Limited Review Report

To Board of Directors of Goenka Diamond and Jewels Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Goenka Diamond and Jewels Limited for the quarter and period ended December 31, 2018 attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. (a)The company has not translated following monetary items denominated in foreign currency as at the period ended closing rate and has been carried forward at the rate as at 31st March 2015, 31st March 2016, and / or 31st March 2017, which is not in accordance with Ind-AS -21 "The Effect of changes in Foreign Exchange Rates" and accounting policy followed by the Company.

    i. Trade receivable amounting to Rs. 69,806.99 lacs

    ii. Trade payables and other payable amounting to Rs. 29,717.66 lacs

    iii. Loans and Advances to subsidiaries (including accrued interest) amounting to Rs.1819.52 lacs

    Till date the company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 4463.08 lacs including net exchange gain/ (Loss) amounting to Rs. (1835.40) Lacs and Rs. 3375.07 Lacs pertaining to the quarter and period ended December 31, 2018 respectively. Accordingly, loss for the quarter is understated by Rs. 1835.40 Lacs and loss for the period ended December 31, 2018 is overstated by Rs. 3375.07 Lacs. The company has not recognized deferred tax assets amounting to Rs. 448.16 Lacs on the above cumulative exchange gain (net) including deferred tax charge for the quarter amounting to Rs. 477.21 Lacs and deferred tax credit for the period ended December 31, 2018 amounting to Rs. 877.52 Lacs.

    (b) The Company has defaulted on repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. During the earlier year, the management has decided not to provide interest on such loans and consequently based on the calculation done by the management interest amounting to Rs. 9523.38 Lacs determined at on

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Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the quarter would increase by Rs. 3234.54 Lacs and for the period would have been decreased by Rs. 1485.02 Lacs.

5. No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 69,877.78 Lacs has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". In view of defaults in payment obligations by the Trade Receivables on due date, non-recoveries from Trade Receivables, non-confirmations/ reconciliation from Trade receivables, initiation of legal action/ suits against Trade Receivables by the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of these Trade receivables, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial statements.

6. No provision for the expected credit loss/ impairment on loan to a subsidiary amounting to Rs. 1759.74 Lacs (including accrued interest) and investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 545.37 Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above subsidiary and entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of these entities, there has been significant increase in credit risk and there could be delay/default in recovery of these amounts. Considering the above, we are unable to comment on the amount of expected credit loss// impairment and its consequential impact, on the financial statements.

7. The Company's operating results have been materially affected due to various factors including non-realization of Trade receivables, defaults in repayment of loans and interest to banks, non-availability of finance due to recall of loans by banks in consortium, legal action initiated by banks against company for recovery of its dues, notices/ summon from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and from other regulatory authorities, pending cases with various Debt Recovery Tribunals and other courts for recovery of banks dues and attachment of company's properties, assignment and transfer of dues of banks in favor of an asset reconstruction company (ARC), pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, non realization of loan and interest thereon from a subsidiary etc. These events cause significant doubts on the ability of the company to continue as a going concern. The appropriateness of the going concern assumption is dependent on the company's ability to raise adequate finance from alternative

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means and / or recoveries from overseas Trade Receivables to meet its short term and long term obligations as well as to establish consistent business operation. The above situation indicates that material uncertainty exists that cast significant doubt on company's ability to continue as a going concern.

In absence of any convincing audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, outcome of pending legal action initiated against debtor and legal cases initiated by banks against company for recovery of loans and possession of Company's properties, transfer of banks dues in favor of ARC, other factors such as non-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result and ability of the company to continue as a going concern.

Based on our review, with a exception of the matters described in para 5,6 and 7 above, where we have not been able to determine the possible effect on the financial results and financial impact of the matters described in para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind-AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

8. We draw attention to:

a) Valuation of Inventory is based on determination of estimated net realizable value and specific identification involving technical judgment of management and which has been relied upon by us.

b) The company has made long term Investment in subsidiaries amounting to Rs.2.03 Lacs and Rs. 7.44 Lacs, the net worth of these subsidiaries are negative. No provision for impairment of these investments as per the requirements of Ind-AS -36 "Impairment of Assets" has been made as the management is of the view that these investments in subsidiaries are long term in nature and there is substantial business value in these subsidiaries.

c) Advance of Rs. 59.78 Lacs given to a subsidiary whose net worth is negative and is not carrying on any significant business activity. No provision against the advance given has been made as the management is of the view that the business of the subsidiary shall soon be revived and the advance will be recovered in near future.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS period-end. However, the management has confirmed that all transactions have been recorded in the books of accounts and which has been relied upon by us.

