schedule in equal annual installments commencing from 8 April 2018. The last instalment would be repaid on 8 October 2021.

- Term loan from Tata Capital Financial Services Limited amounting to Rs. 583.65 (31 March 2019: Rs. 757.62) carrying interest rate equal to LTLR less 8.75% (presently 10.25%) (previous year 10.50%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru 560058 (Karnataka). The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 52 monthly installments of Rs. 14.65 as per the repayment schedule in equal annual installments commencing from 30 July 2018. The last instalment would be repaid on 20 July 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 1321.69 (31 March 2019: Rs. 1868.56) carrying interest rate of 10% (previous year 10%) is secured by pari passu charge by way of hypothecation of equipment procured out of the term loan, Mortgage of leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru. The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan of Rs. 1,200 is to be repaid in 43 instalments of Rs.21.13 and last instalment would be paid on 5th October, 2022. The loan of Rs. 1,000 is to be repaid in 46 monthly installments of Rs. 20.83 as per the repayment schedule in equal monthly installments commencing from 05 January 2018. The last instalment would be repaid on 5 January 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 873.17 (31 March 2019: Rs. 200) carrying interest rate of 10% (previous year 10%) is secured by way of first pari passu charge over movable fixed assets of of Company . The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 48 instalments of Rs.20.83 as per the repayment schedule in equal monthly installments commencing from 05 September 2019. The Last instalment would be paid on 5 September 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 997.04 (31 March 2019: Rs. Nil) carrying interest rate of 9.20% is secured by way of first pari passu charge over movable fixed assets of of Company . The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 18 instalments of Rs. 55.55 as per the repayment schedule in equal quarterly installments commencing from 05 September 2020. The Last instalment would be paid on 05 March 2025.

- Vehicle loans from Daimler Financial Services and Kotak Mahindra Prime Limited amounting to Rs. 26.21 (31 March 2019: Rs. 35.58) carrying interest rate in range of 7.75% to 9.50% (previous year 7.50% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(c) Deposits from shareholders/ directors amounting to Rs. 2,142.24 (31 March 2019: Rs. 1,532.43) carrying interest rates in the range of 9.50% to 11.50% (previous year 9% to 12.5%) per annum are repayable in 1 years to 3 years from the respective dates of deposit.

		Note	As at 30th Sep, 2020	As at 31st Mar, 2020
(iii)	**Current borrowings**			
	Loans repayable on demand			
	From banks (secured)	(a)	1,061.38	1,433.21
	From others (secured)	(b)	300.00	300.00
	Deposit from shareholders/directors			
	Related parties (unsecured) (refer to note 38)			
	-From Directors		46.50	87.07
	-From Others		-	0.50
	From others (unsecured)	(c)	54.48	104.25
			1,492.22	**1,925.03**

Notes:

(a) Working capital borrowings from banks amounting to Rs. 1,435.51 (31 March 2019: Rs. 702.84) carrying interest rate varying from 9.00% to 10.20% (previous year 9.25% to 11.90%) per annum are secured by hypothecation of stocks of stores and spares, raw materials and components, finished goods and stock-in-process and book debts and other assets of the Company (both present and future), on pari passu basis except packaging unit (KPAC) and are further secured by a second charge on the entire fixed assets of the Company. These loans are also guaranteed by the Chairman & Managing Director of the Company and is repayable on demand.

(b) Working capital borrowings from others amounting to Rs. 300 (31 March 2019: Rs. Nil) carrying interest rate of 9.15% per annum are secured by first pari passu charge on current assets. The loan is also personally guaranteed by the Chairman & Managing Director of the Company and is repayable on demand

(c) Deposits from shareholders/ directors amounting to Rs. 191.82 (31 March 2019: Rs. 37.43) carrying interest rates in the range of 8.50% to 10% (previous year 9% to 12.5%) per annum are repayable within 1 year from the respective dates of deposit.

		Year ended 30 September 2020	Year ended 31 March 2020
(iii)	**Reconciliation of movements of liabilities to cash flows arising from financing activities**		
	Balance as at the beginning of the year (including current and non-current borrowings)	**8,176.58**	**5,685.90**
	Proceeds from non-current borrowings	47.19	2,869.77
	Repayment of non-current borrowings	(120.38)	(1,564.50)
	Proceeds from current borrowings having maturity period more than 3 months	7.73	272.66
	Repayment of current borrowings having maturity period more than 3 months	(34.54)	(118.27)
	Repayments of/proceeds from current borrowings (net)	(678.51)	1,030.37
	Transaction costs related to borrowings	-	0.65
	Balance as at the end of the year (including current and non-current borrowings)	**7,398.07**	**8,176.58**

* Non-current borrowings include current maturities of non-current borrowings

		Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
18	**Other financial liabilities**		
	Current maturities of non-current borrowings [refer to note 17(i)]	616.43	1,731.12
	Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	-	74.35
	Interest accrued but not due (refer to note 38)	0.63	100.02
	Unpaid dividends*	29.46	31.76
	Capital creditors	88.02	477.57
	Employee related payables (refer to note 38)	948.53	691.73
		1,683.07	**3,106.55**

* not due for deposit to investor education and protection fund

		Non-Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
	Interest accrued but not due (refer to note 38)	296.25	109.10
	Unpaid dividends*	-	-
	Application money received for allotment of securities to the extent refundable	-	-
	Capital creditors	-	-
	Employee related payables	-	-
	Security Deposits		
	- from related parties (refer to note 38)	6.77	6.77
	- from others	5.59	5.69
		308.61	**121.56**

		Non-Current		Current	
		As at 30 September 2020	As at 31 March 2020	As at 30 September 2020	As at 31 March 2020
19	**Provisions**				
	Provisions for employee benefits (refer to note 37)				
	Liability for gratuity	108.99	106.29	-	19.66
	Liability for compensated absences	-	-	265.18	254.03
		108.99	**106.29**	**265.18**	**273.69**
	Other provisions				
	Provision for warranties	-	-	-	-
		-	-	-	-
		108.99	**106.29**	**265.18**	**273.69**

Movement in other provisions	**Warranties**
Balance as on 1 April 2018	26.15
Provisions made during the year	4.32
Provisions utilised during the year	(9.80)
Balance as on 31 March 2019	**20.67**
Provisions made during the year	-
Provisions reversed during the year	(20.67)
Balance as on 31 March 2020	-

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when the claim will arise. Any recovery of cost incurred is netted off against the relevant cost.

		As at 30th Sep, 2020	As at 31st Mar, 2020
20	**Deferred tax liabilities (net)**		
	Deferred tax liability on		
	- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	659.86	659.86
	- MTM Gain/(Loss) on foreign exchange contracts	(21.65)	(21.65)
	Deferred tax liability (A)	**638.21**	**638.21**
	Deferred tax assets on		
	- Expected credit loss allowance	3.40	3.40
	- Provision for warranties	-	-
	- Provision for employee benefits	101.70	101.70
	- Provision for bonus	10.29	10.29
	- Lease liabilities and Right of use assets (Net)	16.96	16.96
	Deferred tax assets (B)	**132.35**	**132.35**
	Net deferred tax liabilities (A - B)	**418.29**	**505.86**

	As at 31 March 2019	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 31 March 2020
(b) Movement in temporary differences:				
2018-2019				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	558.46	101.40	-	659.86
- MTM Gain/(loss) on foreign exchange contracts	8.67	(30.32)	-	(21.65)
- Expected credit loss allowance	(0.24)	(3.16)	-	(3.40)
- Provision for warranties	(6.02)	6.02	-	-
- Provision for employee benefits	(74.96)	(6.47)	(20.28)	(101.70)
- Provision for bonus	(70.27)	59.98	-	(10.29)
- Lease liabilities and Right of use assets (Net)	-	(16.96)	-	(16.96)
	415.64	**127.45**	**(20.28)**	**522.82**

	As at 31 March 2020	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 30 September 2020
2019-2020				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	659.86	-	-	659.86
- MTM Gain/(loss) on foreign exchange contracts	(21.65)	-	-	(21.65)
- Expected credit loss allowance	(3.40)	-	-	(3.40)
- Provision for warranties	-	-	-	-
- Provision for employee benefits	(101.70)	(7.10)	7.09	(101.70)
- Provision for bonus	(10.29)	-	-	(10.29)
- Lease liabilities and Right of use assets (Net)	-	(16.96)	-	(16.96)
	522.82	**(24.06)**	**7.09**	**505.85**

	As at 30th Sep, 2020	As at 31st Mar, 2020
21 Trade payables		
Dues of Micro Enterprises and Small Enterprises (refer to note below)	76.80	75.05
Trade payables to related parties (refer to note 38)	-	93.40
Other trade payables	1,265.21	1,185.03
	1,342.01	**1,353.48**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 30th Sep, 2020	As at 31st Mar, 2020
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	69.59	67.84
- Interest	7.21	7.21
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed date during each accounting year;	223.97	223.97
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006;	7.21	7.21

	Particulars	As at 30th Sep, 2020	As at 31st Mar, 2020
	(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.21	7.21
	(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	7.21	7.21

		As at 30th Sep, 2020	As at 31st Mar, 2020
22	**Other current liabilities**		
	Advance from customers	527.98	148.46
	Advance from related parties (refer to note 38)	-	-
	Statutory dues	160.48	169.80
	Deferred revenue	1.05	1.05
		689.51	**319.31**
23	**Current tax liabilities (net)**		
	Provision for income tax (net of advance tax)	29.91	31.51
		29.91	**31.51**

		Year ended 30 September 2020	Year ended 31 March 2020
24	**Revenue from operations**		
	Sale of products	5,033.41	16,602.57
	Sale of services	192.56	644.21
	Export incentives	126.30	390.45
	Other operating revenues		
	Scrap sales	174.69	422.05
		5,526.96	**18,059.28**
	Revenue disaggregation as per industry vertical and geography has been included in segment information (refer to note 39).		
a.	**Revenue from contracts with customers disaggregated based on nature of products and services**		
	Revenue from sale of products		
	- Precision and watch components	4,909.25	15,748.24
	- Others	124.16	854.33
	Sale of services	192.56	644.21
	Other operating revenue	174.69	422.05
		5,400.66	**17,668.83**
	Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss		
	Total revenue from contracts with customers	5,400.66	17,668.83
	Add: Items not included in disaggregated revenue:		
	- Export Incentives	126.30	390.45
	Revenue from operations as per the statement of profit and loss	**5,526.96**	**18,059.28**
b.	**Contract balances**		
	The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:		
	Trade receivables (refer to note 10)	2,285.40	2,463.84
	Advances from customers (refer to note 22)	527.98	148.46

		Year ended 30 September 2020	Year ended 31 March 2020
25	**Other income**		
	Interest income		
	Fixed deposits with banks	19.98	36.88
	Interest income from related parties (refer to note 38)	-	49.23
	Interest income from others	15.10	113.90
	Interest income from financial assets at amortised cost		
	Dividend income	0.26	0.31
	Rental income (refer to note 38)	16.62	28.33
	Liabilities/ provision no longer required written back	-	45.46
	Exchange gain on foreign exchange fluctuations (net)	93.85	248.30
	Net gain on sale of property, plant and equipment and intangible assets	0.92	1.43
	Miscellaneous income	7.05	3.08
		153.78	**526.92**
26	**Cost of materials consumed***		
	Inventory of material at the beginning of the year	1,842.58	1,724.65
	Purchases of raw materials	1,190.93	4,639.96
		3,033.51	6,364.61
	Inventory of material at the end of the year	1,847.29	1,842.58
		1,186.22	**4,522.03**
	* Refer to note 3 (c)		
27	**Changes in inventories of finished goods, work-in-progress and scrap**		
	Opening stock		
	Work-in-progress	871.61	954.42
	Finished goods	194.96	115.91
	Scrap	16.55	-
		1,083.12	1,070.33
	Less:		
	Closing stock		
	Work-in-progress	703.70	871.61
	Finished goods	86.64	194.96
	Scrap	(8.92)	17
		781.42	1,083.12
		301.70	**(12.79)**
28	**Employee benefits expenses**		
	Salaries and wages [refer to note 3 (c)]	1,942.81	4,867.46
	Contributions to provident and other funds (refer to note 37)	207.49	448.03
	Staff welfare expenses	53.70	215.43
		2,204.00	**5,530.92**
29	**Finance costs**		
	Interest expense on financial liabilities measured at amortised cost	421.69	765.13
	Interest on lease liabilities (refer to note 41)	43.01	102.47
	Other borrowing costs	3.03	17.78
		467.73	**885.38**

		Year ended 30 September 2020	Year ended 31 March 2020
30	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment*	467.16	889.45
	Amortisation of other intangible asset (refer to note 4)	7.38	37.10
	Depreciation of Right-of-use assets (refer to note 41)	114.97	250.68
	Depreciation of investment property (refer to note 41)		16.21
		589.51	**1,193.44**

*Excludes Rs. 7.62 (previous year : Rs 19.17) charged on plant and equipment at tool room division at Bengaluru which was utilised for development of in-house tools. Accordingly, such amount has been capitalised under plant and equipment. Also, refer to note 3(c).

31	**Other expenses**		
	Stores and spares consumed [refer to note 3 (c)]	246.03	882.52
	Power, fuel and water charges [refer to note 3 (c)]	166.43	461.24
	Contractual labour expenses	113.06	783.55
	Insurance	18.81	16.71
	Rent (refer to note 41)	18.66	11.98
	Rates and taxes	11.61	19.69
	Repair and maintenance		
	- Plant and machinery	72.47	263.46
	- Buildings	16.59	43.80
	- Others	40.98	146.10
	Legal and professional fees [refer to note (a) below]	155.82	444.92
	Travelling and conveyance	103.04	455.13
	Job charges [refer to note 3 (c)]	190.08	549.62
	Bank Charges	16.91	47.06
	Printing and stationery	14.68	40.92
	Communication expenses	21.14	50.40
	Commission	72.90	212.14
	Events and exhibitions	23.84	152.41
	Property, plant and equipment written off	0.68	11.59
	Expected credit loss on trade receivables	-	10.83
	Donation	1.50	5.50
	Advances / deposits written off	-	3.60
	Directors' sitting fees	7.90	22.60
	Security service charges	44.21	75.29
	Net change in fair value of financial assets (at FVTPL) (net)	-	1.29
	Corporate social responsibility expenditure [refer to note (b) below]	10.00	34.50
	Miscellaneous expenses	80.26	332.20
		1,447.60	**5,079.05**
	Note (a): Auditors' remuneration (including to ex-statutory auditor) (excluding taxes as applicable)		
	As Auditor		
	- Statutory audit	7.00	14.00
	- Tax audit	-	-
	- Limited review of quarterly results	4.84	6.50
	In other capacity		
	- Certification work	-	7.43
	- Reimbursement of expenses	1.78	3.69
		13.62	**31.62**

		Year ended 30 September 2020	Year ended 31 March 2020
	Note(b): Detail of corporate social responsibility expenditure		
	a. Amount required to be spent by the Company during the year	34.50	34.50
	b. Amount spent during the year (in cash)		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purpose other than (i) above (refer to note 38)	10.00	34.50
		10.00	**34.50**
32	**Income tax expense**		
A.	*Amounts recognised in statement of profit and loss*		
	Current tax		
	Current year	-	384.38
	Changes in estimates related to prior years	-	(19.05)
		-	365.33
	Deferred tax		
	Attributable to–		
	Origination and reversal of temporary differences	(94.66)	30.25
	Changes in estimates related to prior years	-	80.25
		(94.66)	110.50
		(94.66)	**475.83**
B.	*Income tax recognised in other comprehensive income*		
	Arising on income and expenses recognised in other comprehensive income		
	Remeasurement of defined benefit liability (asset)	24.35	(69.63)
		24.35	**(69.63)**
	Bifurcation of the income tax recognised in other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Income tax on remeasurement of defined benefit liability (asset)	(7.09)	20.28
		(7.09)	**20.28**
33	**Earnings per share**		
A.	Basic earnings per share		
	i. Profit / (loss) for basic earning per share of Rs. 10 each		
	Profit for the year	(421.36)	912.34
	ii. Weighted average number of equity shares for (basic)		
	Balance at the beginning of the year	1,16,50,108	1,16,33,608
	Effect of fresh issue of shares	-	3,553
		1,16,50,108	**1,16,37,161**
	Basic Earnings per share (face value of Rs 10 each)	**(3.62)**	**7.84**
B.	Diluted earnings per share		
	i. Profit / (loss) for diluted earning per share of Rs. 10 each		
	Profit for the year	(421.36)	912.34
	ii. Weighted average number of equity shares for (diluted)		
	Balance at the beginning of the year	1,16,50,108	1,16,33,608
	Effect of fresh issue of shares	-	3,553
	Effect of employee stock options*	-	-
		1,16,50,108	**1,16,37,161**
	Diluted Earnings per share (face value of Rs. 10 each)	**(3.62)**	**7.84**

* Nil options (31 March 2019: 4,737 options) were excluded from calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

NATIONAL COMPANY LAW TRIBUNAL **ANNEXURE-III**

CHANDIGARH BENCH, CHANDIGARH

(through web-based video conferencing platform)

CA (CAA) No. 25/Chd/HP/2020
(First Motion)

Under Sections 230 to 232
of the Companies Act, 2013

IN THE MATTER OF SCHEME OF AMALGAMATION AMONGST:

SATVA JEWELLERY AND DESIGN LIMITED
having its registered office at:
SCO 88-89, Sector-8C,
Madhya Marg, Chandigarh -160009

…Transferor Company/ Applicant Company-1

And

KDDL LIMITED
having its registered office at:
Plot no. 3, Sector III,
Parwanoo, Himachal Pradesh-173220

… Transferee Company / Applicant Company-2

Order delivered on: 10.11.2020

Coram: HON'BLE MR. AJAY KUMAR VATSAVAYI, MEMBER (JUDICIAL)
HON'BLE MR. RAGHU NAYYAR, MEMBER (TECHNICAL)

For the applicant companies: 1. Ms. Munisha Gandhi, Senior Advocate
2. Ms. Salina Chalana, Advocate

Per: Mr. Ajay Kumar Vatsavayi, Member (Judicial)

ORDER

This is a joint First Motion application filed by the Applicant Companies herein, namely Satva Jewellery and Design Limited (Applicant Company 1/ Transferor Company) and KDDL Limited (Applicant Company 2/Transferee Company) (jointly described as 'Applicant Companies') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (for brevity, the 'Act') read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity, the 'Rules') for sanctioning of the proposed Scheme of Amalgamation (for short, the 'Scheme'). The Scheme proposed in the Application is at Annexure A.1 of the Application. The contents of the application are supported by the affidavit of Mr. Sanjeev Kumar Masown, the authorized signatory of the Applicant Companies. The prayers made in the application are to seek appropriate orders/direction for dispensing with the meetings of Shareholders and Creditors of the Transferor Company and appropriate orders/directions for convening the meetings of Shareholders and creditors of the Transferee Company. The joint application is maintainable in terms of Rule 3(2) of the Rules.

2. It is submitted that in 2018, the Applicant Companies had filed an application under section 233 (2) of the Companies Act, 2013 before the Regional Director, seeking approval of the scheme between the wholly owned subsidiary company i.e. Transferor Company and the holding company i.e. Transferee Company. The Application was referred by the Regional Director to this Hon'ble Tribunal under section 233 (5) vide CA (CAA) No. 18/Chd/HP/2018. However, since the scheme was not approved by the requisite majority, as required under section 233 (1) (b) of the Act, this Hon'ble Tribunal, vide order dated 15.10.2019 (Annexure A-2) held the following:

   "After taking into consideration the above discussion and in view of the provisions of Section 233(6) of the Act, we are of the opinion that the scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly direct that necessary further action be taken by both the companies under section 232 of the Act."

