



Statement of Unaudited Financial Results for the quarter/period ended December 31, 2017 prepared in compliance with the Indian Accounting Standard (Ind-AS)

Amounts in Rs.

PARTICULARS	Quarter Ended			Nine Months Ended	
	Dec-17	Sep-17	Dec-16	Dec-17	Dec-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1 Revenue from operations	4,098,991	20,039,614	2,251,474	59,629,991	25,114,106
2 Other Income	4,973,253	5,443,153	(43,877,574)	14,010,771	(57,294,572)
3 Total Income	9,072,244	25,482,767	(41,626,100)	73,640,762	(32,180,466)
4 Expenses					
a. Cost of Material Consumed / Sold	3,741,787	17,745,182	-	28,292,154	(40,926,246)
b. Changes in inventories of finished goods, work-in-progress and Stock-in-	-	11,569,280	2,553,683	36,977,787	68,253,161
c. Employee Benefits Expenses	1,977,354	1,761,431	2,728,155	6,333,975	8,904,202
d. Finance Cost	1,479,222	1,425,538	1,674,728	4,378,649	3,770,098
e. Depreciation and Amortisation	1,578,704	1,578,703	1,464,946	4,736,109	4,394,839
f. Other Expenses	1,860,117	6,391,186	2,761,106	11,166,414	8,283,238
Total Expenses	10,637,184	40,471,320	11,182,619	91,905,088	52,679,293
5 Profit (Loss) before Exceptional Items (3-4)	(1,564,940)	(14,988,553)	(52,808,719)	(18,264,325)	(84,859,759)
6 Exceptional Items	-	-	-	-	-
7 Profit (Loss) before tax (5-6)	(1,564,940)	(14,988,553)	(52,808,719)	(18,264,325)	(84,859,759)
8 Tax Expenses					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	(27,667)	42,642	226,821	(1,406,541)	1,154,041
(c) MAT credit (entitlement)/ reversal	-	-	-	-	-
Total Tax expense	(27,667)	42,642	226,821	(1,406,541)	1,154,041
9 Profit (Loss) for the period (7-8)	(1,537,273)	(15,031,195)	(53,035,540)	(16,857,784)	(86,013,800)
10 Other Comprehensive Income					
(a) Items that will not be reclassified to profit or loss	-	-	-	-	-
(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
(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	-	-	-	-	-
13 Total Comprehensive Income for the period	(1,537,273)	(15,031,195)	(53,035,540)	(16,857,784)	(86,013,800)
14 Paid up Equity Share Capital (Face value of ₹10 per Equity Share)	317,000,000	317,000,000	317,000,000	317,000,000	317,000,000
15 Basic and Diluted EPS (₹) (Not Annualised)					
Basic	(0.00)	(0.05)	(0.17)	(0.05)	(0.27)
Diluted	(0.00)	(0.05)	(0.17)	(0.05)	(0.27)

Notes:-

- The Company adopted Indian Accounting Standards (Ind AS) from 1st April, 2017. The date of transition to Ind AS is 1st April 2016 accordingly these financial results are in compliance with Ind AS, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. Consequently, the figures for the quarter and nine month ended 31st December, 2016 have been restated by the management to comply with Ind AS to make them comparable.
- This statement does not include Ind AS compliant statement of results for previous year ended 31st March 2017 as it is not mandatory as per SEBI circular dated July 5, 2016.
- Reconciliation of Net Profit and Total Comprehensive Income on account of transition from the previous Indian GAAP to Ind-AS for the quarter and nine month ended ended December 31st, 2016 is as under*:

Particulars	Corresponding 3 months ended 31.12.2016	Corresponding 9 months ended 31.12.2016
	Unaudited	Unaudited
Net profit as per Indian GAAP (AS)	(57,365,494)	(93,123,866)
Add / Less: IndAS Adjustments on account of:		
Interest income recognised on EIR basis	1,954,095	4,396,312
Exchange rate difference previously recognised under FCTR transferred to statement of profit and loss	2,525,445	3,162,510
Deferred Tax Adjustment on Interest income recognised on EIR basis	(149,585)	(448,756)
Net profit/(loss) after tax	(53,035,540)	(86,013,800)
Other Comprehensive Income (Net of Tax)	-	-
Total comprehensive income as per IND AS	(53,035,540)	(86,013,800)

- Lead Bank Punjab National Bank, on behalf of all consortium banks, has issued notice u/s 13(2) of the SARFAESI Act for recall of loans to the Company and has filed application under section 14 of the SARFAESI Act for possession of the secured assets of the Company. During the quarter CMM Court, Mumbai has issued an order permitting banks to take over possession of the secured assets. The Company has approached DRT to restrain banks from taking any further steps in respect of taking possession of company's properties. The DRT, Mumbai has ordered to maintain the status quo till February 27, 2018. Further, two lender banks have transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. Meanwhile, the One Time Settlement (OTS) Proposals submitted by company to banks is still under consideration with some banks.



