

Independent Auditors' Review Report on Unaudited Consolidated Quarterly and Half Yearly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To the Board of Directors of
Goenka Diamond and Jewels Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results ("the Statement") of **Goenka Diamond and Jewels Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and half year ended September 30, 2020, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under, and other accounting principles generally accepted in India and in Compliance with regulation 33 of the Listing Regulation. Our responsibility is to issue a report on the Statement based on our review of the Statement.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The accompanying consolidated financial results are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and include financial results of the following entities:

| Sr. No. | Name of the Entity | Relationship |
|---------|--------------------------------|--------------|
| 1. | M.B. Diamonds LLC | Subsidiary |
| 2. | Goenka Diamond and Jewels DMCC | Subsidiary |
| 3. | Solitaire Diamond Exports | Subsidiary |



5. (a) The holding company has not translated following monetary items denominated in foreign currency as at the half year 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 group.

- i. Trade receivable amounting to Rs. 69703.18 lacs
- ii. Trade payables and other payable amounting to Rs. 29717.66 lacs

The Holding Company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 6883.98 lacs including exchange loss amounting to Rs. 1093.35 lacs and Rs. 911.13 Lacs pertaining to the quarter and half year ended September 30, 2020. Accordingly, exchange loss for the quarter and half year ended September 30, 2020 is understated by Rs. 1093.35 Lacs and Rs. 911.13 lacs respectively. The Holding Company has not recognized deferred tax liability amounting to Rs. 427.80 Lacs on the above cumulative exchange gain (net) for the half-year ended September 30, 2020.

(b) The Holding 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. The Holding Company's management has decided not to provide interest on such loans and consequently based on the calculation done by the management total interest amounting to Rs. 14756.16 Lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs. 726.30 Lacs and Rs. 1444.70 lacs pertaining to the quarter and half year ended September 30, 2020. Accordingly, finance cost for the quarter and half year ended is understated by Rs. 726.30 Lacs and Rs. 1444.70 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 for the quarter and half year would have been increased by Rs. 1819.65 Lacs and Rs. 2355.83 lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under: -

| Head of Assets/ Liabilities | Assets | | Liabilities | |
|--------------------------------|-----------------|---------------|-----------------|----------------|
| | Understatement | Overstatement | Understatement | Overstatement |
| Trade Receivables | 10565.51 | | | |
| Trade Payables | | | 3680.72 | |
| Current financial liabilities | | | 14756.97 | |
| Deferred Tax Assets | | | 427.80 | |
| Other Equity | | | | 8299.98 |
| Total | 10565.51 | - | 18865.49 | 8299.98 |

Due to uncertainties with respect to settlement of bank dues and interest, adjustments of trade receivables and payables and its consequential impact on taxation thereof, we are unable to ascertain the tax impact and liability, on the financial results.

(c) We draw attention to Note No. 2 and 3(b) of financial results regarding default in repayment of loans and interest to banks (including ARC) owing to which the banks has classified the account as NPA and recalled its loans and has initiated various legal actions for recovery of its dues including legal action initiated under SARFESI Act, The Recovery of Debts



due to Banks and Financial Institution Act, 1993 and Insolvency and Bankruptcy Code, 2016 for which the proceedings are still going on. The outstanding loan balances due to banks (including ARC) amounting to Rs. 15688.07 Lacs for which no confirmation/ statements have been obtained and are subject to reconciliation and subsequent adjustments.

(d) No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 75550.01 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 holding company, notices/ summon to the company/director(s) from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ 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 results.

(e) No provision for investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 675.54 Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of the entity, there has been significant increase in credit risk and there could be delay/default in recovery of this amount. Considering the above, we are unable to comment on the amount of impairment and its consequential impact, on the consolidated financial results.

(f) The Inventory of group has been taken on the basis of physical verification carried out by the management as at the half year end and its valuation is based on determination of estimated net realizable value and specific identification which involves technical judgment of management. We have relied upon by the physical verification and valuation of the Inventory as certified and determined by the management.

(g) Balances with Banks amounting to Rs 37.54 lacs (debit balances) and Rs. 2471.64 lacs (credit balance) at the half year end, Trade Payables and Other Current Assets and Liabilities of Holding Company are subject to confirmations and consequential adjustment thereof.