   Hence, the present application under sections 230-232 has been filed by the Applicant Companies.

3. The Board of Directors of the Applicant Companies at their Board meetings held on December, 3, 2019 have approved and adopted the Scheme subject to the approval of the equity shareholders, secured creditors and unsecured creditors of the Applicant Companies and the sanction by this Tribunal. Further, the Board of Directors of the Applicant Companies at their Board meetings held on May 26, 2020 have approved the changes, made in the scheme of amalgamation due to increase in paid up equity share capital of the Transferee Company post March 31, 2019. The Board resolutions of the Transferor Company as well as Transferee Company are at Annexures A.5 and A.11 of the application, respectively.

4. As per the Memorandum and Articles of Association (Annexure- A.3), the main objects of Applicant Company-1 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."

5. As per the Certificate of Incorporation of Applicant Company- 1 (Annexure- A.3), Applicant Company-1 was incorporated on 23.12.2004 under the name 'Satya Jewellery and Design Limited'. The CIN of Applicant Company-1 is U36911CH2004PLC027767. The master data of the Company is at page no. 626 of the application.

6. The authorized, issued, subscribed and paid-up share capital of the Applicant Company-1 as on 31.03.2020 is as under:-

Share Capital	**Amount in Rs.**
Authorised Share Capital(30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

7. It is also stated that there has been no change in the share capital structure of the Applicant Company-1 post 31.03.2020 till the date of filling of this application. It is submitted that the shares of the Applicant Company-1 are not listed on any stock exchanges and also, 100% of the paid-up equity share capital of the Applicant Company-1 is held by the Applicant Company-2/Transferee Company.

8. As per the Memorandum and Articles of Association (Annexure- A.9), the main objects of Applicant Company-2 are as under:

   (i) 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.

   (ii) 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.

9. As per the Certificate of Incorporation of Applicant Company- 2 (Annexure- A.9), Applicant Company-2 was incorporated as a public limited company on 08.01.1981 under the name 'Kamal Dials And Devices Limited'. The CIN of the Applicant Company- 2 is L33302HP1981PLC008123. The master data of the Company is at page no. 627 of the application.

10. The authorized, issued, subscribed and paid-up share capital of the Applicant Company-2 as on 31.03.2019 is as under:-

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608 Equityshares of Rs. 10 each fully paid up	11,633,6080

It is stated that the Board of Directors of Transferee Company had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6th November, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020 is as follows:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (1,18,24,388 Equity Shares of Rs.10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

11. It is also stated that there has been no change in the share capital structure of the Applicant Company-2 post 31.03.2020 till the date of filling of this application.

12. The registered offices of the Applicant Company 1 and Applicant Company 2 are in the Union Territory, Chandigarh and the State of Himachal Pradesh, respectively, therefore, the matter falls within the territorial jurisdiction of this Tribunal.

13. It is also stated in the para 27 of the application that no proceedings under Sections 206 to 229 of the Companies Act, 2013 are pending against the Applicant Companies.

14. The Applicant Companies have made the prayers in the joint application for the following directions: -

I. Dispensing with requirement for convening the meeting of the equity shareholders of the Transferor Company / Applicant Company 1 and also to dispense with the requirement of issue and publication of notices for the same as equity shareholder of the Transferor Company / Applicant Company 1 has given its consent in writing to the Scheme and towards dispensing with their meeting;

II. Dispensing with requirement for convening the meetings of the secured and unsecured creditors of Transferor Company / Applicant Company 1 and also to dispense with the requirement of issue and publication of notices for the same since there is one secured creditor and one unsecured creditor who has given their consent to the Scheme and towards dispensing with their meetings;

III. Issuing necessary directions for convening the meeting of shareholders of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

IV. Issuing necessary directions for convening the meeting of secured creditors of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

V. Issuing necessary directions for convening the meeting of unsecured creditors of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

VI. Issuing necessary direction for appointment of Chairperson and scrutinizer for the meeting or meetings to be held and terms of appointment and remuneration for the Chairperson.

VII. Issuing necessary direction fixing the time period within which the chairperson shall report the result of the meeting to this Hon'ble Tribunal;

VIII. Issuing direction for permitting the filing of application, petition and other documents as may be required, for the purpose of sanctioning the proposed Scheme of Arrangement.

IX. For sending notices to (a) the Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, (b) Registrar of Companies at Chandigarh, (c) Income Tax Department, Chandigarh and New Delhi, (d) the Official Liquidator, and (e) Securities and Exchange Board of India, seeking their representation if any, on the scheme of arrangement.

X. It is also prayed that the Applicant Companies may kindly be exempted from filing certified copies and true typed copies of the Annexures and permission to file photocopies thereof may kindly be granted, in the interest of justice.

XI. Passing such other and further orders as this Hon'ble Tribunal may deem proper in the facts and circumstances on the instant case.

15. Learned Senior Counsel for the Applicant Companies submitted that as per list attached at Annexure- A.6 (Colly) as on 31.03.2020, Applicant Company-1 / Transferor Company has 8 (Eight) equity shareholders, however, there is only 1 beneficial equity shareholder in the Applicant Company-1. The beneficial equity shareholder (along with its Nominees) of the Applicant Company-1 have given their consent in writing by way of affidavit to the Scheme. The consent affidavits along with Board resolutions are at Annexure- A.6 (Colly) of the application. Hence, the requirement of calling and convening the meeting of equity shareholders may be dispensed with.

16. It is submitted that the Applicant Company-1 / Transferor Company has 1 has (one) secured creditor and 1 (one) unsecured creditor as on 31.03.2020.The certificates of KAN & Associates, Chartered Accountants to this effect are at Annexure-A.7 (Colly) of the application. The consent affidavits of the creditors are also a part of Annexure- A.7 (Colly) of the application.

17. Learned Senior Counsel for the Applicant Companies submitted that as per list attached at Annexure - A.12 as on 31.03.2020, the Applicant Company-2 has 4538 (Four Thousand Five Hundred Thirty-Eight) equity shareholders.

18. It is further submitted that the Applicant Company 2/Transferee Company has 10(ten) Secured Creditors and 1286 (one Thousand Eight Hundred Eighty-Six unsecured creditors as on 31.03.2020. The certificates of KAN & Associates, Chartered Accountants, to this effect are at Annexure-A13 (Colly) of the application.

19. It is prayed for directions to convene meetings of shareholders, secured creditors as well as unsecured creditors of the Transferee Company.

20. We have heard the Learned Senior Counsel for the Applicant Companies and have perused the records and the supporting documents/papers filed along with the "Scheme" contemplated between the Applicant Companies.

21. The rationale for the "Scheme" is stated as below:

    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 / Applicant Company 1 to increase operations and confer a competitive advantage on the entire business. With integrated processes, Transferee Company / Applicant Company 2 can achieve higher scales of operation.*

    c) *The amalgamation of the operations of the Transferor Company / Applicant Company 1 into the Transferee Company / Applicant Company 2 will assist the Transferor Company / Applicant Company 1 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).*

22. The appointed date as defined in the Scheme, shall mean the April 1, 2019 or such other date as this Tribunal may direct for the purposes of this Scheme.

23. The Learned Senior Counsel also submitted that the Applicant Company-1 is the wholly owned subsidiary of the Applicant Company-2. Therefore, upon the Scheme becoming effective, all the equity shares, as held by the Applicant Company-2 in the Applicant Company-1, shall stand cancelled and extinguished. Clause 4.1 of the Scheme is the relevant clause in that aspect.

24. It is represented that the Applicant Company-1 and Applicant Company-2 have filed their audited financial statements for the year ended 31.03.2018, 31.03.2019 and 31.03.2020 attached as Annexures A.4 and A.10 of the application respectively.

25. On the last date of hearing, the Applicant Companies were directed to file unaudited financial statements as on 30.09.2020. In compliance of the same, the Applicant Companies have filed their unaudited financial statements as on 30.09.2020 attached as Annexure A1 vide Diary No. 01061/1 dated 02.11.2020.

26. Clause 3.2.8. of the Scheme states that all proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been had not been made. It is also stated that the Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date., and to have the same continued, prosecuted and enforced by or against the Transferee Company.

27. Clause 3.5.1. of the Scheme states that all the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

28. The certificate of S.R. Batliboi & Co. LLP and Singhal Karun and Co, Statutory Auditors of the Applicant Companies have been filed at Annexure- A.15 (Colly) of the application, stating that the accounting treatment proposed in the Scheme is in conformity with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

29. Learned Senior Counsel for the Applicant Companies submitted that the Applicant Company-1 is not a public listed company whereas the Applicant Company-2 is a public listed company and is therefore regulated by the Securities and Exchange Board of India. Affidavit in this respect is attached as Annexure- A.16 of the application. Learned Senior Counsel has also relied upon the SEBI Circular No. CFD/DIL3/CIR/2017/21 (dated 10-March-2017) ('Çircular') which lays down the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements and, which amongst others, include procedures to obtain approval from Stock Exchange(s) and SEBI. It is submitted that Provision 7 of the aforesaid Circular provides that provisions of this circular (which, amongst others, includes approval from Stock Exchange and SEBI) shall not apply to schemes which solely provide for merger of a wholly owned subsidiary with the parent company.

30. It is submitted that the present Scheme envisages merger of wholly owned subsidiaries (i.e. Applicant Company 1) with the Parent company (i.e. Applicant Company 2) only, and approval from SEBI and Stock Exchanges (BSE and National Stock Exchange of India Limited) may not be required in the present case in view of the above circular.

31. In view of the above, following directions are issued with respect to calling, convening and holding of meetings of the shareholders, secured creditors and unsecured creditors or dispensing with the same as well as issue of notices to regulatory authorities, which are as follows:

A. <u>In relation to Applicant Company-1 / Transferor Company 1:</u>

a. Meeting of the Equity Shareholders is dispensed with the consent affidavits of all shareholders have been obtained and placed on record.

b. Meeting of the Secured Creditors is dispensed with as there is only one (One) Secured Creditor and the consent affidavit of the sole secured creditor has been obtained and placed on record.

c. Meeting of the Unsecured Creditors is dispensed with as there is only one (One) Unsecured Creditor and the consent affidavit of the sole Unsecured Creditor has been obtained and placed on record.

B. In relation to Applicant Company-2 / Transferee Company:

a. Meeting of the Equity Shareholders to be convened on 19.12.2020 at 10:00 a.m. vide video- conferencing, subject to notice of meeting being issued. The quorum of the meeting of the Equity Shareholders shall be 1815 in number and 40% in value of the equity shareholders.

b. Meeting of the Secured Creditors to be convened on 19.12.2020 at 11:30 a.m. vide video-conferencing, subject to notice of meeting being issued. The quorum of the meeting of the Secured Creditors shall be 4 in number and 40% in value of the Secured Creditors.

c. Meeting of the Unsecured Creditors to be convened on 19.12.2020 at 12:30 p.m. vide video-conferencing, subject to notice of meeting being issued. The quorum of the meeting of the unsecured Creditors shall be 514 in number and 40% in value of the unsecured Creditors.

C In case the required quorum as noted above for the aforesaid meetings of the Applicant Company 2/Transferee Company is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meetings, is filed with the registered office of the Applicant Company 2, at least 48 hours before the meetings. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy register is properly maintained. The Scrutinizer is duty bound to record the proceedings of the meeting conducted through video conference.

d. Mr. Pushkar Sood, Advocate, R/o D-13, (GF), Anand Niketan, New Delhi-110021, M: 98100-10790, email ID: <u>pushkarsood03@gmail.com</u>, is appointed as the Chairperson for the meeting to be called under this order. He shall be paid fee of Rs. 2,00,000/- for his services as the Chairperson.

e. Ms. Sehej Sandhawalia, Advocate, R/o House No. 3060, Sector 28-D, Chandigarh, M: 78373-35849, e-mail ID: <u>sehejsandhawalia1801@gmail.com</u>, is appointed as the Alternate Chairperson for the meetings to be called under this order. She shall be paid fee of Rs. 1,25,000/- for her services as the Alternative Chairperson.

f. Mr. Jaspreet Singh Dhawan, Company Secretary, M: 98885- 15184, e-mail ID: <u>jaspreetsdhawan1@gmail.com</u>, is appointed as the Scrutinizer for the meetings to be called under this order. He shall be paid fee of Rs. 75,000/- for his services as the Scrutinizer.

g. The fee of Chairperson, Alternate Chairperson and Scrutinizer shall be borne by the Transferee Company.

h. It is further directed that the individual notices of the said meeting shall be sent by the Applicant Company 2/Transferee Company to the Shareholders, Secured and Unsecured Creditors through registered post or speed post or courier, 30 days in advance before the scheduled date of the meeting, indicating the day, date and the time and the e-link or information of the meeting, together with a copy of 'Scheme', copy of explanatory statement required to be sent under the Companies Act, 2013 and the

applicable Rules along with the proxy forms. Any other documents as may be prescribed under the Act shall also be duly sent with the notice.

i. It is further directed that along with the notices, the Applicant Company 2/Transferee Company shall also send, statement explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members etc. along with effect of the scheme on any material interests of the director of the company if any as per sub-section 3 of Section 230 of the Act.

j. It is also directed that the supplementary accounting statement of the Applicant Companies relating to the period ending 30.09.2020 be also circulated for the aforesaid meetings apart from other requirements of subsection 2 of section 230 of the Act.

k. That the Applicant Company 2 shall publish with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date and the place and the time of the meetings as aforesaid, to be published in the Financial Express (English), Himachal Pradesh and Chandigarh Edition and Jansatta (Hindi), Himachal Pradesh and Chandigarh Edition. It be stated in the advertisement that the copies of "Scheme", the explanatory statement required to be published pursuant to section 230-232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company 2. The Applicant Company 2 shall also publish the notice on its website, if any.

l. It shall be the responsibility of the Applicant Company 2 to ensure that the notices are sent under the signature and supervision of the authorized representative of the company and that they shall file their affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least 7 days before the date fixed for the meetings.

m. Voting shall be allowed on the "Scheme" in person or by proxy or through electronic means or by postal ballot, as may be applicable to the Applicant Companies under the Act and the Rules framed thereunder.

n. The Chairperson shall be responsible to report the result of the meeting to the tribunal in form number CAA 4, as per rule 14 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 within 7 days of the conclusion of the meetings. He would be fully assisted by the authorized representative of the Applicant Company 2 and the Scrutinizer, who will assist the Chairperson and Alternate Chairperson in preparing and finalizing the reports.

o. The Applicant Company 2, shall individually and in compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (Compromise Arrangement and Amalgamation) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the 'Rules' to (a) the Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, (b) Jurisdictional Registrar of Companies, (c) Commissioner of Income Tax within whose jurisdiction the Applicant Companies are assessed by mentioning the PAN numbers of both the Applicant Companies, (d) the Official Liquidator, and (e) Securities and Exchange Board of India (in Transferee Company only), (f) BSE (in Transferee Company only), (g) NSE (in Transferee Company only), stating that representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representations shall be simultaneously sent to the concerned companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

p. The Applicant Company 2 further shall furnish copy of the Scheme free of charge within one day of any requisition for the 'Scheme' made by any member or creditor entitled to attend the meetings, as aforesaid.

q. All the aforesaid directions are to be strictly complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.

32. With the aforesaid directions, this First Motion Petition stands allowed giving liberty to the Applicant Companies to file Second Motion Petition. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutiniser.

Sd/-
(Raghu Nayyar)
Member (Technical)

Sd/-
(Ajay Kumar Vatsavayi)
Member (Judicial)

November 10, 2020
Yashpal

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN: L33302HP1981PLC008123
Name of the company: **KDDL Limited**
Registered Office: Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220

Name of the Secured Creditor (s): Registered address: E-mail Id:	

I/We, being the Secured Creditor of the above named company, hereby appoint

Name:

Address:

E-mail Id:

Signature: .....

as my/our proxy to participate and vote for me/us and on my/our behalf at the meeting of Secured Creditors, to be held on Saturday, 19th December, 2020 at 11:30 a.m, through video conferencing and at any adjournment thereof in respect of proposed Scheme of Amalgamation between Satva Jewellery and Design Limited and KDDL Limited pursuant to the order dated 10th November, 2020 passed by the National Company Law Tribunal, Chandigarh.

Signed this ..... day of ....., 2020

Affix Revenue Stamp

Signature of Secured Creditors

Signature of Proxy holder(s)

Note: The form of proxy in order to be effective should be duly completed and deposited with the Transferee Company at its registered office or by sending an email to the authorised representative of the Transferee Companyat investor.complaints@kddl.com not later than 48 hours before the meeting.

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, **Fax:** 0172-2548302

NOTICE OF MEETING OF THE UNSECURED CREDITORS OF KDDL LIMITED CONVENED PURSUANT TO ORDER DATED 10TH NOVEMBER 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH

Particulars	Meeting of the Unsecured Creditors of KDDL Limited
Day	Saturday
Date	19th December, 2020
Time	12:30 P.M
Venue/Manner of Participation	In view of the ongoing COVID-19 pandemic and related social distancing norms and as per the directions of the Hon'ble National Company Law Tribunal, Chandigarh, the meeting shall be conducted through Video Conferencing. . Unsecured Creditors can join the meeting by logging on to https://www.evotingindia.com and by following the steps mentioned in this notice.The venue of the meeting shall be deemed to be the Registered Office address of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220.

Sr. No.	Contents	Page No
1.	Notice of the meeting of the Unsecured Creditors of KDDL Limited as per the directions of the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench.	2
2.	Explanatory Statement under Section 102 read with Sections 230 to 232 of Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	6
3.	Scheme of Amalgamation.	14
4.	Supplementary accounting statements of Satva Jewellery and Design Limited and KDDL Limited for the period ended as on 30th September, 2020.	26
5.	A copy of the NCLT order dated 10th November, 2020.	50
6.	Proxy Form	56

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
CA (CAA) No. 25/Chd/HP/2020

In the matter of Companies Act, 2013
And
In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013
And
In the matter of the Scheme of Amalgamation of Satva Jewellery and Design Limited
(Transferor Company/ Applicant Company-1)
With
KDDL Limited **(Transferee Company / Applicant Company-2)**

KDDL Limited (CIN: L33302HP1981PLC008123), a company incorporated under the Companies Act, 1956 and having registered office at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220.

……Applicant Company-2/ Transferee Company in CA (CAA) No. 25/Chd/HP/2020

NOTICE OF MEETING OF THE UNSECURED CREDITORS OF TRANSFEREE COMPANY / APPLICANT COMPANY-2 CONVENED PURSUANT TO ORDER DATED 10TH NOVEMBER 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH

To,

Unsecured Creditors of KDDL Limited – Transferee Company / Applicant Company-2

Notice is hereby given that by an order dated the 10th November, 2020 the Chandigarh Bench of the National Company Law Tribunal has directed a meeting of Unsecured Creditors of KDDL Limited (Transferee Company / Applicant Company-2) for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation between "Satva Jewellery and Design Limited" (Transferor Company/ Applicant Company-1) and "KDDL Limited"(Transferee Company / Applicant Company-2). The Scheme, if approved by the Unsecured Creditors, will be subject to the subsequent approval of the Hon'ble Tribunal.

In pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of the Transferee Company / Applicant Company-2 will be held on Saturday, 19th December, 2020 through Video Conferencing ("VC") at 12:30 p.m. which the Unsecured Creditors are requested to attend.