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Notes:-

- 5 The auditors in their report on financial statement for the year ended March 31, 2017 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 cases with various Debt Recovery Tribunals and other courts 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 sluggish 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.
- 6 (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 end of the quarter and nine month ended 31st December, 2017 under review. 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 previous 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 and for the nine month / quarter ended December 31, 2017. Further, no confirmations and/or statements have been received from four banks and an asset reconstruction company (ARC) having outstanding borrowing amounting to Rs. 10,456.96 lacs and five banks having debit balance of Rs. 27.05 Lacs and one bank having credit balance of Rs. 15.31 Lacs at period end. However, the management to the best of its knowledge and belief have recorded all the transactions.
- (c) Had the exchange gains (loss) as referred in para 6(a) above and deferred tax assets thereupon and interest in para 6(b) above been accounted for, the loss after tax for the quarter and nine months ended Dec 31, 2017 would have been increased by Rs. 2235.00 Lacs and Rs. 3497.32 Lacs respectively. Accordingly, Trade Receivables & Advances shown under Current Financial Assets are overstated by Rs. 149.48 Lacs, Trade Payables and Other Payables shown under Current Financial Liabilities are understated by Rs. 686.58 Lacs, Loan to a Subsidiary shown under Non-Current Financial Assets is overstated by Rs. 15.60 Lacs and Deferred Tax assets are understated by Rs.161.15 Lacs as at December 31, 2017
- 7 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 uncertainty 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.
- 8 With regard to auditors observation 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.
- 9 Other income for the corresponding quarter includes Rs. 5,80,10,334 being exchange loss and corresponding nine months ended includes Rs. 8,40,71,096 being exchange loss accounted for. Cost of material consumed for the period ended December, 2016 is in negative due to recovery of raw materials by melting of finished goods.
- 10 All the three independent directors have resigned from office of directors and their resignation was accepted in the board meeting held on 6th February, 2018. The company further appointed two new Independent Directors in the board meeting held on 6th February 2018 and accordingly the Audit Committee has been reconstituted in terms with the SEBI (Listing Obligations and Disclosures Requirement) Regulations 2015 and Companies Act 2013.
- 11 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary, including regrouping of exchange gain / loss as referred in Note No. 9 above.

Place: Mumbai
Date: February 14, 2018



For Goenka Diamond And Jewels Ltd

Nandlal Goenka
Chairman



Goenka Diamond & Jewels Limited
Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan
CIN No.L36911RJ1990PLC005651
Segment information for the quarter and nine month ended December, 2017

S. No.	Particulars	Quarter Ended			Nine Months Ended	
		Dec-17	Sep-17	Dec-16	Dec-17	Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue					
	(a) Diamond	4,098,991	20,039,614	2,225,138	59,629,991	20,399,134
	(b) Jewellery	-	-	26,336	-	4,714,972
	(c) Unallocable	-	-	-	-	-
	Less:					
	Inter Segment revenue	-	-	-	-	-
	Net Segment revenue	4,098,991	20,039,614	2,251,474	59,629,991	25,114,106
2	Segment Results					
	(a) Diamond	2,320,521	3,962,609	(36,659,620)	14,567,355	(66,810,093)
	(b) Jewellery	(4,437,887)	-18,439,158	(24,526,930)	(30,378,028)	(26,182,600)
	(c) Unallocable	-	-	-	-	-
	Total Segment profit/(loss) before interest & tax					
	Less: (i) Interest	(1,479,222)	(1,425,538)	(1,674,728)	(4,378,649)	(3,770,098)
	(ii) Other Income	4,973,253	5,443,153	14,132,760	14,010,771	25,177,322
	(iii) Unallocable Expenses / Income	(2,941,604)	(4,529,619)	(4,080,201)	(12,085,775)	(13,274,290)
	Profit Before Tax	(1,564,940)	(14,988,553)	(52,808,719)	(18,264,325)	(84,859,759)
3	Segment Assets					
	(a) Diamond	6,553,425,788	6,554,281,028	6,592,413,567	6,553,423,788	6,592,413,567
	(b) Jewellery	795,990,679	800,310,960	829,011,330	795,990,679	829,011,330
	(c) Unallocable	243,325,864	238,936,395	305,204,161	243,325,864	305,204,161
	Total	7,592,742,330	7,593,528,382	7,726,629,058	7,592,742,330	7,726,629,058
3	Segment Liabilities					
	(a) Diamond	2,962,842,662	2,962,726,474	3,070,361,441	2,962,842,662	3,070,361,441
	(b) Jewellery	18,768,400	18,657,204	40,232,816	18,768,400	40,232,816
	(c) Unallocable	4,611,131,268	4,612,144,704	4,616,034,801	4,611,131,268	4,616,034,801
	Total	7,592,742,330	7,593,528,382	7,726,629,058	7,592,742,330	7,726,629,058