Our report is not modified in respect of these matters.

For Ummed Jain & Co.
Chartered Accountants
ICAI Firm Regn. No. 119250W

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

CA Akhil Jain
Partner
Membership No.: 137970

Mumbai
February 14,2019

GOENKA DIAMOND AND JEWELS LIMITED

Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan

CIN No.L36911RJ1990PLC005651

Statement of Standalone Unaudited Financial Results for the Quarter & Nine months ended Dec 31, 2018 prepared in compliance with the Indian Accounting Standard (Ind-AS)

(₹ in Lacs)

SR. NO.	PARTICULAR	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2018	Sept 30, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	March 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Revenue**						
	(a) Revenue from Operations	35.75	38.97	40.99	126.44	596.30	646.25
	(b) Other Income	37.55	41.74	49.73	119.18	140.11	146.71
	Total Income from operations	**73.30**	**80.71**	**90.72**	**245.62**	**736.41**	**792.96**
2	**Expenses**						
	(a) Cost of materials consumed/ Sold	27.28	37.03	37.42	105.89	282.92	330.20
	(b) Change in Inventories of finished goods, work-in-progress and stock-in-trade	(0.00)	-	-	7.22	369.78	368.35
	(c) Employee benefits expenses	17.20	17.87	19.77	53.18	63.54	85.46
	(d) Finance costs - (Refer Note No. 4(b))	13.80	13.81	14.79	41.51	43.79	58.65
	(e) Depreciation and amortisation expenses	12.48	12.61	15.79	37.44	47.36	63.15
	(f) Other expenses	18.34	21.21	18.60	62.15	111.66	139.77
	Total Expenses	**89.10**	**102.54**	**106.37**	**307.39**	**919.05**	**1,045.58**
3	**Profit / (Loss) before tax and exceptional items (1-2)**	**(15.80)**	**(21.83)**	**(15.65)**	**(61.77)**	**(182.64)**	**(252.63)**
4	Exceptional items	-	-	-	-	-	-
5	**Profit / (Loss) before tax (3-4)**	**(15.80)**	**(21.83)**	**(15.65)**	**(61.77)**	**(182.64)**	**(252.63)**
6	**Income Tax**						
	Current Tax	-	-	-	-	-	-
	Deferred Tax	0.81	0.78	(0.28)	12.37	(14.07)	(3.88)
	Total tax expenses	**0.81**	**0.78**	**(0.28)**	**12.37**	**(14.07)**	**(3.88)**
7	**Net Profit / (Loss) after tax (5-6)**	**(16.61)**	**(22.61)**	**(15.37)**	**(74.14)**	**(168.58)**	**(248.74)**
8	**Other Comprehensive Income**						
	(a) Items that will not be reclassified to profit or loss	-	-	-	-	-	1.33
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(0.35)
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(d) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	-	-	-	-		**0.98**
9	**Total Comprehensive Income for the period (7-8)**	**(16.61)**	**(22.61)**	**(15.37)**	**(74.14)**	**(168.58)**	**(247.76)**
10	Paid-up Equity Share Capital (Face Value per Share of ₹. 1/-)	**3,170.00**	**3,170.00**	**3,170.00**	**3,170.00**	**3,170.00**	**3,170.00**
11	Reserve (Excluding Revaluation Reserve)	-	-	-	-	-	23,049.59
12	**Earning Per Shares in ₹1. (Not Annualized)**						
	Basic	(0.01)	(0.01)	(0.00)	(0.02)	(0.05)	(0.08)
	Diluted	(0.01)	(0.01)	(0.00)	(0.02)	(0.05)	(0.08)

Notes:

1 **Adoption of Ind AS 115 - Revenue from Contracts with Customers**
Effective from 1st April, 2018, the Company adopted Ind AS 115," Revenue from contracts with customers", using the cumulative catch up transition method which is applied to contracts that were not completed as of the date of initial application i.e. April, 01, 2018. Accordingly, the comparative has not been retrospectively adjusted. The Company do not have any outstanding contract not completed as of April 01, 2018. So, effect of Ind AS 115 is insignificant on the financial statement.