Copies of the Scheme and Statement containing necessary details required to be furnished pursuant to Section 102 read with Section 230(3) can be obtained free of charge at the registered office of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220 or at the office of its Advocate, Mrs Munisha Gandhi, 62, Sector 2, Chandigarh – 160001

Persons entitled to attend and vote at the meeting(s)to be held through VC, may vote in person or by proxy, provided that the proxies in the prescribed form are deposited at the registered office of the Company at Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220 not later than 48 hours before the meeting. Forms of proxy can be had at the registered office of the Company.

NCLT has appointed Mr. Pushkar Sood, Advocate to be the Chairperson and Ms. Sehej Sandhawalia, Advocate to be the Alternate Chairperson and Mr. Jaspreet Singh Dhawan, Company Secretary to be the Scrutinizer of the aforesaid meeting.

The above mentioned Scheme of Amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Hon'ble NCLT, Chandigarh.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Act and the provisions of the memorandum of association and the articles of association of the Transferee Company, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

"RESOLVED THAT pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modifications or re-enactment thereof) as may be applicable, the provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and subject to the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, Chandigarh Bench (hereafter referred as the **Hon'ble Tribunal**) and subject to such other

approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble Tribunal, or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **Board**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Scheme of Amalgamation of Transferor Company/ Applicant Company-1 with Transferee Company / Applicant Company-2 and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act ("Scheme") as enclosed to the notice of the Tribunal convened meeting of the Unsecured Creditors of the Transferee Company and placed before this meeting, be and is hereby approved."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and / or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

In compliance with the provisions of (i) Section 230 read with Section 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company -2 has provided the facility of voting by remote electronic voting ("**remote e-voting**") and e-voting during the NCLT convened meeting using facility offered by Central Depository Services (India) Limited ("**CDSL**") so as to enable the Unsecured Creditors, to consider and approve the Scheme by way of the aforesaid resolution.

Explanatory Statement under Section 230(3) read with Section 102 of the Act along with copy of the Scheme and other enclosures, as indicated in the index, are enclosed herewith.

For KDDL Limited

Date : 12th November, 2020
Place : Chandigarh

Brahm Prakash Kumar
Company Secretary

Notes*:*

1. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and in terms of the order dated 10th November, 2020 passed by the Hon'ble Tribunal read with general circular issued by Ministry of Corporate Affairs ('**MCA'**) viz. circular no. 14 of 2020 dated April 08, 2020, circular no. 17 of 2020 dated April 13, 2020, circular no. 20 of 2020 dated May 05, 2020 and circular no.33 dated September 28, 2020(collectively referred to as **MCA Circulars**'),and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the meeting is being convened through Video- Conferencing (VC)without the physical presence of the Unsecured Creditors at a common venue.
2. The Explanatory Statement pursuant to Section 102 read with Sections 230 to 232 of the Companies Act, 2013 ('Act') and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Company will be available for inspection by the Unsecured Creditors at the Registered Office of the Transferee Company / Applicant Company-2 during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the meeting.
4. Corporate Unsecured Creditors intending to authorise their representatives to participate and vote through e-voting on their behalf during the meeting are requested to send a certified copy of the Board Resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, 48 hours before the meeting to the Company at investor.complaints @kddl.com
5. Pursuant to MCA Circulars, Unsecured Creditors can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
6. This Notice will also be available on the Company's website i.e. www.kddl.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
7. In terms of the directions contained in the Order, "The quorum of the meeting of the Unsecured Creditors shall be 514 in number and 40% in value of the Unsecured Creditors. Further, the Order directs that in case the required quorum as noted above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum.
8. Unsecured Creditors attending the meeting through VC shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013. Further, the Order directs that for the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meetings, is filed with the registered office of the Applicant Company 2, at least 48 hours before the meeting.

9. In terms of the directions contained in the Order, notice convening the meeting through this notice is also being published in the Financial Express (English), Himachal Pradesh and Chandigarh Edition and Jansatta (Hindi), Himachal Pradesh and Chandigarh Edition.
10. Pursuant to order of Hon'ble Tribunal, the Company is pleased to provide e-voting facility through CDSL to Unsecured Creditors as on Friday 11th December, 2020 (cut-off date) It is hereby clarified that it is mandatory for Unsecured Creditors to vote using the e-voting facility only, subject to compliance with the instructions for e-voting. The voting right may be exercised either by remote e-voting within prescribed period OR by e-voting during the meeting being convened through VC. The Unsecured Creditors desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions set out in the notes below under the heading "Voting Process and other instructions regarding e-voting". Any person who becomes Unsecured Creditor of the Applicant Transferee Company after dispatch of the Notice and has amount due to him by the Applicant Transferee Company as on the cut-off date may cast his vote by following the instructions of remote e-voting and voting during the meeting provided in this Notice.
11. As directed by Hon'ble Tribunal, Mr. Jaspreet Singh Dhawan, Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting during the meeting and remote e-voting process in a fair and transparent manner.
12. The Scrutinizer shall, immediately after and not later than 48 hours from conclusion of the meeting, make a consolidated Scrutinizer's Report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the meeting, in writing, who shall countersign the same.
13. The result of the voting shall be announced by the Chairman of the meeting in writing upon receipt of the Scrutinizer's Report. The results announced, along with the Scrutinizer's Report, shall be displayed at the Registered Office of the Transferee Company and its website viz. www.kddl.com and on the website of CDSL, immediately after declaration. The results shall also be immediately forwarded to the stock exchanges where the Company's equity shares are listed i.e. BSE Limited and National Stock Exchange of India Limited.
14. The Scheme shall be considered approved by the Unsecured Creditors of the Transferee Company if the resolution mentioned above in the notice has been approved by requisite majority of persons representing three-fourths in value of the Unsecured Creditors in terms of Sections 230 to 232 of the Act.
15. The Unsecured Creditors, seeking any information with regard to any matter to be placed at the meeting, are requested to write to the Company on or before 16thDecember, 2020, through Email on investor.complaints@kddl.com. The same will be replied by/ on behalf of the Company suitably.
16. Since the Meeting will be held through VC, route map of venue of the Meeting and admission slip is not attached to this Notice.
17. Voting Process and other instructions regarding e-voting:

Section A: Voting Process and other instructions regarding e-voting

The remote e-voting period will commence on Tuesday, 15th December, 2020 at 09:00 a.m. and will end on Friday, 18th December, 2020 at 05:00 pm. During this period, Unsecured Creditors whose names appear in the list of unsecured creditors of the Transferee Company as on cut-off date 11th December, 2020 may cast their vote electronically in the manner and process set out herein below. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast, the Unsecured Creditor shall not be allowed to change it subsequently. Further, the Unsecured Creditors who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote at the meeting.

The Unsecured Creditors should follow the following steps to cast their votes electronically:

Step 1: Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com

Step 2: Click on 'Shareholders/ Members' to cast your vote(s).

Step 3: Please enter USER ID as printed on covering letter in case of physical copy and as mentioned in covering email in case of soft copy.

Step 4: Enter the Image Verification as displayed and Click on 'LOGIN'.

Step 5: Please enter PASSWORD as printed on letter in case of physical copy.

Step 6: After entering these details appropriately, click on 'SUBMIT' tab.

Step 7: Click on the EVSN of 'KDDL LMITED' to vote.

Step 8: On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES / NO' for voting. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution. Select the option 'YES' or 'NO' as desired for casting your vote.

Step 9: Click on 'RESOLUTION FILE LINK' if you wish to view the Notice.

Step 10: After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

Step11: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

You can also take print-out of the voting done by you by clicking on 'CLICK HERE TO PRINT' option on the voting page.

Note for Non – Individual Creditors

Step 1: Non-Individual Unsecured Creditors are also required to follow the above process for remote e-voting.

Step 2: Non Individual Unsecured Creditors are required to send the scanned certified copy of the Board Resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, atleast 48 hours before the meeting to the Company at investor.complaints@kddl.com

Section B: Process of e-voting during meeting

Step 1: The procedure for e-voting on the day of meeting is same as the instructions mentioned above for remote e-voting.

Step 2: Only those Unsecured Creditors, who will be present at the meeting through VC facility and have not casted their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available at the meeting.

Step 3: If any votes are casted by the Unsecured Creditors through e-voting available during the meeting and if the same Unsecured Creditors have not participated in the meeting through VCfacility, then the votes casted by such Unsecured Creditor shall be considered invalid as the facility of e-voting during the meeting is available only to the Unsecured Creditors participating in the meeting.

Step 4: Unsecured Creditors who have voted through remote e-voting will be eligible to attend meeting. However, they will not be eligible to vote at the meeting. In case of any query or grievance pertaining to e-voting, members may contact Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25 Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel, East Mumbai 400013. Email: helpdesk.evong@cdslindia.com, Tel.: 1800-225-533. Further, Secured Creditors may also contact with Mr. Deepanshu Rastogi, Asst. Manager, MAS Services Limited, RTA at info@masserv.com or on Telephone No.: 011-26387281/82/83.

18. Instruction for Unsecured Creditors for attending the meeting through VC:
    a) Unsecured Creditors will be provided with a facility to attend the meeting through VC through the CDSL e-voting system. Creditors may access the same at https://www.evotingindia.com under Shareholders/Members login by using the remote e-voting credentials. The link for VC will be available in Shareholder/Members login where the EVSN of Company will be displayed.
    b) Unsecured Creditors are encouraged to join the meeting through Laptops/Desktops for better experience. Further, the Unsecured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
    c) 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.
    d) Unsecured Creditors who would like to express their views/have questions may send their views/questions 7 days prior to meeting mentioning their name, email id, mobile number at investor.complaints@kddl.comand register themselves as a speaker. Only those Unsecured Creditors who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

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, **Fax:** 0172-2548302

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 10th November, 2020 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench (the 'NCLT'/ 'Tribunal'), in Company Application No. CA (CAA) No. 25/Chd/HP/2020, a meeting of Unsecured Creditors of the Company of – Transferee Company / Applicant Company-2 is being convened on Saturday, 19th December, 2020 at 12:30 p.m. through Video Conferencing without the physical presence of the Unsecured Creditors at a common venuefor the purpose of considering, and if thought fit, approving, the Scheme of Amalgamation between "Satva Jewellery and Design Limited" - Transferor Company/ Applicant Company-1 ("SJDL") and "KDDL Limited" – Transferee Company / Applicant Company-2 ("KDDL") under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

2. The Board of Directors of the Applicant Companies at their respective meetings held on 3rd December, 2019 unanimously approved the scheme. Further, the Board of Directors of the Applicant Companies at their Board meetings held on 26th May, 2020 unanimously approved the changes, made in the scheme of amalgamation due to increase in paid up equity share capital of the Transferee Company post 31st March, 2019. A copy of the said scheme is attached as Annexure I.

3. The Scheme provides for amalgamation between "Satva Jewellery and Design Limited" **-** Transferor Company/ Applicant Company-1 and "KDDL Limited" – Transferee Company / Applicant Company-2 and the dissolution of the Transferor Company/ Applicant Company-1 without winding up.

4. **Particulars of SJDL (Transferor Company/ Applicant Company-1) :**

   (i) M/s Satva Jewellery and Design Limited, a public Company was incorporated on 23.12.2004 with its Registered Office located at SCO 88-89, Sector 8-C, Madhya Marg, Chandigarh , India 160009. The Transferor company is engaged in the business of all types of jewellery items and good or articles and precious metals.The Corporate Identity Number (CIN) and Permanent Account Number (PAN) of the Company is U36911CH2004PLC027767 and AAICS6482P respectively.

   (ii) Main Objects of the Transferor Company/ Applicant Company-1 :

   - 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.

   (iii) There is no change in name, registered office and objects of the Transferor Company in last five years.

   (iv) The equity shares of the Transferor Company are not listed on any Stock Exchange.

   (v) The capital structure of Satva Jewellery and Design Limited (the Transferor Company) as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

   Upto and as on date of approval of the Scheme by the Board of Directors of Transferor Company, there is no change in Authorized, Issued, Subscribed and Paid-up share Capital of Transferor Company.

   (vi) List of Directors of the Transferor Company as on 31st March, 2020 :

Sr. No.	**Name of the Director**	**Address**	**Category**
1	Mr. Yashovardhan Saboo	House No. 1, Sector 5, Chandigarh	Director
2	Mr. Sanjeev Kumar Masown	H. No. 190/1, Sector 40-A, Chandigarh	Director
3	Mr. Rakesh Mohunta	House No. 29, Sector 7, Panchkula	Director

(vii) List of Promoters of the Transferor Company as on 31st March, 2020

S. No	Name	Address	No of shares
1	M/s KDDL Limited	Registered Office : Plot no 3, Sector III, Parwanoo(H.P)– 173220	29,69,600
2	Mr. Yashovardhan Saboo (as a nominee of KDL Limited)	House no 1 ,sector 5, Chandigarh-160009	15,000
3	Mr. R.K Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	10,000
4	Mrs Anuradha Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	5,000
5	Mrs Usha Devi saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100
6	Ms. Satvika Saboo (as a nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100
7	Mr.Dinesh Agarwal (as a nominee of KDDL Limited)	House no 243, sector 2 , Panchkula, Haryana-134109	100
8	Mr. Pranav Shankar Saboo (as nominee of KDDL Limited)	House no 1 ,sector 5, Chandigarh-160009	100

5. **Particulars of KDDL Limited (Transferee Company / Applicant Company-2) :**

(viii) The Transferee Company M/s KDDL Limited a public Company was incorporated as Kamla Dials and Devices Limited under the Companies Act, 1956 (hereinafter referred to as Transferee Company) on 08.01.1981 in the Union Territory of New Delhi. The Transferee Company changed its registered office to the State of Himachal Pradesh and the certificate to said effect was issued on 07.03.1988. The Company subsequently changed its name to 'KDDL Limited' and obtained fresh Certificate of Incorporation consequent upon change of name on 14.09.2007. The registered office of the Transferee Company is situated at Plot No.3, Sector-III, Parwanoo, Himachal Pradesh, India – 173220 and email id is investor.complaints@kddl.com. The Transferee Company is engaged in the business of manufacturing, buying, selling, indenting, 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, electronics instruments of all types and descriptions and all components, parts and accessories, materials required directly or indirectly for the manufacturing of the same.The CIN and PAN of the Company are L33302HP1981PLC008123 and AAACK1929M respectively.

(ix) Main Objects of the Transferee Company / Applicant Company-2 :

- 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.
- 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.
- To deal in import replenishment entitlements earned against export under the import trade control policy.
- 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.
- 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.
- 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 Tools, assemblies, sub-assemblies, components, machines, equipment related to the aforementioned products.
- To carry on the business of providing web-services, including selling of internet leads, marketing and technology solutions, advertisements and related services.
- 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.

- To carry on the business of manufacturers, distributers, 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.

(x) There is no change in name, registered office and objects of the Transferee Company in last five years.

(xi) The equity shares of the Transferee Company are listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

(xii) The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608Equity shares of Rs. 10 each fully paid up)	11,633,6080

Upto and as on date of approval of the Scheme by the Board of Directors of SJDL, there is no change in Issued,Subscribed and Paid-up share Capital of SJDL. However, the Board of Directors of KDDL had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6th November, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000*
Issued Share Capital (1,18,24,388 Equity Shares of Rs. 10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

** Authorised Share Capital of the Transferee Company increased from Rs. 12,48,00,000 divided into 1,24,80,000 equity shares of Rs. 10 each to Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs. 10 each vide special resolution passed in the 40th annual general meeting.*

(xiii) List of Directors as on 31st March, 2020 :

Sr. No.	**Name of the Director**	**Address**	**Category**
1	Mr. Yashovardhan Saboo	House No. 1, Sector 5, Chandigarh	Chairman & Managing Director
2	Mr. Anil Khanna	House No. 515, Sector 36-B, Chandigarh	Independent Director
3	Mr. Praveen Gupta	B2/1401, World Spa West, Sector 30, Gurgaon 122001 (Haryana)	Independent Director
4	Mrs. Ranjana Agarwal	C-62, South Extension, Part II, New Delhi	Independent Director
5	Mr. Vishal Satinder Sood	B-902, Central Park 1, Golf Course Road, Sector 42, Gurgaon(Haryana)	Nominee Director
6	Mr. Jai Vardhan Saboo,	1701, Kirby Road, Mclean, USA	Non-Executive Director
7	Mr. Sanjiv Sachar.	1525 B, The Magnolias, DLF Golf Links, DLF 5, Gurgaon-122009,Haryana	Independent Director
8	Mr. Sanjeev Kumar Masown	H. No. 190/1, Sector 40-A, Chandigarh	Whole time Director

(xiv) List of Promoters/ Promoter Group as on 31st March, 2020 :

Sr. No	**Name of the Promoters/ Promoter Group**	**No. of Shares Held in KDDL**	**% of Holding**	**Address**
1.	Rajendra Kumar Saboo (HUF)	69,820	0.60	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
2.	Yashovardhan Saboo (HUF)	48,752	0.42	House No. 1, Sector 5, Chandigarh - 160009
3.	Rajendra Kumar Saboo (HUF)	30,800	0.26	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009

Sr. No	Name of the Promoters/ Promoter Group	No. of Shares Held in KDDL	% of Holding	Address
4.	Mr. Rajendra Kumar Saboo	17,33,672	14.88	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
5.	Mr. Yashovardhan Saboo	12,90,039	11.07	House No. 1, Sector 5, Chandigarh - 160009
6.	Mrs. Anuradha Saboo	4,36,857	3.75	House No. 1, Sector 5, Chandigarh - 160009
7.	Mrs. Usha Devi Saboo.	4,51,180	3.87	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
8.	Mrs. Asha Devi Saboo	30,925	0.27	6 A Penn Road, Kolkata, Kolkata, West Bengal, 700027
9.	Mrs. Satvika Saboo	1,35,728	1.17	House No. 1, Sector 5, Chandigarh - 160009
10.	Mr. Pranav Shankar Saboo	6,80,851	5.84	House No. 1, Sector 5, Chandigarh - 160009
11.	Vardhan Properties and Investment Limited	9,951	0.09	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
12.	Dream Digital Technology Private Limited	19,255	0.17	Kamla Centre, SCO 88 89,SECTOR 8 -C, Chandigarh -160009
13.	Swades Capital LLC	3,24,150	2.78	1701, Kirby Road, Mclean, USA

(6) Relationship subsisting between Transferor and Transferee Company

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Company. Both Companies are related parties as per the Companies Act, 2013.

(7) Purpose, Rationale and Benefits of the Scheme

(i) 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.

(ii) 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).

(iii) 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.

(8) The material provisions of the proposed Scheme of Amalgamation are as under:

1.1 **Definitions**

1.1.1 **"**Appointed Date" means 1st April, 2019 for Transferor Company or such other date as the Competent Authorities like Regional Director (Northern Region, Ministry of Company Affairs, New Delhi / National Company Law Tribunal,(NCLT) Chandigarh in case reference is made by the Regional Director to NCLT, may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

Reasons for fixing "1st April, 2019" as "Appointed Date" :

(a) Pursuant to previous merger application filed under section 233 of the Company Act, 2013 (the act) between Satva Jewellery and Design Limited ("the Transferor Company") with KDDL LIMITED ("the Transferee Company'), National Company Law Tribunal (NCLT) Chandigarh Bench vide its order dated 15th October, 2019 directed that scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly the Company's Board of Directors at its meeting held on 3rd December, 2019 approved the present scheme and fixed "1st April, 2019" in place of "1st April, 2017" as appointed date. The date of 1st April, 2019 was fixed as the board and Company wanted to have the nearest possible date and preferably the financial year beginning to avoid unnecessary hassles of revision of financial results and tax returns of previous years. In addition, the latest financial year date will be reflecting true financial position of the Company. Also, the transferee 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 from appointed date i.e 1st April, 2019.