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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 ended December 31, 2017 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. The previously issued financial information of the Company for the quarter and period ended December 31, 2016 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and were not reviewed by one of the joint-auditor of the Company. This previously issued financial information has been restated to comply with Ind AS and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information including reconciliation of total comprehensive income to comply with Ind-AS have been reviewed by us.
3. 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.
4. 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.
5. (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.1726.01 lacs

Till date the company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 521.51 lacs including exchange loss (net) amounting to Rs. 881.94 Lacs and Rs. 542.73 Lacs pertaining to the quarter and period ended December 31, 2017 respectively. Accordingly, loss for the quarter and period ended December 31, 2017 is understated by Rs. 881.94 Lacs and Rs. 542.73 Lacs respectively. Consequential impact thereof on cumulative deferred tax assets amounting to

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Rs. 161.15 Lacs including deferred tax expense for the quarter and period ended December 31, 2017 amounting to Rs. 272.52 Lacs and Rs.167.70 lacs respectively has not been accounted for.

(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 previous 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. 5,868.89 Lacs has not been provided for in the books of accounts including interest amounting to Rs. 1,080.54 Lacs and Rs. 2,786.88 Lacs pertaining to the quarter and period ended December 31, 2017 respectively. Accordingly, finance cost and loss for the quarter and period under review is understated by Rs. 1,080.54 Lacs and Rs 2,786.88 Lacs respectively.

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 and period would have been increased by Rs. 2235.00 Lacs and Rs. 3497.32 Lacs respectively. Accordingly, Trade Receivables shown under Current Financial Assets are overstated by Rs. 146.79 Lacs, Trade Payables and Other Payables shown under Current Financial Liabilities are understated by Rs. 686.58 Lacs, Loan to a Subsidiary shown under Non-Current Financial Assets is overstated by Rs. 15.60 Lacs, Deferred Tax assets are understated by Rs.161.15 Lacs and other Current Financial Assets are overstated by Rs. 2.69 Lacs as at December 31, 2017.

6. Trade Receivables of Rs.69,883.21 Lacs which includes Rs. 69,883.21 Lacs outstanding for more than six months from due date are subject to confirmations/ reconciliation and adjustments. Since, there have been defaults in payment obligations by the debtors on due date and recoveries from these debtors are not significant, the company has initiated legal action/ suits against them. In view of the factors stated above and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame 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.
7. The Company has given Loan to a subsidiary amounting to Rs. 1662.22 Lacs (including accrued interest) whose net worth is in negative and has made investment in Optionally Convertible Debentures amounting to Rs. 521.83 Lacs (including accrued interest) in an entity whose net worth has been considerably eroded. Based on the 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. No provision for the expected credit loss/ impairment on these loans and investment has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". Considering the above factors, we are unable to comment on the amount of impairment loss and its consequential impact on the financial statements.
8. 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, notices



from enforcement directorate, 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, defaults in repayment of loans and interest to banks, 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 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.

In absence of any convincing audit evidences regarding certainty 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 and 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 etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result. We are also unable to conclude on ability of the company to carry on as a going concern.

9. Based on our review, with a exception of the matters described in para 6,7 and 8 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 5 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.

10. 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.

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- 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.
- d) Refer Note No 7 (b) regarding outstanding dues/ debit balances amounting to Rs. 10,456.96 lacs of five banks and an asset reconstruction company which have neither issued statements nor confirmed outstanding balances as at 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


Akhil Jain
Partner
Membership No.: 137970

Mumbai
February 14, 2018

For RSVA & Co.
Chartered Accountants
ICAI Firm Regn. No. 110504W


B.N. Rao
Partner
Membership No.: 039555



Mumbai
February 14, 2018