(h) We draw attention to the Note No. 7 of the consolidated financial results, which describes management's assessment of the impact of the COVID-19 pandemic on the consolidated financial results of the Group.

5. Material Uncertainty related to going concern

The Group'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 actions/ insolvency proceedings initiated by banks against company for recovery of its dues, notices/ summon to the company/director(s) from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and from other regulatory authorities, pending cases with National Company Law Tribunal, Debt Recovery Tribunals and other courts for recovery of banks dues and possession/attachment/sale 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, etc. We are also unable to determine the impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein above. These events cause significant doubts on the ability of the group to continue as a going concern. The appropriateness of the going concern assumption is dependent on the group's ability to raise adequate finance from alternative means, settlement of holding company's due from banks and ARC 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 exist that cast significant doubt on group's ability to continue as a going concern.

Based on our review, with a exception of the matters described in para 4(c) to (g) 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(a) and (b) above and considering the facts stated in para 5 regarding material uncertainty relating to Going Concern, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated 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 there-under 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 (as amended) including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information / financial results of three subsidiaries included in the unaudited consolidated financial results, whose interim financial information / financial results reflects, total assets of Rs. 6307.84 lacs, total revenues of Rs. NIL lacs, total net loss after tax of Rs. 169.71 lacs and total comprehensive loss of Rs. 169.71 lacs, for the half year ended September 30, 2020, as considered in the unaudited consolidated financial results. These interim financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

For Ummed Jain & Co.

Chartered Accountants

ICAI Firm Regn. No. 119250W


Akhil Jain

Partner

Membership No.: 139970

UDIN: 20137970AAAADK9953



Mumbai

November 11, 2020

Independent Auditors' Review Report on Unaudited Standalone Quarterly and Half Yearly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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 ("the Company") for the quarter and half year ended September 30, 2020 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 amended).
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under, and other accounting principles generally accepted in India and in Compliance with regulation 33 of the Listing Regulation. Our responsibility is to issue a report on the Statement based on our review of the Statement.
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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. (a) The company has not translated following monetary items denominated in foreign currency as at the half year 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.69703.18 lacs
 - ii. Trade payables and other payable amounting to Rs.29717.66 lacs
 - iii. Loans and Advances to subsidiaries (including accrued interest) amounting to Rs.1993.48 lacs

The company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 7135.26 lacs including exchange loss amounting to Rs. 1143.83 Lacs and Rs. 953.19 pertaining to the quarter and half-year ended September 30, 2020 respectively. Accordingly, exchange loss for the quarter ended and half-year ended



September 30, 2020 is understated by Rs. 1143.83 and Rs. 953.19 Lacs respectively. The company has not recognized deferred tax liability amounting to Rs. 428.59 Lacs on the above cumulative exchange gain (net) for the half year ended September 30, 2020.

(b) The Company has defaulted in repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. The management has decided not to provide interest on such loans and consequently based on the calculation done by the management total interest amounting to Rs. 14756.16 Lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs.726.30 Lacs and Rs. 1444.70 Lacs pertaining to the quarter and half year ended September 30, 2020. Accordingly, finance cost for the quarter and half year under review is understated by Rs.726.30 Lacs and Rs. 1444.70 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 profit before tax for the quarter and half year ended would have been decrease by Rs. 1870.13 Lacs and Rs. 2397.89 Lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under: -

| Head of Assets/ Liabilities | Assets | | Liabilities | |
|--------------------------------|-----------------|---------------|-----------------|----------------|
| | Understatement | Overstatement | Understatement | Overstatement |
| Trade Receivables | 10565.51 | | | |
| Trade Payables | | | 3680.72 | |
| Non-Current financial assets | 174.53 | | | |
| Current Financial Assets | 76.76 | | | |
| Current financial liabilities | | | 14756.97 | |
| Deferred Tax Assets | | | 428.59 | |
| Other Equity | | | | 8049.49 |
| Total | 10816.79 | - | 18866.28 | 8049.49 |

Due to uncertainties with respect to settlement of bank dues and interest, adjustments of trade receivables and payables and its consequential impact on taxation thereof, we are unable to ascertain the tax impact and liability, on the financial results.