1.1.2 Amalgamation" means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.

1.1.5 Effective Date" shall mean the last of the dates on which a certified copy of the order passed by the Regional Director/NCLT, Chandigarh sanctioning the Scheme, is filed by SJDL and KDDL respectively, with the Registrar of Companies, Punjab and Chandigarh and Registrar of Companies, Shimla Himachal Pradesh respectively in terms of applicable provisions if any of the Companies Act, 2013.

1.1.11 **Scheme"** means this Scheme of Amalgamation of Satva Jewellery and Design Limited with KDDL Limited, in its present form, or with any modification(s) made under paragraph 6.4 hereof.

1.1.15 **Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together, as on the Appointed Date (further details of which are set out in Paragraph 3.2. thereof), and includes:

i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including, without limitation current assets, capital work in progress including any 'capital expenditure on projects pending commencement of operations and project expenditure incurred, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances),provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

ii. all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises including those provided to/occupied by the Transferred Employees. (as defined hereinafter) and documents of title, if any, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments'); if any,

iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, carried forward of losses, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;

vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be eligible ("Contracts")

vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights,

finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");

viii. all employees of the Transferor Company whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ('Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ('Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;

ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");

x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");

xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referableor related to the Transferor Company, including all credits under Income tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and

xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

3.1 Transfer & Vesting of the Transferor Company

Upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, Joint Venture Agreements, Expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 3.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law; be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

3.2.9 Tax Treatment

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

4.1 Cancellation of Shares of Transferor Company

4.1.1 The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

4.2 Increase/ consolidation of authorized share capital of the Transferee Company

4.2.1 Upon this Scheme becoming effective and upon the transfer and vesting of SJDL into KDDL pursuant to this Scheme, the entire authorized share capital of SJDL equals to Rs. 3,00,00,000/- (divided into 30,00,000 equity shares of Rs. 10 each shall stand merged with the authorized share capital of the KDDL, the Transferee Company.

5 . 1 Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

5.1.1 Accounting for the amalgamation of SJDL (the "Transferor 'Company"), and treatment of reserves, if any, in the Financial Statements of the Transferee Company shall be as per Indian Accounting Standard (Ind AS) 103 on Business Combinations prescribed by the Central Government under section 133 of the Companies Act, 2013 under the Companies (Indian Accounting Standard) Rules, 2015, including any modifications, amendments or changes from time to time.

5.1.2 Transferee Company shall record the assets and liabilities relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the consolidated financial statement of the Transferee Company.

5.1.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in thefinancial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor

Company Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.

5.1.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may, be, the corresponding balance appearing in the financial statements of the Transferee Company,

5.1.5 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

5.1.6 The shares held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

5.1.7. The difference between the investment in the financial statements of the Transferee Company in the Transferor Company and, the amount of paid-up share capital of the Transferor Company respectively, shall be recorded as per the provisions of the applicable accounting standard.

5.1.8 In case of any differences in the accounting policies between Transferor Company as compared to the Transferee Company (KDDL), the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.

5.1.9 The Transferor Company is wholly owned subsidiary of the Transferee Company, thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the RD/NCLT, Chandigarh.

5.1.10 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

5.1.11 The Board of directors of the Transferee Company are authorised to take decisions for the operative part for implementation and interpretation of the scheme as it may deem fit in accordance with the applicable accounting standards and generally accepted accounting policies.

The material provisions set out above being only the salient features of the Scheme of Arrangement, the Unsecured Creditors are requested to read the entire text of the Scheme as attached hereto to get fully acquainted with the provisions thereof.

(9) Approvals required/ pending in relation to the scheme

(i) Since the scheme is for the purpose of amalgamation of Transferor Company with its holding Company i.e Transferee Company, hence, in terms of the regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transferee Company being listed Company is not required to obtain observation letter or NOC from Stock Exchanges.

(ii) Both the Transferor Company and the Transferee Company or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

(iii) The application along with the requisite annexures thereto were filed by the Companies with NCLT.

(10) Disclosure about the effect of the scheme

(i) The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

(ii) The Scheme is not expected to have any adverse effect on the KMPs, Directors, Promoters, Non-Promoter Members, Depositors, Creditors, Debenture Holders, Debenture Trustees and employees of the Transferor Company and the Transferee Company, wherever relevant.

(11) Disclosure about effect of the scheme on material interests

The Scheme is not expected to have any adverse effect on material interest of directors, Key Managerial Personnel (KMP) and debenture trustee of the Transferor Company and the Transferee Company, wherever relevant.

(12) There are no proceedings/investigation pending against any of the Transferor Company and Transferee Company under Sections 210 – 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013 ("Act") and/or Sections 235 to 251 of the Companies Act, 1956 and the like. No winding up proceedings have been filed or are pending against the Transferor Company and the Transferee Company under the Act or the corresponding provisions of the Act of 1956.

(13) As per the books of accounts of the Transferor Company as on 31st March, 2020, the amount due to the Unsecured Creditors (KDDL Limited) are Rs. 56,75,256/-

(14) As per the books of accounts of the Transferee Company as on 31st March, 2020, the amount due to the Unsecured Creditors are Rs. 40,83,89,394/-.

(15) Details of capital or debt restructuring, if any

The present Scheme involves the amalgamation of wholly owned subsidiary i.e. Satva Jewellery and Design Limited with its parent company i.e. KDDL Limited. Therefore, there is no capital or debt restructuring.

(16) The present Scheme involves the amalgamation of wholly owned subsidiary i.e. Satva Jewellery and Design Limited with its parent company i.e. KDDL Limited and no shares of KDDL will be issued on the amalgamation of SJDL with KDDL. Therefore, there is no requirement for a share exchange ratio or valuation certificate.

(17) Documents Available for Inspection

The following documents shall be available for obtaining extract from or for making copies of or for inspection by the Unsecured Creditors at the Registered Office of the Transferee Company during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the meeting:

(i) Latest audited financial statements of the company including consolidated financial statements;

(ii) Scheme of Amalgamation.

(iii) A copy of the NCLT order dated 10th November, 2020.

(iv) Certificates issued by the Statutory Auditors of the Transferor Company and of the Transferee Company respectively, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

Considering the rationale and benefits, the Applicant Transferee Company recommends the Scheme for approval of Unsecured Creditors as it is in the best interest of the Company and its stakeholders. The Directors/KMPs of the Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their or their relatives shareholding in the respective companies or to the extent the said Directors or their relatives are common directors in the Transferor Company and/ or the Transferee Company or to the extent the said Directors or their relatives are the partners, directors, Members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the Transferor Company and Transferee Company. Their interest in both the Transferor Company and the Transferee Company shall not be treated in any way differently than the other Shareholders of the Transferor Company and Transferee Company.

For KDDL Limited

Date : 12th November, 2020
Place : Chandigarh

Brahm Prakash Kumar
Company Secretary

SCHEME OF AMALGAMATION ANNEXURE-I

PREAMBLE

A. Purpose of the Scheme

This Scheme of Amalgamation is presented under Section 232 and other applicable provisions if any of the Companies Act, 2013 for amalgamation of Satva Jewellery and Design Limited ("the Transferor Company") and with KDDL LIMITED ("the Transferee Company'), and the dissolution of the Transferor Company without winding up. The Transferor Company is the wholly owned subsidiary of Transferee Company.

B. Description of Companies

1.1 KDDL Ltd ("KDDL"), the Transferee Company

1) The Transferee company M/s KDDL Limited was incorporated as Kamla Dials and Devices Limited under the Companies Act, 1956 (hereinafter referred to as Transferee Company) on 08.01.1981 in the Union Territory of New Delhi. The Transferee Company changed its registered office to the State of Himachal Pradesh and the certificate to said effect was issued on 07.03.1988. That the Company subsequently changed its name to 'KDDL Limited' and obtained fresh Certificate of Incorporation consequent upon change of name on 14.09.2007. The registered office of the Transferee Company is situated at Plot No.3, Sector-lll, Parwanoo, Himachal Pradesh, India – 173220. The Transferee Company is engaged in the business of manufacturing, buying, selling, indenting, 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, electronics instruments of all types and descriptions and all components, parts and accessories, materials required directly or indirectly for the manufacturing of the same.

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, distributers, 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 Transferee Company is a Public Company and its shares are listed on BSE Limited and National Stock Exchange of India Limited.

1.2 **Satva Jewellery and Design Limited ("SJDL"), the Transferor Company**

M/s Satva Jewellery and Design Limited (hereinafter referred to as the Transferor Company) were incorporated on 23.12.2004 with its Registered Office located in the Union Territory of Chandigarh. That the Transferor company is engaged in the business of all types of jewellery items and good or articles and precious metals. The main object of the Transferor company as enumerated in the Memorandum of Association is 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.

The Registered Office of the Transferor Company is situated at SCO 88-89, Sector 8-C, Madhya Marg, Chandigarh, India 160009.

The Transferor Company is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Transferee Company. By virtue of the Shareholding pattern, the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

C. Purpose and Rationale of the Scheme

1.1 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.

1.2 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).

1.3 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.

The Scheme is divided into following parts:

Part I: Definitions and Interpretations -

Part II: Capital Structure

Part III: Amalgamation of the Transferor Company with the Transferee Company

Part IV: Cancellation of Shares of Transferor Company & Increase of Authorized Share Capital of Transferee Company

Part V: Accounting treatment in the books of the Transferee Company

Part VI: General terms and conditions

PART I

DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In addition to the words and expressions defined elsewhere in this Scheme, unless it is contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

1.1.1 "**Act**" means the (Indian) Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactments thereof, except where Otherwise expressly provided;

1.1.2 **"Appointed Date**" means 1st April, 2019 for Transferor Company or such other date as the Competent Authorities like Regional Director (Northern Region, Ministry of Company Affairs, New Delhi / National Company Law Tribunal,(NCLT) Chandigarh in case reference is made by the Regional Director to NCLT, may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

Reasons for fixing "1st April, 2019" as "Appointed Date" :

(a) Pursuant to previous merger application filed under section 233 of the Company Act, 2013 (the act) between Satva Jewellery and Design Limited ("the Transferor Company") with KDDL LIMITED ("the Transferee Company'), National Company Law Tribunal (NCLT) Chandigarh Bench vide its order dated 15th October, 2019 directed that scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly the Company's Board of Directors at its meeting held on 3rd December, 2019 approved the present scheme and fixed "1st April, 2019" in place of "1st April, 2017" as appointed date. The date of 1st April, 2019 was fixed as the board and Company wanted to have the nearest possible date and preferably the financial year beginning to avoid unnecessary hassles of revision of financial results and tax returns of previous years. In addition, the latest financial year date will be reflecting true financial position of the Company. Also, the transferee 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 from appointed date i.e 1st April, 2019.

1.1.3 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.

1.1.4 **"Board of Directors"** in relation to SJDL or KDDL as the case may be, means the Board of Directors of the respective companies for the time being and shall include a committee of directors or any person authorized by the Board of Directors or such committee of directors.

1.1.5 **"Effective Date**" shall mean the last of the dates on which a certified copy of the order passed by the Regional Director/NCLT, Chandigarh sanctioning the Scheme, is filed by SJDL and KDDL respectively, with the Registrar of Companies, Punjab and Chandigarh and Registrar of Companies, Shimla Himachal Pradesh respectively in terms of applicable provisions if any of the Companies Act, 2013.

1.1.6 **"Financial Statements"** include standalone and consolidated accounts, i.e.,Balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor Company and the Transferee Company, as the context may require.

1.1.7 **"Governmental Authority**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, Registrar of Companies, Regional Director, The Official Liquidator, National Company Law Tribunal and Courts of Relevant Jurisdiction, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India.

1.1.8 **"National Company Law Tribunal**" means the Hon'ble National Company Law Tribunal, Chandigarh Bench that has jurisdiction over SJDL and KDDL or such other forum or authority that may be vested with requisite powers under the Companies Act, 2013 in relation to provisions of 230 to 233 of the Companies Act, 2013

1.1.9 **"Satva Jewellery"** means Satva Jewellery and Design Limited (CIN: **U36911CH2004PLC027767),** an Unlisted Public Limited Company, which was incorporated on 23rd December, 2004 under the Indian Companies Act, 1956 having its registered office at SCO 88-89,Sector 8-C,Madhya Marg, Chandigarh 160009.

1.1.10 **"KDDL**" means **KDDL Limited** (CIN: **L33302HP1981PLC008123),** a listedPublic Company, which was incorporated on 08.01.1981 under the Companies Act, 1956 having its, registered office at Plot No.3, Sector-Ill, Parwanoo, Himachal Pradesh - 173220, India.

1.1.11 **"Scheme"** means this Scheme of Amalgamation of Satva Jewellery and Design Limited with KDDL Limited, in its present form, or with any modification(s) made under paragraph 6.4 hereof.

1.1.12 **"Subsidiary"** means a subsidiary of KDDL Limited under Section 2(87) of the Act 2013.

1.1.13 **"Transferor Company"** means the Company i.e. Satva Jewellery and Design Limited amalgamating into KDDL Limited in terms of the Scheme.

1.1.14 **"Transferee Company"** means KDDL Limited.

1.1.15 **"Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together, as on the Appointed Date (further details of which are set out in Paragraph 3.2. thereof), and includes:

i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including, without limitation current assets, capital work in progress including any 'capital expenditure on projects pending commencement of operations and project expenditure incurred, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances),provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

ii. all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises including those provided to/occupied by the Transferred Employees. (as defined hereinafter) and documents of title, if any, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds,debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments'); if any,

iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, carried forward of losses, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;

vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be eligible ("Contracts")

vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");

viii. all employees of the Transferor Company whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ('Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ('Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;

ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability, and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");

x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");

xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referableor related to the Transferor Company, including all credits under Income tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and

xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

1.2 Interpretations

In this Scheme, unless the context otherwise requires:

1.2.1 References in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;

1.2.2 References to the singular include a reference to plural and vice versa and reference to any gender includes a reference to all other genders;

1.2.3 Reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;

1.2.4 Headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

1.2.5 References to a paragraph shall be deemed to be a reference to a paragraph or Schedule of this Scheme;

1.2.6 Reference to the words 'hereof, 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;

1.2.7 References to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

1.2.8 any reference to any statute or statutory provision shall include:

i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART-II
CAPITAL STRUCTURE

2 . 1 The capital structure of Satva Jewellery and Design Limited (the Transferor Company) as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

2 . 2 The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2019 is set out below:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608Equity shares of Rs. 10 each fully paid up	11,633,6080

Upto and as on date of approval of the Scheme by the Board of Directors of SJDL, there is no change in Issued,Subscribed and Paid-up share Capital of SJDL. However,the Board of Directors of KDDL had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6thNovember, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (1,18,24,388 Equity Shares of Rs. 10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

PART III
AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

3.1 Transfer & Vesting of the Transferor Company

Upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, Joint Venture Agreements, Expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 3.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law; be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

3.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the Competent Authorities (RD/NCLT, Chandigarh) sanctioning this Scheme becoming effective, on and from the Appointed Date:

3.2.1 **Assets**

a) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

b) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand.transferred/ transmitted to and be vested in and/or be deemed to have, been transferred/ transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company shall be deemed to be holding such investments for and on behalf of (and in trust for) and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.

c) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in paragraph 3.2.1(a) and (b) hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge. created over any assets in relation to the loans orborrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.

d) All immovable properties of the Transferor Company (i.e. land together with the buildings and structures standing thereon or under construction, development rights). (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the Transferred Employees and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/ executed by the Transferor Company or the Transferee Company or both The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all, rights in relation to or as applicable to such immovable properties.

3.2.2 Licenses &Certificates

All Licenses, building plans, permits, registrations & ownership certificate issued by various registering & statutory authorities relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the TransfereeCompany, and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to theTransferee Company.

3.2.3 Benefits, Entitlements, Incentives and Concessions

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the respective Transferor Company is entitled to, including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any governmental authority, direct tax benefit/ exemptions/ deductions, carried forward of losses shall, to the extent statutorily available and alongwith associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.

3.2.4 Contracts

a) All Contracts, Agreements which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

b) Any inter-se contracts between the Transferor Company on one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

c) All guarantees provided by any bank in favour of the Transferor Company outstanding as on the Effective Date, shall vest in the Transferee Company and shall ensure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue in favour of such third party till its maturity or earlier termination.

3.2.5 Intellectual Property

All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

3.2.6 Transferred Shares

a) All Transferred Employees of the Transferor Company shall be. deemed to have become the employees and staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.

b) The Transferee Company agrees that the services of all transferred Employees with the Transferor Company prior to the transfer, shall be taken into account for the purposes of all benefits to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Transferor Company The Transferee Company undertakes to pay the same, as and when payable under applicable laws.

For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the respective Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such funds in accordance with the Provisions of such funds, bye-laws, etc. in respect of the Transferred Employees.

c) All contributions, made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

d) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.

e) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees by the Transferor. Company, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the Transferred Employees.

3.2.7 **Transferred Liabilities and Security**

a) All Liabilities of the Transferor Company, shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Transferred Liabilities.

b) The Transferee Company alone shall be liable to meet, discharge and satisfy the Transferred Liabilities as the borrower/ creditor in respect thereof.

c) This Scheme shall not operate to enlarge or extend the security for any of the Transferred Liabilities and the Transferee Company shall not be obliged to create any further or additional securities after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as the security shall not extend to any of the assets forming part of the Transferred Undertakings.

d) In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferred Undertakings of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Transferred Liabilities. Provided that if any of the assets forming part of the Transferred Undertakings of the concerned Transferor Company have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.

e) It shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such Transferred Liabilities have arisen in order to give effect to the provisions of this paragraph.

f) It is expressly provided that, save as mentioned in this paragraph 3.2.7, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication or by law.

g) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee Company, in accordance with Part V of this Scheme.

3.2.8 **Legal and other such Proceedings**

All Proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated-by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relatable to the period from the Appointed Date up to the Effective Date upon submission of necessary evidence by the said Transferor Company to the Transferee Company for making such payment.

3.2.9 **Tax Treatment**

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward

losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

3.2.10 **Books and Records**

All books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

3.3. **Conduct of Business**

3.3.1 With effect from the Appointed Dates and upto the Effective Date:

a) The Transferor Company shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it has been doing hitherto;

b) The Transferor Company shall carry on and shall be deemed to have carried on all their respective business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

c) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company, and

d) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.

3.3.2 All assets acquired, leased or licensed, Licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax has been paid by the Transferor Company, then upon the Scheme coming into effect, the Transferee Company shall be entitled to claim refund of such service tax paid by the Transferor Company.

3.3.3 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee

3.3.4 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue, of Part III of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to any Contract to which the Transferor Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

3.3.5 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the RD/NCLT,Chandigarh.

3.3.6 For the purpose of giving effect to the order passed under Sections 230 to 233 and any other applicable provisions if any of the Companies Act, 2013 in respect of this Scheme by the RD/NCLT, Chandigarh, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favour in accordance with such order and the provisions of Sections 230 to 233 and any other applicable provisions if any of the Companies Act, 2013.

3.4 **Saving of Concluded Transactions**

The transfer and vesting of the Transferor Company with and into the Transferee Company under Part III of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

3.5 EMPLOYEES:

3.5.1 All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

3.5.2 Accordingly the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

3.5.3 It is expressly provided that the Provident Fund or Gratuity Fund or Superannuation or other fund created for the benefit of the employees of the Transferor Company shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions there to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company.