2 Lead Bank Punjab National Bank, on behalf of all consortium banks, had issued notice u/s 13(2) of the SARFAESI Act for recall of loans to the Company and had filed application under section 14 of the SARFAESI Act for possession of the secured assets of the Company. Thereafter, CMM Court, Mumbai issued an order permitting banks to take over possession of the secured assets. The Company approached DRT to restrain banks from taking any further steps in respect of taking possession of company's properties. During the hearing of case in DRT, Mumbai and DRT, Ahmedabad, the respondent banks withdraw the demand notices already issued and prayed for liberty to issue fresh demand notices. Consequential to above the Lead Bank Punjab National Bank, on behalf of all consortium banks, has issued fresh demand notice u/s 13(2) of the SARFAESI Act on 22nd Oct 2018 for an amount of Rs. 216.62 crores owed by company to the consortium banks and Asset Reconstruction Company up to March 31, 2018 which is pending for further proceedings. Two lender banks have already transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. One Time Settlement (OTS) Proposals submitted by company to banks has been rejected by most of the banks.
The company has also recieved enquiry and summon notices from Enforcement Directorate in respect of non- recovery of dues from overseas trade receivables againsts which the company has submitted its reply and has not recieved any further queries from Enforcement Directorate till date. The Company has also recieved show cause notice from Reserve Bank of India (RBI) for non-realisation of export bills within the period precribed under the Foreign Exchange Management Act, 1999, to which the company will file reply shortly. The Company has also recieved show cause notice from Office of the Development Commissioner, Surat SEZ regarding certain non-compliances and non- relaisation of export proceeds, which is pending for final hearing.

3 The auditors in their report on financial statement for the year ended March 31, 2018 have given disclaimer of opinion on the basis of observations that the Company's operating results have been materially affected due to various factors including non-realization of trade receivables, non-availability of finance due to recall of loans by banks in consortium, legal action initiated by banks against company for recovery of its dues, pending legal cases for recovery of banks dues and for attachment of company's properties, assignment and transfer of dues of two bank in favor of an asset reconstruction company, pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, defaults in repayment of loans and interest to banks, non realization of interest on loans to subsidiary etc, which cast doubts on the ability of the Company to continue as going concern. The management is of the view that due to certain unfavourable developments and slugglish market in earlier periods, the recovery from trade receivables are slow and there is a mismatch in the cash flow resulting in default in payment to creditors, payment of statutory dues and repayment of dues to banks owing to which banks have classified the account as NPA and recalled their loans. The management is hopeful that these trade receivables shall be recovered as the company has initiated legal action by way of sending legal notices and filing court cases. The company has filed legal suits in Mumbai High Court against majority of debtors and is in process of filing legal suits against other major debtors. Further, the management is taking all possible steps to revive the business operations and has approached consortium bankers for one time settlement of entire loan dues and assumes that Company will have adequate cash flow from export realisation to defray its entire debt obligation and payment to creditors in phased manner. At the same time, management is hopeful that it will be able to raise adequate finance from internal accruals and alternate means to meet its short term and long term obligations. Hence, the accounts of the Company are prepared on going concern basis.

4 (a) Trade Receivables, Trade payables/other payables and Loans and advance given to a subsidiary denominated in foreign currency have not been restated based on exchange rate as at the year end. These Trade Receivables and Advances have been carried forward based on exchange rate as at the end of March 31, 2015, March 31, 2016 and / or as at end of March 31, 2017, as it is deemed prudent not to take cognizance of unrealised exchange difference on notional basis due to uncertainties with regard to expected time frame for realisation of Trade Receivables and loans and advances to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange difference at the time of realization of these trade receivables, Loans and advances and at the time of payment to trade creditors/ other payables.

(b) As the promoters of the Company have approached consortium banks with proposal for settlement of entire dues, envisaging part-payment of principal amount against working capital loan dues, the Board in earlier year have decided not to provide Interest on working capital borrowings availed by the Company. Accordingly, no interest liability has been provided for the financial year ended March 31, 2017, March 31, 2018 & quarter / nine months ended Dec 31, 2018. Further, no confirmations and/or statements have been recieved from lender banks and an asset reconstruction company (ARC) having outstanding dues amounting to Rs. 18166.59 lacs and various banks having debit balance of Rs. 38.08 Lacs at the nine months end. However, the management to the best of its knowledge and belief have recorded all the transactions.