3.6 **Dissolution of Transferor Company**

Upon this Scheme becoming effective, Satva Jewellery and Design Limited shall stand dissolved without being wound-up.

PART IV

CANCELLATION OF SHARES OF TRANSFEROR COMPANY &INCREASE/CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY

4.1 Cancellation of Shares of Transferor Company

4.1.1 The Transferor Company is wholly owned subsidiary of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

4.2 Increase/ consolidation of authorized share capital of the Transferee Company

4.2.1 Upon this Scheme becoming effective and upon the transfer and vesting of SJDL into KDDL pursuant to this Scheme, the entire authorized share capital of SJDL equals to Rs. 3,00,00,000/- (divided into 30,00,000 equity shares of Rs. 10 each shall stand merged with the authorized share capital of the KDDL, the Transferee Company.

4.2.2 Thus, the Authorized Share Capital of the Transferee Company (KDDL) of Rs.12,48,00,000/-. comprising of Equity Share Capital of Rs.12,48,00,000/- divided into 1,24,80,000 Equity Shares of the face value of Rs.10/- each, shall stand increased by Rs.3,00,00,000/- to Rs. 15,48,00,000/- comprising of Equity Share Capital of Rs. 15,48,00,000 divided into 1,54,80,000 Equity Shares of the face value of Rs.10/- each.

4.2.3 Accordingly, the authorized share capital of the Transferee Company shall stand increased to an amount of Rs. 15,48,00,000/- and Clause V of the Memorandum of Association of KDDL (relating to the authorized share capital) shall, without any further act, fee, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act, 2013 and Section and other applicable provisions of the Companies Act, 2013 as the case may be and be replaced by the following clause:

'The Authorized Share Capital of the Company is Rs.15,48,00,000/- (Rupees Fifteen Crores Forty lacs only) divided into 1,54,80,000 (One Crore Fifty Four Lacs Eighty thousand only) Equity Shares of the face value of Rs.10 (Rupees Ten) each, with power to the Company to increase or reduce or modify the said classes into several classes and to attach thereto respectively and preferential, deferred, qualified or special right privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided for by the Articles of Association of the Company.

4.2.4 The stamp duty, or filing fees paid on the authorized share capital of the Transferor Company is permitted to be utilized and applied towards the increase in the authorized share capital of the Transferee Company in accordance with this paragraph 4.2 and no additional stamp duty shall be payable and no additional fee shall be payable to any regulatory authorities in relation to such increase in the. authorized share capital of the Transferee Company. The Transferee Company shall file the requisite documentation with the relevant Registrar of Companies, which has jurisdiction over the Transferee Company, for the increase of the authorized share capital of the Transferee Company as aforesaid. It is hereby clarified that for the purposes of increasing the authorized share capital in accordance with this paragraph 4.2, the sanction of the RD/NCLT, Chandigarh shall be deemed to be sufficient for the purposes of effecting this amendment and that no further approval or resolution under any applicable provisions of the Companies Act, 2013 would be required to be separately passed.

PART V

ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

5.1 Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

5.1.1 Accounting for the amalgamation of SJDL (the "Transferor 'Company"), and treatment of reserves, if any, in the Financial Statements of the Transferee Company shall be as per Indian Accounting Standard (Ind AS) 103 on Business Combinations prescribed by the Central Government under section 133 of the Companies Act, 2013 under the Companies (Indian Accounting Standard) Rules, 2015, including any modifications, amendments or changes from time to time.

5.1.2 Transferee Company shall record the assets and liabilities relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the consolidated financial statement of the Transferee Company.

5.1.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in thefinancial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company. Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.

5.1.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may, be, the corresponding balance appearing in the financial statements of the Transferee Company,

5.1.5 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

5.1.6 The shares held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

5.1.7. The difference between the investment in the financial statements of the Transferee Company in the Transferor Company and, the amount of paid-up share capital of the Transferor Company respectively, shall be recorded as per the provisions of the applicable accounting standard.

5.1.8 In case of any differences in the accounting policies between Transferor Company as compared to the Transferee Company (KDDL), the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.

5.1.9 The Transferor Company is wholly owned subsidiary of the Transferee Company, thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the RD/NCLT, Chandigarh.

5.1.10 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

5.1.11 The Board of directors of the Transferee Company are authorised to take decisions for the operative part for implementation and interpretation of the scheme as it may deem fit in accordance with the applicable accounting standards and generally accepted accounting policies.

PART VI

GENERAL TERMS AND CONDITIONS

6.1. **Application(s) to the Regional Director, Ministry of Company Affairs, New Delhi /National Company Law Tribunal [NCLT]**

6.1.1 The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications/ petitions under Section 230 to 233 of the Companies Act, 2013 to the Regional Director of Department of Company Affairs, New Delhi/ NCLT, Chandigarh as necessary, inter act, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective, shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further applications / petitions under Sections 230 to 233 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

6.2 **Revision of accounts and tax filings, modification of charge**

6.2.1 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has, expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

6.2.2 Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies, Chandigarh shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the, provisions of this Scheme.

6.3 **Tax Neutrality**

6.3.1 The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961, or any modification or re-enactment thereof.

6.3.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modifications will, however, not affect other parts of this Scheme.

6.4 **Adjustment of reserve within equity**

6.4.1 Upon the scheme becoming effective and after obtaining the necessary approvals, the amount of reserve mentioned in paragraph 5.1.7 will be adjusted against the accumulated losses of the Transferor Company. The Reduction in the reserve shall be effected as an integral part of the Scheme, and here applicable, in accordance with the provisions of Section 66 of the Companies Act, 2013 and the order of the RD/ NCLT, Chandigarh sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Companies Act, 2013 for

the purpose of confirming the relevant reductions. The reductions would not involve whether a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 66 of the Companies Act, 2013 will not be applicable. Notwithstanding the reduction as mentioned above, KDDL Limited the Transferee company shall not be required to add "and reduced" as a suffix to its name and KDDL Limited shall continue in its existing name.

6.5 Modifications and Amendments to the Scheme

6.5.1 Notwithstanding anything to the contrary contained in this Scheme, the TransferorCompany and the Transferee Company (acting through their respective Board ofDirectors or a committee thereof or authorised representatives) may make or assent,from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to theinterests of the stakeholders and the Regional Director, Northern Region /National Company Law Tribunal, Chandigarh.

6.5.2 The Transferor Company and the Transferee Company (acting through theirrespective Board of Directors or a committee thereof or authorised representatives)shall be authorised to take all such steps and give such directions, as may benecessary, desirable or proper, to resolve any doubts, difficulties or questions thatmay arise in regard to and of the meaning or interpretation of this Scheme orimplementation thereof or in any manner whatsoever connected therewith, whetherby reason of any directive or orders of the RD/NCLT, Chandigarh or any other authorities or otherwise, howsoever arising out of or under or by virtue of thisScheme or any matter concerned or connected therewith and to do and execute allacts, deeds, matters and, things necessary for giving effect to this Scheme.

6.5.3 For the purpose of giving effect to this Scheme or to any modifications oramendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

6.5.4 However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the RD/NCLT, Chandigarh and the same shall be subject to powers of the RD/NCLT, Chandigarh under Section 230 to 233 of the Companies Act, 2013.

6.6 Conditionality of the Scheme

6.6.1 This Scheme is conditional upon and subject to the following:

A Requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

B The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the Regional Director/NCLT, Chandigarh and/or any other, competent authority and it being sanctioned by the RD/NCLT, Chandigarh and / or any other competent authority, as may be applicable.

C As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CIR/CFD/CMD/ 16/2015 dated 30th November, 2015 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.

D As para (I) (A) (9) (a) of Annexure I of SEW Circular No. CIR/ CFD/CMD/16/2015 dated 30th November, 2015 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

E The SEBI has vide its Circular No CFD/DL3/CIR/2017/21 dated 10.03.2017 granted exemption to Listed Company for obtaining NOC from the Stock Exchanges where the share of the Company are listed in the case of amalgamation of a Listed Company with its wholly owned subsidiary Company and only disclosures requirements are applicable.

F All other sanctions and approvals as may be required by law including registration of the order of the RD/NCLT, sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.

G Certified copies of the orders of the RD/ NCLT, Chandigarh or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies.

6.6.2 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide.

6.6.3 On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

a) Amalgamation of SJDL and transfer and vesting thereof in KDDL;

b) Transfer of the Authorized Share Capital of SJDL to KDDL and consequential increase in the authorised share capital of the Transferee Company (in accordance with paragraph 4.2 hereof).

6.7 Revocation and withdrawal of this Scheme

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not

approved by the RD/NCLT, Chandigarh or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the RD/NCLT, Chandigarh and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the respective Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior .thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

6.8 **Severability**

If any part of this Scheme is held invalid, ruled illegal by any RD/NCLT, Chandigarh of competent jurisdiction, or becomes unenforceable for any reason, Whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or, the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

6.9 **Mutation of property**

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties including development rights, of the Transferred Undertakings shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties including development rights of the Transferred Undertakings with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

6.10 **Dividend**

6.10.1 The respective Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their, respective shareholders, as may be decided by their respective Board of Directors, in respect of the accounting period prior to the Effective Date.

6.10.2 It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of either of the Transferor Company or the Transferee Company to demand or claim any dividends, which is subject to the provisions of the Companies Act, 2013, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, as the case may be, subject to such approval of the respective shareholders, as may be required.

6.11 **Costs and expenses**

All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.

SATVA JEWELLERY AND DESIGN LIMITED

ANNEXURE-II

Unaudited Balance Sheet as at 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
ASSETS			
Non-current assets			
Fixed assets			
Tangible Assests	2	**6,869,979**	**7,323,053**
Intangible Assets			
Long-Term Loans And Advances	3	94,550	94,550
Total non-current assets		**6,964,529**	**7,417,603**
Current assets			
Financial Assets			
-Cash and cash equivalents	4	847,741	900,447
Other Current Assets	5	169,700	163,309
Total current assets		**1,017,440**	**1,063,756**
Total Assets		**7,981,970**	**8,481,360**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	6	30,000,000	30,000,000
Other Equity	7	(38,325,925)	(37,642,686)
Total Equity		**(8,325,925)**	**(7,642,686)**
LIABILITIES			
Current liabilities			
Financial Liabilities			
-Borrowings	8	10,394,200	10,394,200
-Trade payables	9	4,299,756	4,595,256
-Other financial liabilities	10	1,593,144	1,105,000
Other current liabilities	11	20,795	29,589
Total current liabilities		**16,307,895**	**16,124,045**
Total liabilities		**16,307,895**	**16,124,045**
Total Equity and Liabilities		**7,981,970**	**8,481,359**

SATVA JEWELLERY AND DESIGN LIMITED

Unaudited Statement of Profit and Loss for the period ended 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars	Note	For the period ended 30th Sep, 2020	For the year ended 31st March, 2020
REVENUE			
Other income	12	325,207	709,843
Total Income		**325,207**	**709,843**
EXPENSE			
Depreciation and amortization expense	13	453,074	943,337
Financial costs	14	551,508	1,200,000
Other expenses	15	3,865	75,995
Total expenses		**1,008,447**	**2,219,332**
Profit (loss) before tax		**(683,240)**	**(1,509,489)**
Tax expense:			
Current tax charge		-	-
MAT Credit Entitlement		-	-
Deferred tax charge (credit)		-	-
Profit/(loss) for the year		**(683,240)**	**(1,509,489)**
Earnings per equity share [Nominal value of Rs.10 (previous year Rs.10)]			
Basic (Rs.)		(0.23)	(0.50)
Diluted (Rs.)		(0.23)	(0.50)

SATVA JEWELLERY AND DESIGN LIMITED

Unaudited Cash flow statement for the period ended 30th September, 2020

(Amount in Rupees unless stated otherwise)

Particulars		For the period ended 30th September, 2020	For the year ended 31st March, 2020
A.	**Cash flow from operating activities:**		
	Net profit before tax	(683,240)	(1,509,489)
	Adjustments for:		
	Depreciation	453,074	943,337
	Interest expense	1,590,144	1,080,000
	Interest income	(25,207)	(109,843)
	Operating profit before working capital changes		
	Adjustments for:		
	(Increase) / decrease in loans and advances	(6,391)	52,849
	Increase / (decrease) in trade payables	(295,500)	(918,247)
	Increase / (decrease) in other current liabilities	488,144	-
	Cash flow from operating activities before taxes	**1,521,025**	**(461,393)**
	Direct taxes paid / (refunds) (net)	8,794	**-**
	Net cash flow from operating activities	**1,512,231**	**(461,393)**
B.	**Cash flow from investing activities:**		
	Interest received	25,207	109,843
	Net cash used in investing activities	**25,207**	**109,843**
C.	**Cash flow from financing activities:**		
	Interest paid	(1,590,144)	(1,080,000)
	Net cash used in financing activities	**(1,590,144)**	**(1,080,000)**
	Net increase/(decrease) in cash and cash equivalents	**(52,706)**	**(1,431,550)**
	Opening cash and cash equivalents	900,447	2,331,997
	Closing cash and cash equivalents	**847,741**	**900,447**
	Excluding the following:		
	Pledge in fixed deposit account against margin money	-	-

Notes:

1 Cash and cash equivalents include:

Cash in Hand	550	650
Balances with banks in current accounts	27,974	103,896
Fixed deposit with banks in deposit account	790,000	790,000
Interest accrued on deposits	29,217	5,901
	847,741	**900,447**

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”

SATVA JEWELLERY AND DESIGN LIMITED
Notes to the Financial Statements for the period ended 30th September,2020

2 Plant and equipment

Reconciliation of carrying amount

	Plant and machinery	Total
Deemed cost (gross carrying amount)		
Balance as at 1 April 2018	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	**30,652,098**	**30,652,098**
Balance as at 1 April 2019	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	**30,652,098**	**30,652,098**
Balance as at 1 April 2020	30,652,098	30,652,098
Additions	-	-
Disposals	-	-
Balance as at 30 September 2020	**30,652,098**	**30,652,098**

Accumulated depreciation		
Balance as at 1 April 2018	21,383,069	21,383,069
Depreciation for the year	1,002,639	1,002,639
Disposals	-	-
Balance as at 31 March 2019	**22,385,708**	**22,385,708**
Balance as at 1 April 2019	22,385,708	22,385,708
Depreciation for the year	943,337	943,337
Balance as at 31 March 2020	**23,329,045**	**23,329,045**
Balance as at 1 April 2020	23,329,045	23,329,045
Depreciation for the year	453,074	453,074
Balance as at 30 September 2020	**23,782,119**	**23,782,119**

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**
At 30 September 2020	**6,869,979**	**6,869,979**

		As at 30th September, 2020	As at 31st March, 2020
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	550	650
	Balances with banks in current accounts	27,974	103,896
	Fixed deposit with banks in deposit account	790,000	790,000
	Interest accrued on deposits	29,217	5,901
		847,741	**900,447**
5 .	**Other Current Assets**		
	TDS recoverable	53,040	46,649
	MAT Recoverable	116,660	116,660
		169,700	**163,309**

		As at 30th September, 2020		As at 31st March, 2020	
6 .	**Share capital**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
	Authorised				
	Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	**30,000,000**	**3,000,000**	**30,000,000**
	Issued, optionally, subscribed and paid up				
	Equity shares of Rs.10 each fully paid up	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	**30,000,000**	**3,000,000**	**30,000,000**

(a) Reconciliation of share capital outstanding as at the beginning and at the end of the year

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	**3,000,000**	**30,000,000**	**3,000,000**	**30,000,000**

(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.

(c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

	As at 30th September, 2020		As at 31st March, 2020	
	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)				

(d) Details of shareholders holding more than 5% shares of the Company

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid up held by				
KDDL Limited	3,000,000	100.00	3,000,000	100.00

	As at 30th September, 2020	As at 31st March, 2020
7 . Other Equity		
(i) Retained Earnings		
Balance at beginning of the year	(37,642,686)	(36,133,197)
Add: Profit / (loss) for the year	(683,240)	(1,509,489)
Balance at the end of the year	**(38,325,925)**	**(37,642,686)**
8 . Short term borrowing		
KDDL Ltd	10,394,200	10,394,200
	10,394,200	**10,394,200**
9 . Trade payable		
Other trade payables		
- To related parties	4,299,756	4,595,256
	4,299,756	**4,595,256**

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 whereever necessary.

10 . Other financial liabilities		
Interest due but not paid	1,590,144	1,080,000
Expenses payable	3,000	25,000
	1,593,144	**1,105,000**
11 . Other current liabilities		
TDS Payable	20,795	29,589
	20,795	**29,589**

Particulars	For the period ended 30th September, 2020	For the period ended 31st March, 2020
12 . Other income		
Interest Income	25,207	109,843
Lease Rent	300,000	600,000
Misc Income	-	-
	325,207	**709,843**
13 . Depreciation		
Depreciation	453,074	943,337
	453,074	**943,337**

Particulars	For the period ended 30th September, 2020	For the period ended 31st March, 2020
14 . Financial costs		
Interest Expenses	551,508	1,200,000
	551,508	**1,200,000**
15 . Other expenses		
Legal and professional Expenses	-	-
Audit fees	-	25,000
Rates, Taxes & Fees	100	350
Bank Charges	325	50,645
Certification Charges	3,000	-
Interest on late payment of TDS	440	-
	3,865	**75,995**

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
Director:	1) Mr. Yashovardhan 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 30 Sep 2020	As at 31 March 2020
Interest expenses	**551,508**	**1,200,000**
- KDDL Ltd	551,508	1,200,000
Lease Rent	**300,000**	**600,000**
- KDDL Ltd	300,000	600,000
Reimbursement of Expenses	**-**	**-**
- KDDL Ltd	-	-

d) Outstanding balances as at year end

Particulars	As at 30 Sep 2020	As at 31 March 2020
Short Term Borrowing Payables	**10,394,200**	**10,394,200**
- KDDL Ltd	10,394,200	10,394,200
Other trade payables	**4,299,756**	**4,595,256**
- KDDL Ltd	4,299,756	4,595,256
Other financial liabilities	**1,590,144**	**1,080,000**
- KDDL Ltd	1,590,144	1,080,000

KDDL Limited

Unaudited Balance sheet as at Half year ended 30 September 2020
(All amounts are in Indian Rupees Lakhs except for share data)

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	9,087.83	9,378.69
Capital work-in-progress	3	297.77	219.92
Right-of-use assets		1,125.70	1,265.29
Investment property		36.47	44.57
Intangible assets	4	26.38	40.19
Financial assets			
- Investments	5	10,418.50	10,072.25
- Loans	6	289.22	220.55
Income tax assets (net)	7	226.81	225.77
Other non-current assets	8	39.02	130.31
Total non-current assets		**21,547.70**	**21,597.54**
Current assets			
Inventories	9	2,923.30	3,209.45
Financial assets			
- Trade receivables	10	2,285.40	2,463.84
- Cash and cash equivalents	11	529.71	953.72
- Other bank balances	12	547.20	542.51
- Loans	6	103.94	185.75
- Other financial assets	13	152.30	209.43
Other current assets	14	1,009.95	844.23
Total current assets		**7,551.80**	**8,408.93**
Total assets		**29,099.50**	**30,006.47**
Equity and Liabilities			
Equity			
Equity share capital	15	1,173.72	1,173.72
Other equity	16	15,371.04	15,775.14
Total equity		**16,544.76**	**16,948.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	5,534.87	4,520.43
- Lease liabilities	17	487.39	593.91
- Other financial liabilities	18	308.61	121.56
Provisions	19	108.99	106.29
Deferred tax liabilities (net)	20	418.29	505.86
Total non-current liabilities		**6,858.15**	**5,848.05**
Current liabilities			
Financial liabilities			
- Borrowings	17	1,492.22	1,925.03
- Lease liabilities	17	194.69	199.99
- Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		76.80	75.05
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,265.21	1,278.43
- Other financial liabilities	18	1,683.07	3,106.55
Other current liabilities	22	689.51	319.31
Provisions	19	265.18	273.69
Current tax liabilities (net)	23	29.91	31.51
Total current liabilities		**5,696.59**	**7,209.56**
Total liabilities		**12,554.74**	**13,057.61**
Total equity and liabilities		**29,099.50**	**30,006.47**

KDDL Limited

Unaudited Statement of Profit and Loss for the Half year ended 30 September 2020
(All amounts are in Indian Rupees Lakhs except for share data)

	Note	Year ended 30th Sep, 2020	Year ended 31st March, 2020
Revenue from operations	24	5,526.96	18,059.28
Other income	25	153.78	526.92
Total income		**5,680.74**	**18,586.20**
Expenses			
Cost of materials consumed	26	1,186.22	4,522.03
Changes in inventories of finished goods, work-in-progress and scrap	27	301.70	(12.79)
Employee benefits expenses	28	2,204.00	5,530.92
Finance costs	29	467.73	885.38
Depreciation and amortisation expense	30	589.51	1,193.44
Other expenses	31	1,447.60	5,079.05
Total expenses		**6,196.76**	**17,198.03**
Profit before income tax		**(516.02)**	**1,388.17**
Income tax expense:	32		
- Current tax		-	384.38
- Tax for earlier years		-	(19.05)
- Deferred tax		(94.66)	91.45
- Deferred tax for earlier years		-	19.05
Total income tax expense		**(94.66)**	**475.83**
Profit for the year		**(421.36)**	**912.34**
Other comprehensive income / (expense)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability / (asset)		24.35	(69.63)
Income tax on remeasurement of defined benefit liability / (asset)		(7.09)	20.28
Other comprehensive (expense) for the year (net of income tax)		**17.26**	**(49.35)**
Total comprehensive income for the year		**(404.10)**	**862.99**
Earnings per share [nominal value of share Rs. 10 (previous year Rs. 10)]			
Basic (Rs.)	33	(3.62)	7.84
Diluted (Rs.)		(3.62)	7.84

3 Property, plant and equipment and capital work in progress

Gross carrying amount	Freehold land	Leasehold land	Buildings*	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment**	Vehicles	Total	Capital work-in-progress
Balance as at 1 April 2019	78.60	577.80	3,685.39	82.14	6,431.56	275.92	146.78	224.35	11,502.54	244.02
Additions	-	-	323.48	-	1,034.64	32.98	55.80	1.68	1,448.57	346.20
Reclassified to right-of-use asset (Refer to note 41)	-	(577.80)	-	-	-	-	-	-	(577.80)	-
Disposals	-	-	-	-	(31.90)	(7.35)	(3.77)	(9.23)	(52.25)	(370.30)
Balance as at 31 March 2020	**78.60**	**-**	**4,008.87**	**82.14**	**7,434.30**	**301.55**	**198.81**	**216.80**	**12,321.06**	**219.92**
Balance as at 1 April 2020	78.60	-	4,008.87	82.14	7,434.30	301.55	198.81	216.80	12,321.06	219.92
Additions	-	-	-	-	148.30	9.91	15.35	-	173.56	152.89
Disposals	-	-	-	-	(5.27)	(0.40)	0	-	(5.67)	(75.04)
Balance as at 30 September 2020	**78.60**	**-**	**4008.87**	**82.14**	**7,577.33**	**311.06**	**214.15**	**216.80**	**12,488.95**	**297.77**
Accumulated depreciation										
Balance as at 1 April 2019	-	17.00	153.51	26.97	1,665.54	103.83	58.88	64.39	2,090.12	-
Depreciation for the year (refer to note c)	-	-	136.75	10.90	644.16	28.70	48.17	28.40	897.07	-
Disposals	-	(17.00)	-	-	(14.49)	(6.01)	(1.55)	(5.77)	(27.82)	-
Balance as at 30 September 2020	**-**	**-**	**290.26**	**37.87**	**2,295.21**	**126.52**	**105.50**	**87.02**	**2,959.37**	**-**
Balance as at 1 April 2020	-	-	290.26	37.87	2,295.21	126.52	105.50	87.02	2,942.38	-
Depreciation for the period	-	-	70.16	4.34	336.83	13.91	24.25	11.22	460.72	-
Disposals	-	-	-	-	(1.59)	(0.38)	-	-	(1.97)	-
Balance as at 30 September 2020	**-**	**-**	**360.42**	**42.21**	**2,630.45**	**140.05**	**129.75**	**98.24**	**3,401.12**	**-**
Carrying amounts (net)										
At 31 March 2020	**78.60**	**-**	**3,718.61**	**44.27**	**5,139.09**	**175.03**	**93.31**	**129.78**	**9,378.68**	**219.92**
At 30 September 2020	**78.60**	**-**	**3,648.45**	**39.93**	**4,946.88**	**171.01**	**84.40**	**118.56**	**9,087.83**	**297.77**

Notes:

a. Refer to note 17 for information on property, plant and equipment are pledged as security by the Company.

b. Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. The Company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	30 September 2020	31 March 2020
Raw materials consumed		170.77
Salaries and wages		43.39
Contributions to provident and other funds		2.49
Staff welfare expenses		2.80
Job charges		13.34
Store consumed		-
Depreciation		7.62
Power and fuel		5.60
Others		3.68
	-	**249.69**

*Includes capitalised borrowing costs related to the construction of the new factory amounted to Rs. Nil (previous year: Rs. 6.74).

Represents capital work in progress capitalized during the current year and previous year.

**Including block of computers

4 Intangible assets

Gross carrying amount	Technical know-how	Softwares	Web portal	Total
Balance as at 1 April 2019	40.01	108.14	-	148.15
Additions	-	9.92	-	9.92
Disposals	-	-	-	-
Balance as at 31 March 2020	**40.01**	**118.06**	**-**	**158.07**
Balance as at 1 April 2020	40.01	118.06	-	158.07
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 30 September 2020	**40.01**	**118.06**	**-**	**158.07**
Accumulated amortisation				
Balance as at 1 April 2019	6.93	73.85	-	80.78
Amortisation for the year	4.60	32.50	-	37.10
Disposals	-	-	-	-
Balance as at 31 March 2020	**11.53**	**106.35**	**-**	**117.88**
Balance as at 1 April 2020	11.53	106.35	-	117.88
Amortisation for the period	2.31	11.50	-	13.81
Disposals	-	-	-	-
Balance as at 30 September 2020	**13.84**	**117.85**	**-**	**131.69**
Carrying amounts (net)				
At 31 March 2020	**28.48**	**11.71**	**-**	**40.19**
At 30 September 2020	**26.17**	**0.21**	**-**	**26.38**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
5 Investments			
Non-current investments			
Unquoted investments (fully paid up)			
Investment in equity shares (at cost)			
Subsidiary companies (at cost):			
- Pylania SA, Switzerland			
7,550 (31 March 2020: 7,550) equity shares of Swiss Franc (CHF) 100 each fully paid up		281.24	281.24
- Ethos Limited			
11,271,646 (31 March 2020: 11,133,146) equity shares of Rs. 10 each fully paid up	(a), (b), (c)	8,362.23	8,015.98
- Mahen Distribution Limited			
5,928,700 (31 March 2020: 5,928,700) equity shares of Rs 10 each fully paid up		698.07	698.07
- Kamla International Holdings SA, Switzerland			
16,000 (31 March 2020: 16,000) equity shares of Swiss Franc (CHF) 100 each fully paid up		1,097.66	1,097.66
- Satva Jewellery and Design Limited			
3,000,000 (31 March 2020: 3,000,000) equity shares of Rs. 10 each fully paid up		150.00	150.00
		10,589.20	**10,242.95**
Associate (at cost):			
- Kamla Tesio Dials Limited.			
300,000 (31 March 2020: 300,000) equity shares of Rs. 10 each fully paid up		30.00	30.00
		30.00	**30.00**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
Other Companies (Fair value through Statement of profit and loss):			
- Karolview Developers Private Limited			
500,000 (31 March 2020: 500,000) equity shares of Rs. 10 each fully paid up		44.15	44.15
- Shivalik Waste Management Limited			
17,500 (31 March 2020: 17,500) equity shares of Rs. 10 each fully paid up		3.58	3.58
		47.73	**47.73**
		10,666.93	**10,320.68**
Impairment in value of investments			
Subsidiary companies:			
- Pylania SA, Switzerland		98.43	98.43
- Satva Jewellery and Design Limited		150.00	150.00
		248.43	**248.43**
Total non-current investments		**10,418.50**	**10,072.25**
Aggregate amount of unquoted investments		10,418.50	10,072.25
Aggregate amount of impairment in value of investments		248.43	248.43

Notes:

(a) This includes Rs. 14.51 (31 March 2019: Rs. 14.51) which represents fair value of financial guarantees given to Ethos Limited.

(b) This includes Rs. 36.07 (31 March 2019: Rs. 36.07) which represents dividend on investment in preference shares of Ethos Limited which has been waived by the Company and " is considered as quasi equity contribution as it is no longer payable by Ethos Limited."

(c) During the current year, the Company has invested an amount of Rs 2,100 by way of preferential allotment in fully paid up 7,19,176 equity shares of Rs. 10 each of Ethos Limited (a subsidiary company) at a premium of Rs. 282 per share. Further, Ethos Limited (a subsidiary company) has converted its 14% Cumulative Compulsorily Convertible Preference Shares into 19,230 equity shares of Rs. 10 each.

		Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
6	**Loans**		
	(Loans receivables considered good- Unsecured)		
	Security deposits		
	- to others	-	23.79
	Loan to related party (refer to note 38)	103.94	103.94
	Loan to employees		
	- to related party (refer to note 38)	-	8.13
	- to others	-	49.89
		103.94	**185.75**

	Non-Current	
	As at 30th Sep, 2020	As at 31st Mar, 2020
Security deposits		
- to related party (refer to note 38)	-	-
- to others	161.86	139.79
Loan to employees		
- to related party (refer to note 38)	-	22.17
- to others	127.36	58.59
	289.22	**220.55**

		As at 30th Sep, 2020	As at 31st Mar, 2020
7	**Income tax asset (net)**		
	Advance income-tax (net of provision)	226.81	225.77
		226.81	225.77

			As at 30th Sep, 2020	As at 31st Mar, 2020
8	**Other non-current assets**			
	(Unsecured and considered good)			
	Capital advances			
	- to others		37.24	103.09
	Deposit under protest		-	-
	Prepaid expenses		1.78	27.22
			39.02	**130.31**
9	**Inventories**			
	(at lower of cost and net realisable value)			
	Raw materials*		1,847.29	1,842.58
	Work-in-progress		703.70	871.61
	Finished goods**		86.64	194.96
	Stores and spares		294.59	283.75
	Scrap		(8.92)	16.55
			2,923.30	**3,209.45**
	*Includes goods-in-transit - raw materials		7.02	29.16
	**The write down of inventories during the year amounted to Rs. 4.82 (Previous year: Rs. 16.00)			
10	**Trade receivables**			
	(Unsecured, considered good, unless otherwise stated)			
	Trade receivables from others		2,292.59	1,924.16
	Trade receivables from related parties (refer to note 38)		-	551.37
	Less : Allowance for expected credit loss		(7.19)	(11.69)
			2,285.40	**2,463.84**
	Break-up of security details			
	Trade receivable considered good -Secured		-	-
	Trade receivable considered good -Unsecured		2,285.40	2,463.84
	Trade Receivables which have significant increase in Credit risk		-	-
	Trade receivable -credit impaired		7.19	11.69
	Total		**2,292.59**	**2,475.53**
	Allowance for expected credit loss		(7.19)	(11.69)
	Total trade receivables		**2,285.40**	**2,463.84**
11	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts		524.67	949.42
	Remittances in-transit		-	0.14
	Cash on hand		5.04	4.16
			529.71	**953.72**
12	**Other bank balances**	**Note**		
	Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date	(a)	517.75	510.76
	Balance in unclaimed dividend accounts		29.45	31.75
			547.20	**542.51**

Note:

(a) These deposits include restricted bank deposits amounting to Rs. 510.76 (31 March 2019: Rs. 580.79) on account of deposits pledged as security for deposits from shareholders, bank guarantee and margin money.

		As at 30th Sep, 2020	As at 31st Mar, 2020
13	**Other financial assets**		
	Interest accrued but not due on deposits	9.97	22.55
	Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	6.71	-
	Recoverable from related parties (refer to note 38)	4.04	38.20
	Interest receivable from related parties (refer to note 38)	-	58.22
	Recoverable from / balance with government authorities	113.99	76.20
	Recoverable from others	17.59	14.26
		152.30	**209.43**
14	**Other current assets**		
	(Unsecured and considered good)		
	Recoverable from / balance with government authorities	539.78	566.06
	Advances for supply of goods and services	315.54	169.62
	Advances to employees (refer to note 38)	59.64	50.60
	Prepaid expenses	94.99	57.95
		1,009.95	**844.23**

		As at 30th September, 2020		As at 31st March, 2020	
		Number of shares	Amount	Number of shares	Amount
15	**Equity Share capital**				
(i)	Details of share capital				
	Authorised				
	Equity shares of Rs. 10 each.	2,50,00,000	2,500.00	1,24,80,000	1,248.00
		2,50,00,000	**2,500.00**	**1,24,80,000**	**1,248.00**
	Issued				
	Equity shares of Rs. 10 each	1,18,24,388	1,182.43	1,18,24,388	1,182.43
		1,18,24,388	**1,182.43**	**1,18,24,388**	**1,182.43**
	Subscribed and paid up capital				
	Equity shares of Rs. 10 each fully paid up	1,16,50,108	1,165.01	1,16,50,108	1,165.01
	Forfeited equity shares of Rs.10 each	1,74,280	8.71	1,74,280	8.71
		1,18,24,388	**1,173.72**	**1,18,24,388**	**1,173.72**

(ii) Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iii) Reconciliation of the shares outstanding at beginning and at the end of the year

Particulars	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,16,50,108	1,165.01	1,16,33,608	1,163.36
Add: Shares issued during the year	-	-	16,500	1.65
Balance at the end of the year	**1,16,50,108**	**1,165.01**	**1,16,50,108**	**1,165.01**

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
R. K. Saboo	18,34,292	15.74%	18,34,292	15.74%
Yashovardhan Saboo	13,38,791	11.49%	13,38,791	11.49%
Saif India V FII Holdings Limited	10,08,400	8.66%	10,08,400	8.66%
Saif Partners India V Limited	7,54,716	6.48%	7,54,716	6.48%
Pranav Shankar Saboo	6,80,851	5.84%	6,80,851	5.84%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash (during five years immediately preceding 31 March 2020)

During the five years immediately preceding 31 March 2020, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash except during the current year ended 31 March 2020, 16,500 equity shares of Rs. 10 each had been issued under employee stock option plans for which only exercise price had been received in cash.

(vi) Employee stock option plan

Terms attached to stock options granted to employees of the Company are described in note 37D regarding share based payments.

(vii) Shares reserved for issue under options and other commitments

	As at 30th September, 2020		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
"Under KDDL Employee Stock Option Plan - 2011: "equity shares of Rs.10 each, at an exercise price of Rs. 120 per share"(Refer note 37D)"	-	-	-	-

		As at 30th Sep, 2020	As at 31st Mar, 2020
16	**Other equity**		
	(also refer to Statement of Changes in Equity)		
(i)	***Share application money pending allotment***		
	Balance at the beginning of the year	-	-
	Add : Additions during the year	-	-
	Less : Share issue expense made during the year	-	-
	Balance at the end of the year	**-**	**-**
(i)	***Securities premium***		
	Balance at the beginning of the year	9,480.99	9,462.84
	Add : Additions during the year	-	18.15
	Less : Share issue expense made during the year	-	-
	Balance at the end of the year	**9,480.99**	**9,480.99**

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilised in accordance with the applicable provisions of the Companies Act, 2013.

(ii)	***General reserve***		
	Balance at the beginning of the year	2,776.20	2,776.20
	Add : Amount transferred from retained earnings	-	-
	Balance at the end of the year	**2,776.20**	**2,776.20**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

	As at 30th Sep, 2020	As at 31st Mar, 2020
(iii) ***Employee stock options outstanding reserve***		
Balance at the beginning of the year	-	16.34
Less : Options expired during the year	-	(16.34)
Balance at the end of the year	-	-

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve.

(iv) ***Retained earnings***		
Balance at the beginning of the year	3,517.95	3,286.48
Add: Profit for the year	(421.36)	912.34
Less : Final dividend on equity shares (Rs. 2.50 per share)	-	(523.84)
Less : Corporate dividend tax	-	(107.68)
Less : Transfer to general reserve	-	-
Add: Effective portion of gains/(losses) on hedging instruments in cash flow hedges		
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	-	-
Income tax on effective portion of gains/(losses) on hedging instruments in cash flow hedges	-	-
Add: Remeasurement of defined benefit liability (asset)		
Remeasurement of defined benefit liability (asset)	24.35	(69.63)
Income tax on remeasurement of defined benefit liability (asset)	(7.09)	20.28
Balance at the end of the year	**3,113.85**	**3,517.95**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

(v) ***Money received against shares warrants***

A share warrant is a financial instrument which gives holder the right to acquire equity shares. Money Received against Shares Warrants comprise of share warrants issued by the Company against which shares are yet to be allotted.

During the year ended 31 March 2017, the Company had issued 377,356 share warrants at Rs. 265 per share warrant (including securities premium of Rs 255 per share warrant) on a preferential allotment basis to certain promoters and promoter entities ('warrant holders') and had also received 25% application money amounting to Rs 66.25 per share warrant. The warrants were to be converted into equivalent number of equity shares on payment of balance 75% amount at any time on or before the end of eighteen months from the date of allotment failing which these would stand forfeited. During the year ended 31 March 2019, the Company had allotted 113,206 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants. During the year ended 30 June 2019, the Company has allotted remaining 264,150 equity shares on conversion of equivalent number of share warrants to certain warrant holders on realisation of balance 75% towards these warrants.

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
17 Borrowings			
Non-current borrowings			
Term-loans			
From banks (secured)	(a)	64.96	48.61
From others (secured)	(b)	3,775.24	4,060.70
		3,840.20	**4,109.31**
Deposits from shareholders/ directors			
Related parties (unsecured) (refer to note 38)	(c)		
-From Directors		522.39	412.69
-From Inter-Corporate		30.00	40.00
-From Others		86.16	67.61
From others (unsecured)	(c)	1,672.55	1,621.94
		2,311.10	**2,142.24**
Total non-current borrowings (including current maturities)		**6,151.30**	**6,251.55**
Less : Current maturities of non-current borrowings (refer to note 18)		616.43	1,731.12
		5,534.87	**4,520.43**

	Note	As at 30th Sep, 2020	As at 31st Mar, 2020
(ii) Lease liabilities			
-From Others		682.08	793.90
Total non-current Finance lease (including current maturities)		**682.08**	**793.90**
Less : Current maturities of non-current Finance lease (refer to note 18)		194.69	199.99
		487.39	**593.91**

Notes:

(a) - Vehicle loans from banks amounting to Rs. 48.61 (31 March 2019: Rs. 67.08) carrying interest rate in the range of 7.50% to 10.50% (previous year 7.50% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(b) - Term loan from Tata Capital Financial Services Limited amounting to Rs. 101.45 (31 March 2019: Rs. 236.88) carrying interest rate equal to LTLR less 7% (presently 10.25%) (previous year 10.50%) is secured by way of first pari passu charge over the project leasehold immovable property and over movable fixed assets of Eigen III, situated at plot no. 55-A (Aerospace sector) Hitech, Devanahalli, Bengaluru. The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 21 monthly installments of Rs. 11.30 as per the repayment schedule in equal annual installments commencing from 25 April 2018. The last instalment would be repaid on 25 December 2020.