(c) Had the exchange difference as referred in para 4(a) above and deferred tax assets thereupon and interest in para 4(b) above been accounted for, the loss after tax in the standalone financials for the quarter ended Dec 31, 2018 would have been increase by Rs. 3234.54 Lacs & for the period ended Dec 31, 2018 would have beed decreased by Rs. 1485.02 Lacs respectively.

5 The auditors have made observation regarding non recognition of expected credit loss on trade receivables, loan and advances (including accrued interest) given to subsidiary and investment in Optionally Convertible Debentures (including accrued interest). The management is of the view that in view of court cases initiated against the trade receivables and looking to the uncertainity regarding time frame and quantum of realisation from these trade receivables, amount of expected credit loss required to be recognized cannot be estimated. The same shall be provided as and when the information regarding quantum and time frame of realisation from these trade receivables is ascertained. With regard to loan (including accrued interest) due from subsidiary, the same is in the nature of long term loan for set up of business of the subsidiary and is part of net investment in the subsidiary. The operation of the subsidiary shall soon be revived and these loans will be recovered in near future. In respect of investment in OCD, the company assumes that the amount shall be recovered as per the terms of repayment.

6 With regard to auditors observation in standalone financial statement regarding non-provision for impairment against investment in subsidiaries amounting to Rs. 2.03 Lacs and Rs. 7.44 lacs, the management is of the view that the investment in subsidiary is in the nature of long term investment and the subsidiaries have substantial business value.

7 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary.

For Goenka Diamond & Jewesl Ltd

Nandlal Goenka
Chairman

Place : Mumbai
Date : February 14, 2019

GOENKA DIAMOND AND JEWELS LIMITED

Registered Office: 401, Pancharatna,MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan

CIN No.L36911RJ1990PLC005651

UNAUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND NINE MONTHS ENDED DEC 31, 2018

(₹ in Lacs)

Particulars	Quarter Ended			Nine month ended		Year Ended March 31, 2018
	Dec 31, 2018	Sept 30, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
(a) Diamond	35.75	38.97	40.99	126.44	596.30	648.15
(b) Jewellery	-	-	-	-	-	(1.90)
(c) Unallocable	-	-	-	-	-	-
Total	**35.75**	**38.97**	**40.99**	**126.44**	**596.30**	**646.25**
2. Segment Results						
(a) Diamond	20.42	23.96	23.21	72.95	145.67	174.90
(b) Jewellery	(33.76)	(43.89)	(44.38)	(126.10)	(303.78)	(358.47)
(c) Unallocable	-	-	-			-
Total	**(13.34)**	**(19.93)**	**(21.17)**	**(53.15)**	**(158.11)**	**(183.57)**
Less: (i) Interest	(13.80)	(13.81)	(14.79)	(41.51)	(43.79)	(58.65)
(ii) Other Income	37.55	41.74	49.73	119.18	140.11	150.89
(iii) Unallocable Expenses / Income	(26.21)	(29.82)	(29.42)	(86.29)	(120.86)	(161.30)
Total Profit Before Tax	**(15.80)**	**(21.83)**	**(15.65)**	**(61.77)**	**(182.64)**	**(252.63)**
3. Segment Assets						
(a) Diamond	65,440.23	65,445.62	65,534.26	65,440.23	65,534.26	65,463.57
(b) Jewellery	7,784.11	7,816.99	7,959.91	7,784.11	7,959.91	7,906.54
(c) Unallocable	2,620.51	2,598.92	2,433.26	2,620.51	2,433.26	2,518.41
Total	**75,844.85**	**75,861.54**	**75,927.42**	**75,844.85**	**75,927.42**	**75,888.52**
4. Segment Liabilties						
(a) Diamond	29,631.03	29,633.95	29,628.43	29,631.03	29,628.43	29,630.75
(b) Jewellery	199.02	197.16	187.68	199.02	187.68	186.99
(c) Unallocable	46,014.80	46,030.43	46,111.31	46,014.80	46,111.31	46,070.78
Total	**75,844.85**	**75,861.54**	**75,927.42**	**75,844.85**	**75,927.42**	**75,888.52**

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