- Term loan from Tata Capital Financial Services Limited amounting to Rs. 157.50 (31 March 2019: Rs. 247.48) carrying interest rate equal to LTLR less 7.25% (presently 10.25%) (previous year 10.50%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru and exclusive charge by way of hypothecation over the plant & machineries & other movable assets of KHAN II, situated at 408, 4th Main, 11th Cross, Peenya Industrial Area, Bangalore 560058 (Karnataka). The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 11 quarterly installments of Rs. 22.50 as per the repayment schedule in equal annual installments commencing from 8 April 2018. The last instalment would be repaid on 8 October 2021.

- Term loan from Tata Capital Financial Services Limited amounting to Rs. 583.65 (31 March 2019: Rs. 757.62) carrying interest rate equal to LTLR less 8.75% (presently 10.25%) (previous year 10.50%) is secured by way of exclusive charge by way of mortgage over the freehold land & building of the borrower situated at plot number 296 & 297 (South western Portion) 5th Main, 4th Phase, Peenya Industrial Area, Bengaluru 560058 (Karnataka). The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 52 monthly installments of Rs. 14.65 as per the repayment schedule in equal annual installments commencing from 30 July 2018. The last instalment would be repaid on 20 July 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 1321.69 (31 March 2019: Rs. 1868.56) carrying interest rate of 10% (previous year 10%) is secured by pari passu charge by way of hypothecation of equipment procured out of the term loan, Mortgage of leasehold Land & building at Bengaluru (Plot No. 55-A, Aerospace Sector) Hitech, Aerospace and Defence Park, Devanahalli, Bengaluru. The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan of Rs. 1,200 is to be repaid in 43 instalments of Rs.21.13 and last instalment would be paid on 5th October, 2022. The loan of Rs. 1,000 is to be repaid in 46 monthly installments of Rs. 20.83 as per the repayment schedule in equal monthly installments commencing from 05 January 2018. The last instalment would be repaid on 5 January 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 873.17 (31 March 2019: Rs. 200) carrying interest rate of 10% (previous year 10%) is secured by way of first pari passu charge over movable fixed assets of of Company . The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 48 instalments of Rs.20.83 as per the repayment schedule in equal monthly installments commencing from 05 September 2019. The Last instalment would be paid on 5 September 2023.

- Term loan from Bajaj Finance Limited amounting to Rs. 997.04 (31 March 2019: Rs. Nil) carrying interest rate of 9.20% is secured by way of first pari passu charge over movable fixed assets of of Company . The loan is also personally guaranteed by Chairman & Managing Director of the Company. The loan is to be repaid in 18 instalments of Rs. 55.55 as per the repayment schedule in equal quarterly installments commencing from 05 September 2020. The Last instalment would be paid on 05 March 2025.

- Vehicle loans from Daimler Financial Services and Kotak Mahindra Prime Limited amounting to Rs. 26.21 (31 March 2019: Rs. 35.58) carrying interest rate in range of 7.75% to 9.50% (previous year 7.50% to 10.50%) per annum are secured against hypothecation of specific vehicle purchased out of the proceeds of those loans. The loans are to be repaid as per the respective repayment schedule in equal monthly installments.

(c) Deposits from shareholders/ directors amounting to Rs. 2,142.24 (31 March 2019: Rs. 1,532.43) carrying interest rates in the range of 9.50% to 11.50% (previous year 9% to 12.5%) per annum are repayable in 1 years to 3 years from the respective dates of deposit.

		Note	As at 30th Sep, 2020	As at 31st Mar, 2020
(iii)	**Current borrowings**			
	Loans repayable on demand			
	From banks (secured)	(a)	1,061.38	1,433.21
	From others (secured)	(b)	300.00	300.00
	Deposit from shareholders/directors			
	Related parties (unsecured) (refer to note 38)			
	-From Directors		46.50	87.07
	-From Others		-	0.50
	From others (unsecured)	(c)	54.48	104.25
			1,492.22	**1,925.03**

Notes:

(a) Working capital borrowings from banks amounting to Rs. 1,435.51 (31 March 2019: Rs. 702.84) carrying interest rate varying from 9.00% to 10.20% (previous year 9.25% to 11.90%) per annum are secured by hypothecation of stocks of stores and spares, raw materials and components, finished goods and stock-in-process and book debts and other assets of the Company (both present and future), on pari passu basis except packaging unit (KPAC) and are further secured by a second charge on the entire fixed assets of the Company. These loans are also guaranteed by the Chairman & Managing Director of the Company and is repayable on demand.

(b) Working capital borrowings from others amounting to Rs. 300 (31 March 2019: Rs. Nil) carrying interest rate of 9.15% per annum are secured by first pari passu charge on current assets. The loan is also personally guaranteed by the Chairman & Managing Director of the Company and is repayable on demand

(c) Deposits from shareholders/ directors amounting to Rs. 191.82 (31 March 2019: Rs. 37.43) carrying interest rates in the range of 8.50% to 10% (previous year 9% to 12.5%) per annum are repayable within 1 year from the respective dates of deposit.

		Year ended 30 September 2020	Year ended 31 March 2020
(iii)	**Reconciliation of movements of liabilities to cash flows arising from financing activities**		
	Balance as at the beginning of the year (including current and non-current borrowings)	**8,176.58**	**5,685.90**
	Proceeds from non-current borrowings	47.19	2,869.77
	Repayment of non-current borrowings	(120.38)	(1,564.50)
	Proceeds from current borrowings having maturity period more than 3 months	7.73	272.66
	Repayment of current borrowings having maturity period more than 3 months	(34.54)	(118.27)
	Repayments of/proceeds from current borrowings (net)	(678.51)	1,030.37
	Transaction costs related to borrowings	-	0.65
	Balance as at the end of the year (including current and non-current borrowings)	**7,398.07**	**8,176.58**

* Non-current borrowings include current maturities of non-current borrowings

		Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
18	**Other financial liabilities**		
	Current maturities of non-current borrowings [refer to note 17(i)]	616.43	1,731.12
	Derivatives Financial instruments (Fair Value through statement of Profit and Loss)	-	74.35
	Interest accrued but not due (refer to note 38)	0.63	100.02
	Unpaid dividends*	29.46	31.76
	Capital creditors	88.02	477.57
	Employee related payables (refer to note 38)	948.53	691.73
		1,683.07	**3,106.55**

* not due for deposit to investor education and protection fund

		Non-Current	
		As at 30th Sep, 2020	As at 31st Mar, 2020
	Interest accrued but not due (refer to note 38)	296.25	109.10
	Unpaid dividends*	-	-
	Application money received for allotment of securities to the extent refundable	-	-
	Capital creditors	-	-
	Employee related payables	-	-
	Security Deposits		
	- from related parties (refer to note 38)	6.77	6.77
	- from others	5.59	5.69
		308.61	**121.56**

		Non-Current		Current	
		As at 30 September 2020	As at 31 March 2020	As at 30 September 2020	As at 31 March 2020
19	**Provisions**				
	Provisions for employee benefits (refer to note 37)				
	Liability for gratuity	108.99	106.29	-	19.66
	Liability for compensated absences	-	-	265.18	254.03
		108.99	**106.29**	**265.18**	**273.69**
	Other provisions				
	Provision for warranties	-	-	-	-
		-	-	-	-
		108.99	**106.29**	**265.18**	**273.69**

Movement in other provisions	**Warranties**
Balance as on 1 April 2018	26.15
Provisions made during the year	4.32
Provisions utilised during the year	(9.80)
Balance as on 31 March 2019	**20.67**
Provisions made during the year	-
Provisions reversed during the year	(20.67)
Balance as on 31 March 2020	-

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when the claim will arise. Any recovery of cost incurred is netted off against the relevant cost.

		As at 30th Sep, 2020	As at 31st Mar, 2020
20	**Deferred tax liabilities (net)**		
	Deferred tax liability on		
	- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	659.86	659.86
	- MTM Gain/(Loss) on foreign exchange contracts	(21.65)	(21.65)
	Deferred tax liability (A)	**638.21**	**638.21**
	Deferred tax assets on		
	- Expected credit loss allowance	3.40	3.40
	- Provision for warranties	-	-
	- Provision for employee benefits	101.70	101.70
	- Provision for bonus	10.29	10.29
	- Lease liabilities and Right of use assets (Net)	16.96	16.96
	Deferred tax assets (B)	**132.35**	**132.35**
	Net deferred tax liabilities (A - B)	**418.29**	**505.86**

	As at 31 March 2019	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 31 March 2020
(b) Movement in temporary differences:				
2018-2019				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	558.46	101.40	-	659.86
- MTM Gain/(loss) on foreign exchange contracts	8.67	(30.32)	-	(21.65)
- Expected credit loss allowance	(0.24)	(3.16)	-	(3.40)
- Provision for warranties	(6.02)	6.02	-	-
- Provision for employee benefits	(74.96)	(6.47)	(20.28)	(101.70)
- Provision for bonus	(70.27)	59.98	-	(10.29)
- Lease liabilities and Right of use assets (Net)	-	(16.96)	-	(16.96)
	415.64	**127.45**	**(20.28)**	**522.82**

	As at 31 March 2020	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	As at 30 September 2020
2019-2020				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	659.86	-	-	659.86
- MTM Gain/(loss) on foreign exchange contracts	(21.65)	-	-	(21.65)
- Expected credit loss allowance	(3.40)	-	-	(3.40)
- Provision for warranties	-	-	-	-
- Provision for employee benefits	(101.70)	(7.10)	7.09	(101.70)
- Provision for bonus	(10.29)	-	-	(10.29)
- Lease liabilities and Right of use assets (Net)	-	(16.96)	-	(16.96)
	522.82	**(24.06)**	**7.09**	**505.85**

	As at 30th Sep, 2020	As at 31st Mar, 2020
21 Trade payables		
Dues of Micro Enterprises and Small Enterprises (refer to note below)	76.80	75.05
Trade payables to related parties (refer to note 38)	-	93.40
Other trade payables	1,265.21	1,185.03
	1,342.01	**1,353.48**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 30th Sep, 2020	As at 31st Mar, 2020
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	69.59	67.84
- Interest	7.21	7.21
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed date during each accounting year;	223.97	223.97
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006;	7.21	7.21

	Particulars	As at 30th Sep, 2020	As at 31st Mar, 2020
	(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.21	7.21
	(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	7.21	7.21

		As at 30th Sep, 2020	As at 31st Mar, 2020
22	**Other current liabilities**		
	Advance from customers	527.98	148.46
	Advance from related parties (refer to note 38)	-	-
	Statutory dues	160.48	169.80
	Deferred revenue	1.05	1.05
		689.51	**319.31**
23	**Current tax liabilities (net)**		
	Provision for income tax (net of advance tax)	29.91	31.51
		29.91	**31.51**

		Year ended 30 September 2020	Year ended 31 March 2020
24	**Revenue from operations**		
	Sale of products	5,033.41	16,602.57
	Sale of services	192.56	644.21
	Export incentives	126.30	390.45
	Other operating revenues		
	Scrap sales	174.69	422.05
		5,526.96	**18,059.28**
	Revenue disaggregation as per industry vertical and geography has been included in segment information (refer to note 39).		
a.	**Revenue from contracts with customers disaggregated based on nature of products and services**		
	Revenue from sale of products		
	- Precision and watch components	4,909.25	15,748.24
	- Others	124.16	854.33
	Sale of services	192.56	644.21
	Other operating revenue	174.69	422.05
		5,400.66	**17,668.83**
	Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss		
	Total revenue from contracts with customers	5,400.66	17,668.83
	Add: Items not included in disaggregated revenue:		
	- Export Incentives	126.30	390.45
	Revenue from operations as per the statement of profit and loss	**5,526.96**	**18,059.28**
b.	**Contract balances**		
	The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:		
	Trade receivables (refer to note 10)	2,285.40	2,463.84
	Advances from customers (refer to note 22)	527.98	148.46

		Year ended 30 September 2020	Year ended 31 March 2020
25	**Other income**		
	Interest income		
	Fixed deposits with banks	19.98	36.88
	Interest income from related parties (refer to note 38)	-	49.23
	Interest income from others	15.10	113.90
	Interest income from financial assets at amortised cost		
	Dividend income	0.26	0.31
	Rental income (refer to note 38)	16.62	28.33
	Liabilities/ provision no longer required written back	-	45.46
	Exchange gain on foreign exchange fluctuations (net)	93.85	248.30
	Net gain on sale of property, plant and equipment and intangible assets	0.92	1.43
	Miscellaneous income	7.05	3.08
		153.78	**526.92**
26	**Cost of materials consumed***		
	Inventory of material at the beginning of the year	1,842.58	1,724.65
	Purchases of raw materials	1,190.93	4,639.96
		3,033.51	6,364.61
	Inventory of material at the end of the year	1,847.29	1,842.58
		1,186.22	**4,522.03**
	* Refer to note 3 (c)		
27	**Changes in inventories of finished goods, work-in-progress and scrap**		
	Opening stock		
	Work-in-progress	871.61	954.42
	Finished goods	194.96	115.91
	Scrap	16.55	-
		1,083.12	1,070.33
	Less:		
	Closing stock		
	Work-in-progress	703.70	871.61
	Finished goods	86.64	194.96
	Scrap	(8.92)	17
		781.42	1,083.12
		301.70	**(12.79)**
28	**Employee benefits expenses**		
	Salaries and wages [refer to note 3 (c)]	1,942.81	4,867.46
	Contributions to provident and other funds (refer to note 37)	207.49	448.03
	Staff welfare expenses	53.70	215.43
		2,204.00	**5,530.92**
29	**Finance costs**		
	Interest expense on financial liabilities measured at amortised cost	421.69	765.13
	Interest on lease liabilities (refer to note 41)	43.01	102.47
	Other borrowing costs	3.03	17.78
		467.73	**885.38**

		Year ended 30 September 2020	Year ended 31 March 2020
30	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment*	467.16	889.45
	Amortisation of other intangible asset (refer to note 4)	7.38	37.10
	Depreciation of Right-of-use assets (refer to note 41)	114.97	250.68
	Depreciation of investment property (refer to note 41)		16.21
		589.51	**1,193.44**

*Excludes Rs. 7.62 (previous year : Rs 19.17) charged on plant and equipment at tool room division at Bengaluru which was utilised for development of in-house tools. Accordingly, such amount has been capitalised under plant and equipment. Also, refer to note 3(c).

31	**Other expenses**		
	Stores and spares consumed [refer to note 3 (c)]	246.03	882.52
	Power, fuel and water charges [refer to note 3 (c)]	166.43	461.24
	Contractual labour expenses	113.06	783.55
	Insurance	18.81	16.71
	Rent (refer to note 41)	18.66	11.98
	Rates and taxes	11.61	19.69
	Repair and maintenance		
	- Plant and machinery	72.47	263.46
	- Buildings	16.59	43.80
	- Others	40.98	146.10
	Legal and professional fees [refer to note (a) below]	155.82	444.92
	Travelling and conveyance	103.04	455.13
	Job charges [refer to note 3 (c)]	190.08	549.62
	Bank Charges	16.91	47.06
	Printing and stationery	14.68	40.92
	Communication expenses	21.14	50.40
	Commission	72.90	212.14
	Events and exhibitions	23.84	152.41
	Property, plant and equipment written off	0.68	11.59
	Expected credit loss on trade receivables	-	10.83
	Donation	1.50	5.50
	Advances / deposits written off	-	3.60
	Directors' sitting fees	7.90	22.60
	Security service charges	44.21	75.29
	Net change in fair value of financial assets (at FVTPL) (net)	-	1.29
	Corporate social responsibility expenditure [refer to note (b) below]	10.00	34.50
	Miscellaneous expenses	80.26	332.20
		1,447.60	**5,079.05**
	Note (a): Auditors' remuneration (including to ex-statutory auditor) (excluding taxes as applicable)		
	As Auditor		
	- Statutory audit	7.00	14.00
	- Tax audit	-	-
	- Limited review of quarterly results	4.84	6.50
	In other capacity		
	- Certification work	-	7.43
	- Reimbursement of expenses	1.78	3.69
		13.62	**31.62**

		Year ended 30 September 2020	Year ended 31 March 2020
	Note(b): Detail of corporate social responsibility expenditure		
	a. Amount required to be spent by the Company during the year	34.50	34.50
	b. Amount spent during the year (in cash)		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purpose other than (i) above (refer to note 38)	10.00	34.50
		10.00	**34.50**
32	**Income tax expense**		
A.	*Amounts recognised in statement of profit and loss*		
	Current tax		
	Current year	-	384.38
	Changes in estimates related to prior years	-	(19.05)
		-	365.33
	Deferred tax		
	Attributable to–		
	Origination and reversal of temporary differences	(94.66)	30.25
	Changes in estimates related to prior years	-	80.25
		(94.66)	110.50
		(94.66)	**475.83**
B.	*Income tax recognised in other comprehensive income*		
	Arising on income and expenses recognised in other comprehensive income		
	Remeasurement of defined benefit liability (asset)	24.35	(69.63)
		24.35	**(69.63)**
	Bifurcation of the income tax recognised in other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Income tax on remeasurement of defined benefit liability (asset)	(7.09)	20.28
		(7.09)	**20.28**
33	**Earnings per share**		
A.	Basic earnings per share		
	i. Profit / (loss) for basic earning per share of Rs. 10 each		
	Profit for the year	(421.36)	912.34
	ii. Weighted average number of equity shares for (basic)		
	Balance at the beginning of the year	1,16,50,108	1,16,33,608
	Effect of fresh issue of shares	-	3,553
		1,16,50,108	**1,16,37,161**
	Basic Earnings per share (face value of Rs 10 each)	**(3.62)**	**7.84**
B.	Diluted earnings per share		
	i. Profit / (loss) for diluted earning per share of Rs. 10 each		
	Profit for the year	(421.36)	912.34
	ii. Weighted average number of equity shares for (diluted)		
	Balance at the beginning of the year	1,16,50,108	1,16,33,608
	Effect of fresh issue of shares	-	3,553
	Effect of employee stock options*	-	-
		1,16,50,108	**1,16,37,161**
	Diluted Earnings per share (face value of Rs. 10 each)	**(3.62)**	**7.84**

* Nil options (31 March 2019: 4,737 options) were excluded from calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

NATIONAL COMPANY LAW TRIBUNAL **ANNEXURE-III**

CHANDIGARH BENCH, CHANDIGARH

(through web-based video conferencing platform)

CA (CAA) No. 25/Chd/HP/2020
(First Motion)

Under Sections 230 to 232
of the Companies Act, 2013

IN THE MATTER OF SCHEME OF AMALGAMATION AMONGST:

SATVA JEWELLERY AND DESIGN LIMITED
having its registered office at:
SCO 88-89, Sector-8C,
Madhya Marg, Chandigarh -160009

…Transferor Company/ Applicant Company-1

And

KDDL LIMITED
having its registered office at:
Plot no. 3, Sector III,
Parwanoo, Himachal Pradesh-173220

… Transferee Company / Applicant Company-2

Order delivered on: 10.11.2020

Coram: HON'BLE MR. AJAY KUMAR VATSAVAYI, MEMBER (JUDICIAL)
HON'BLE MR. RAGHU NAYYAR, MEMBER (TECHNICAL)

For the applicant companies: 1. Ms. Munisha Gandhi, Senior Advocate
2. Ms. Salina Chalana, Advocate

Per: Mr. Ajay Kumar Vatsavayi, Member (Judicial)

ORDER

This is a joint First Motion application filed by the Applicant Companies herein, namely Satva Jewellery and Design Limited (Applicant Company 1/ Transferor Company) and KDDL Limited (Applicant Company 2/Transferee Company) (jointly described as 'Applicant Companies') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (for brevity, the 'Act') read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity, the 'Rules') for sanctioning of the proposed Scheme of Amalgamation (for short, the 'Scheme'). The Scheme proposed in the Application is at Annexure A.1 of the Application. The contents of the application are supported by the affidavit of Mr. Sanjeev Kumar Masown, the authorized signatory of the Applicant Companies. The prayers made in the application are to seek appropriate orders/direction for dispensing with the meetings of Shareholders and Creditors of the Transferor Company and appropriate orders/directions for convening the meetings of Shareholders and creditors of the Transferee Company. The joint application is maintainable in terms of Rule 3(2) of the Rules.

2. It is submitted that in 2018, the Applicant Companies had filed an application under section 233 (2) of the Companies Act, 2013 before the Regional Director, seeking approval of the scheme between the wholly owned subsidiary company i.e. Transferor Company and the holding company i.e. Transferee Company. The Application was referred by the Regional Director to this Hon'ble Tribunal under section 233 (5) vide CA (CAA) No. 18/Chd/HP/2018. However, since the scheme was not approved by the requisite majority, as required under section 233 (1) (b) of the Act, this Hon'ble Tribunal, vide order dated 15.10.2019 (Annexure A-2) held the following:

   "After taking into consideration the above discussion and in view of the provisions of Section 233(6) of the Act, we are of the opinion that the scheme should be considered as per the procedure laid down in section 232 of the Act and accordingly direct that necessary further action be taken by both the companies under section 232 of the Act."

   Hence, the present application under sections 230-232 has been filed by the Applicant Companies.

3. The Board of Directors of the Applicant Companies at their Board meetings held on December, 3, 2019 have approved and adopted the Scheme subject to the approval of the equity shareholders, secured creditors and unsecured creditors of the Applicant Companies and the sanction by this Tribunal. Further, the Board of Directors of the Applicant Companies at their Board meetings held on May 26, 2020 have approved the changes, made in the scheme of amalgamation due to increase in paid up equity share capital of the Transferee Company post March 31, 2019. The Board resolutions of the Transferor Company as well as Transferee Company are at Annexures A.5 and A.11 of the application, respectively.

4. As per the Memorandum and Articles of Association (Annexure- A.3), the main objects of Applicant Company-1 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."

5. As per the Certificate of Incorporation of Applicant Company- 1 (Annexure- A.3), Applicant Company-1 was incorporated on 23.12.2004 under the name 'Satya Jewellery and Design Limited'. The CIN of Applicant Company-1 is U36911CH2004PLC027767. The master data of the Company is at page no. 626 of the application.

6. The authorized, issued, subscribed and paid-up share capital of the Applicant Company-1 as on 31.03.2020 is as under:-

Share Capital	**Amount in Rs.**
Authorised Share Capital(30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000
Issued, Subscribed and Paid Up Capital (30,00,000 Equity Shares of Rs.10/- each)	3,00,00,000

7. It is also stated that there has been no change in the share capital structure of the Applicant Company-1 post 31.03.2020 till the date of filling of this application. It is submitted that the shares of the Applicant Company-1 are not listed on any stock exchanges and also, 100% of the paid-up equity share capital of the Applicant Company-1 is held by the Applicant Company-2/Transferee Company.

8. As per the Memorandum and Articles of Association (Annexure- A.9), the main objects of Applicant Company-2 are as under:

   (i) 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.

   (ii) 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.

9. As per the Certificate of Incorporation of Applicant Company- 2 (Annexure- A.9), Applicant Company-2 was incorporated as a public limited company on 08.01.1981 under the name 'Kamal Dials And Devices Limited'. The CIN of the Applicant Company- 2 is L33302HP1981PLC008123. The master data of the Company is at page no. 627 of the application.

10. The authorized, issued, subscribed and paid-up share capital of the Applicant Company-2 as on 31.03.2019 is as under:-

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (11,807,888 Equity Shares of Rs. 10 each)	11,807,8880
Subscribed and paid up Capital (11,633,608 Equityshares of Rs. 10 each fully paid up	11,633,6080

It is stated that the Board of Directors of Transferee Company had issued 5,250 and 11,250 Equity Shares of Rs. 10 each to the eligible employees under KDDL Employee Stock Option Plan-2011 on 6th November, 2019 and 14th February, 2020 respectively. The capital structure of KDDL Limited, the Transferee Company as on 31st March, 2020 is as follows:

Share Capital	**Amount in Rs.**
Authorised Share Capital (1,24,80,000 equity shares of Rs. 10 each)	12,48,00,000
Issued Share Capital (1,18,24,388 Equity Shares of Rs.10 each)	11,82,43,880
Subscribed and paid up Capital (11,650,108 Equity shares of Rs. 10 each fully paid up	11,65,01,080

11. It is also stated that there has been no change in the share capital structure of the Applicant Company-2 post 31.03.2020 till the date of filling of this application.

12. The registered offices of the Applicant Company 1 and Applicant Company 2 are in the Union Territory, Chandigarh and the State of Himachal Pradesh, respectively, therefore, the matter falls within the territorial jurisdiction of this Tribunal.

13. It is also stated in the para 27 of the application that no proceedings under Sections 206 to 229 of the Companies Act, 2013 are pending against the Applicant Companies.

14. The Applicant Companies have made the prayers in the joint application for the following directions: -

I. Dispensing with requirement for convening the meeting of the equity shareholders of the Transferor Company / Applicant Company 1 and also to dispense with the requirement of issue and publication of notices for the same as equity shareholder of the Transferor Company / Applicant Company 1 has given its consent in writing to the Scheme and towards dispensing with their meeting;

II. Dispensing with requirement for convening the meetings of the secured and unsecured creditors of Transferor Company / Applicant Company 1 and also to dispense with the requirement of issue and publication of notices for the same since there is one secured creditor and one unsecured creditor who has given their consent to the Scheme and towards dispensing with their meetings;

III. Issuing necessary directions for convening the meeting of shareholders of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

IV. Issuing necessary directions for convening the meeting of secured creditors of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

V. Issuing necessary directions for convening the meeting of unsecured creditors of Transferee Company/ Applicant Company 2 and also to issue and publish notices for the same.

VI. Issuing necessary direction for appointment of Chairperson and scrutinizer for the meeting or meetings to be held and terms of appointment and remuneration for the Chairperson.

VII. Issuing necessary direction fixing the time period within which the chairperson shall report the result of the meeting to this Hon'ble Tribunal;

VIII. Issuing direction for permitting the filing of application, petition and other documents as may be required, for the purpose of sanctioning the proposed Scheme of Arrangement.

IX. For sending notices to (a) the Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, (b) Registrar of Companies at Chandigarh, (c) Income Tax Department, Chandigarh and New Delhi, (d) the Official Liquidator, and (e) Securities and Exchange Board of India, seeking their representation if any, on the scheme of arrangement.

X. It is also prayed that the Applicant Companies may kindly be exempted from filing certified copies and true typed copies of the Annexures and permission to file photocopies thereof may kindly be granted, in the interest of justice.

XI. Passing such other and further orders as this Hon'ble Tribunal may deem proper in the facts and circumstances on the instant case.

15. Learned Senior Counsel for the Applicant Companies submitted that as per list attached at Annexure- A.6 (Colly) as on 31.03.2020, Applicant Company-1 / Transferor Company has 8 (Eight) equity shareholders, however, there is only 1 beneficial equity shareholder in the Applicant Company-1. The beneficial equity shareholder (along with its Nominees) of the Applicant Company-1 have given their consent in writing by way of affidavit to the Scheme. The consent affidavits along with Board resolutions are at Annexure- A.6 (Colly) of the application. Hence, the requirement of calling and convening the meeting of equity shareholders may be dispensed with.

16. It is submitted that the Applicant Company-1 / Transferor Company has 1 has (one) secured creditor and 1 (one) unsecured creditor as on 31.03.2020.The certificates of KAN & Associates, Chartered Accountants to this effect are at Annexure-A.7 (Colly) of the application. The consent affidavits of the creditors are also a part of Annexure- A.7 (Colly) of the application.

17. Learned Senior Counsel for the Applicant Companies submitted that as per list attached at Annexure - A.12 as on 31.03.2020, the Applicant Company-2 has 4538 (Four Thousand Five Hundred Thirty-Eight) equity shareholders.

18. It is further submitted that the Applicant Company 2/Transferee Company has 10(ten) Secured Creditors and 1286 (one Thousand Eight Hundred Eighty-Six unsecured creditors as on 31.03.2020. The certificates of KAN & Associates, Chartered Accountants, to this effect are at Annexure-A13 (Colly) of the application.

19. It is prayed for directions to convene meetings of shareholders, secured creditors as well as unsecured creditors of the Transferee Company.

20. We have heard the Learned Senior Counsel for the Applicant Companies and have perused the records and the supporting documents/papers filed along with the "Scheme" contemplated between the Applicant Companies.

21. The rationale for the "Scheme" is stated as below:

    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 / Applicant Company 1 to increase operations and confer a competitive advantage on the entire business. With integrated processes, Transferee Company / Applicant Company 2 can achieve higher scales of operation.*

    c) *The amalgamation of the operations of the Transferor Company / Applicant Company 1 into the Transferee Company / Applicant Company 2 will assist the Transferor Company / Applicant Company 1 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).*

22. The appointed date as defined in the Scheme, shall mean the April 1, 2019 or such other date as this Tribunal may direct for the purposes of this Scheme.

23. The Learned Senior Counsel also submitted that the Applicant Company-1 is the wholly owned subsidiary of the Applicant Company-2. Therefore, upon the Scheme becoming effective, all the equity shares, as held by the Applicant Company-2 in the Applicant Company-1, shall stand cancelled and extinguished. Clause 4.1 of the Scheme is the relevant clause in that aspect.

24. It is represented that the Applicant Company-1 and Applicant Company-2 have filed their audited financial statements for the year ended 31.03.2018, 31.03.2019 and 31.03.2020 attached as Annexures A.4 and A.10 of the application respectively.

25. On the last date of hearing, the Applicant Companies were directed to file unaudited financial statements as on 30.09.2020. In compliance of the same, the Applicant Companies have filed their unaudited financial statements as on 30.09.2020 attached as Annexure A1 vide Diary No. 01061/1 dated 02.11.2020.

26. Clause 3.2.8. of the Scheme states that all proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been had not been made. It is also stated that the Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date., and to have the same continued, prosecuted and enforced by or against the Transferee Company.

27. Clause 3.5.1. of the Scheme states that all the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

28. The certificate of S.R. Batliboi & Co. LLP and Singhal Karun and Co, Statutory Auditors of the Applicant Companies have been filed at Annexure- A.15 (Colly) of the application, stating that the accounting treatment proposed in the Scheme is in conformity with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

29. Learned Senior Counsel for the Applicant Companies submitted that the Applicant Company-1 is not a public listed company whereas the Applicant Company-2 is a public listed company and is therefore regulated by the Securities and Exchange Board of India. Affidavit in this respect is attached as Annexure- A.16 of the application. Learned Senior Counsel has also relied upon the SEBI Circular No. CFD/DIL3/CIR/2017/21 (dated 10-March-2017) ('Çircular') which lays down the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements and, which amongst others, include procedures to obtain approval from Stock Exchange(s) and SEBI. It is submitted that Provision 7 of the aforesaid Circular provides that provisions of this circular (which, amongst others, includes approval from Stock Exchange and SEBI) shall not apply to schemes which solely provide for merger of a wholly owned subsidiary with the parent company.

30. It is submitted that the present Scheme envisages merger of wholly owned subsidiaries (i.e. Applicant Company 1) with the Parent company (i.e. Applicant Company 2) only, and approval from SEBI and Stock Exchanges (BSE and National Stock Exchange of India Limited) may not be required in the present case in view of the above circular.

31. In view of the above, following directions are issued with respect to calling, convening and holding of meetings of the shareholders, secured creditors and unsecured creditors or dispensing with the same as well as issue of notices to regulatory authorities, which are as follows:

A. <u>In relation to Applicant Company-1 / Transferor Company 1:</u>

a. Meeting of the Equity Shareholders is dispensed with the consent affidavits of all shareholders have been obtained and placed on record.

b. Meeting of the Secured Creditors is dispensed with as there is only one (One) Secured Creditor and the consent affidavit of the sole secured creditor has been obtained and placed on record.

c. Meeting of the Unsecured Creditors is dispensed with as there is only one (One) Unsecured Creditor and the consent affidavit of the sole Unsecured Creditor has been obtained and placed on record.

B. In relation to Applicant Company-2 / Transferee Company:

a. Meeting of the Equity Shareholders to be convened on 19.12.2020 at 10:00 a.m. vide video- conferencing, subject to notice of meeting being issued. The quorum of the meeting of the Equity Shareholders shall be 1815 in number and 40% in value of the equity shareholders.

b. Meeting of the Secured Creditors to be convened on 19.12.2020 at 11:30 a.m. vide video-conferencing, subject to notice of meeting being issued. The quorum of the meeting of the Secured Creditors shall be 4 in number and 40% in value of the Secured Creditors.

c. Meeting of the Unsecured Creditors to be convened on 19.12.2020 at 12:30 p.m. vide video-conferencing, subject to notice of meeting being issued. The quorum of the meeting of the unsecured Creditors shall be 514 in number and 40% in value of the unsecured Creditors.

C In case the required quorum as noted above for the aforesaid meetings of the Applicant Company 2/Transferee Company is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meetings, is filed with the registered office of the Applicant Company 2, at least 48 hours before the meetings. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy register is properly maintained. The Scrutinizer is duty bound to record the proceedings of the meeting conducted through video conference.

d. Mr. Pushkar Sood, Advocate, R/o D-13, (GF), Anand Niketan, New Delhi-110021, M: 98100-10790, email ID: <u>pushkarsood03@gmail.com</u>, is appointed as the Chairperson for the meeting to be called under this order. He shall be paid fee of Rs. 2,00,000/- for his services as the Chairperson.

e. Ms. Sehej Sandhawalia, Advocate, R/o House No. 3060, Sector 28-D, Chandigarh, M: 78373-35849, e-mail ID: <u>sehejsandhawalia1801@gmail.com</u>, is appointed as the Alternate Chairperson for the meetings to be called under this order. She shall be paid fee of Rs. 1,25,000/- for her services as the Alternative Chairperson.

f. Mr. Jaspreet Singh Dhawan, Company Secretary, M: 98885- 15184, e-mail ID: <u>jaspreetsdhawan1@gmail.com</u>, is appointed as the Scrutinizer for the meetings to be called under this order. He shall be paid fee of Rs. 75,000/- for his services as the Scrutinizer.

g. The fee of Chairperson, Alternate Chairperson and Scrutinizer shall be borne by the Transferee Company.

h. It is further directed that the individual notices of the said meeting shall be sent by the Applicant Company 2/Transferee Company to the Shareholders, Secured and Unsecured Creditors through registered post or speed post or courier, 30 days in advance before the scheduled date of the meeting, indicating the day, date and the time and the e-link or information of the meeting, together with a copy of 'Scheme', copy of explanatory statement required to be sent under the Companies Act, 2013 and the

applicable Rules along with the proxy forms. Any other documents as may be prescribed under the Act shall also be duly sent with the notice.

i. It is further directed that along with the notices, the Applicant Company 2/Transferee Company shall also send, statement explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members etc. along with effect of the scheme on any material interests of the director of the company if any as per sub-section 3 of Section 230 of the Act.

j. It is also directed that the supplementary accounting statement of the Applicant Companies relating to the period ending 30.09.2020 be also circulated for the aforesaid meetings apart from other requirements of subsection 2 of section 230 of the Act.

k. That the Applicant Company 2 shall publish with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date and the place and the time of the meetings as aforesaid, to be published in the Financial Express (English), Himachal Pradesh and Chandigarh Edition and Jansatta (Hindi), Himachal Pradesh and Chandigarh Edition. It be stated in the advertisement that the copies of "Scheme", the explanatory statement required to be published pursuant to section 230-232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company 2. The Applicant Company 2 shall also publish the notice on its website, if any.

l. It shall be the responsibility of the Applicant Company 2 to ensure that the notices are sent under the signature and supervision of the authorized representative of the company and that they shall file their affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least 7 days before the date fixed for the meetings.

m. Voting shall be allowed on the "Scheme" in person or by proxy or through electronic means or by postal ballot, as may be applicable to the Applicant Companies under the Act and the Rules framed thereunder.

n. The Chairperson shall be responsible to report the result of the meeting to the tribunal in form number CAA 4, as per rule 14 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 within 7 days of the conclusion of the meetings. He would be fully assisted by the authorized representative of the Applicant Company 2 and the Scrutinizer, who will assist the Chairperson and Alternate Chairperson in preparing and finalizing the reports.

o. The Applicant Company 2, shall individually and in compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (Compromise Arrangement and Amalgamation) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the 'Rules' to (a) the Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, (b) Jurisdictional Registrar of Companies, (c) Commissioner of Income Tax within whose jurisdiction the Applicant Companies are assessed by mentioning the PAN numbers of both the Applicant Companies, (d) the Official Liquidator, and (e) Securities and Exchange Board of India (in Transferee Company only), (f) BSE (in Transferee Company only), (g) NSE (in Transferee Company only), stating that representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representations shall be simultaneously sent to the concerned companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

p. The Applicant Company 2 further shall furnish copy of the Scheme free of charge within one day of any requisition for the 'Scheme' made by any member or creditor entitled to attend the meetings, as aforesaid.

q. All the aforesaid directions are to be strictly complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.

32. With the aforesaid directions, this First Motion Petition stands allowed giving liberty to the Applicant Companies to file Second Motion Petition. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutiniser.

Sd/-
(Raghu Nayyar)
Member (Technical)

Sd/-
(Ajay Kumar Vatsavayi)
Member (Judicial)

November 10, 2020
Yashpal

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN: L33302HP1981PLC008123
Name of the company: **KDDL Limited**
Registered Office: Plot No 3, Sector-III, Parwanoo, Distt. Solan, (H. P) -173220

Name of the Unsecured Creditor (s): Registered address: E-mail Id:	

I/We, being the Unsecured Creditor of the above named company, hereby appoint

Name:

Address:

E-mail Id:

Signature: .....

as my/our proxy to participate and vote for me/us and on my/our behalf at the meeting of Unsecured Creditors, to be held on Saturday, 19th December, 2020 at 12:30 p.m, through video conferencing and at any adjournment thereof in respect of proposed Scheme of Amalgamation between Satva Jewellery and Design Limited and KDDL Limited pursuant to the order dated 10th November, 2020 passed by the National Company Law Tribunal, Chandigarh.

Signed this ..... day of ....., 2020

Affix Revenue Stamp

Signature of Unsecured Creditors

Signature of Proxy holder(s)

Note: The form of proxy in order to be effective should be duly completed and deposited with the Transferee Company at its registered office or by sending an email to the authorised representative of the Transferee Company at investor.complaints@kddl.com not later than 48 hours before the meeting.