(c) We draw attention to Note No. 2 and 3(b) of financial results regarding default in repayment of loans and interest to banks (including ARC) owing to which the banks has classified the account as NPA and recalled its loans and has initiated various legal actions for recovery of its dues including legal action initiated under SARFESI Act, The Recovery of Debts due to Banks and Financial Institution Act, 1993 and Insolvency and Bankruptcy Code, 2016 for which the proceedings are still going on. The outstanding loan balances due to banks (including ARC) amounting to Rs. 15688.07 Lacs for which no confirmation/ statements have been obtained and are subject to reconciliation and subsequent adjustments.

(d) No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 69708.09 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, notices/ summon to the Company/Director(s) from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ 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 results.

(e) No provision for the expected credit loss/ impairment on loan to a subsidiary amounting to Rs. 1933.70 Lacs (including accrued interest) and investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 675.54 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 results.

(f) The Inventory has been taken on the basis of physical verification carried out by the management as at the half year end and its valuation is based on determination of estimated net realizable value and specific identification which involves technical judgment of management. We have relied upon by the physical verification and valuation of the Inventory as certified and determined by the management.

(g) The company has made investment of Rs. 2.03 lacs and has given advance of Rs.59.78 lacs to its subsidiary namely M.B. Diamonds LLC and has made investment of Rs. 7.44 lacs in its subsidiary namely Goenka Diamond and Jewels DMCC, the net-worth of these subsidiaries is negative. The Company has not made any provision for Impairment against these investments and advance.

(h) Balances with Banks amounting to Rs. 37.54 lacs (debit balances) and Rs. 2471.64 lacs (credit balance) at the half year end, Trade Payables and Other Current Assets and Liabilities are subject to confirmations and consequential adjustment thereof.

(i) We draw attention to the Note No. 7 of the standalone financial results, which describes management's assessment of the impact of the COVID-19 pandemic on the standalone financial results of the Company.

5. Material Uncertainty related to going concern

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 actions/ insolvency proceedings initiated by banks against company for recovery of its dues, notices/ summon to company/director(s) from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and from other regulatory authorities, pending proceeding with National Company Law Tribunal, Debt Recovery Tribunals and other courts for recovery of banks dues and possession/attachment/sale of company's properties, assignment and transfer of dues 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



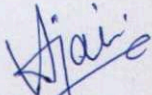
loan and interest thereon from a subsidiary etc. We are also unable to determine the impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein above. These events cause significant doubts on the ability of the company 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, settlement of its due from banks and ARC and 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 exist that cast significant doubt on company's ability to continue as a going concern.

Based on our review, with a exception of the matters described in para 4(c) to (h) 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(a) and (b) above and considering the facts stated in para 5 regarding material uncertainty relating to Going Concern, 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 (as amended) including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Ummid Jain & Co.

Chartered Accountants

ICAI Firm Regn. No. 119250W



Akhil Jain

Partner

Membership No.: 139970

UDIN: 20137970AAAADL6399



Mumbai

November 11, 2020



GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No. L36911RJ1990PLC005651

Statement of Unaudited Standalone and Consolidated Assets and Liabilities as on Sept 30, 2020

| Particulars | Amount in Lakhs Except Share Data | | Amount in Lakhs Except Share Data | |
|--|-----------------------------------|------------------|-----------------------------------|------------------|
| | STANDALONE | | CONSOLIDATED | |
| | As at 30/09/2020 | As at 31/03/2020 | As at 30/09/2020 | As at 31/03/2020 |
| | Unaudited | Audited | Unaudited | Audited |
| I ASSETS | | | | |
| 1 Non-Current Assets | | | | |
| (a) Property, Plant and Equipment | 738.21 | 759.41 | 744.47 | 766.18 |
| (b) Intangible Assets | - | - | - | - |
| (c) Investment Property | - | - | - | - |
| (d) Financial Assets | | | | |
| (i) Investments | 19.48 | 448.76 | - | 429.29 |
| (ii) Loans | 1,249.95 | 1,249.95 | - | - |
| (iii) Others financial assets | 13.23 | 205.86 | 13.71 | 206.34 |
| (e) Deferred tax assets | 49.93 | 52.65 | 49.93 | 52.65 |
| 2 Current assets | | | | |
| (a) Inventories | 1,302.00 | 1,490.47 | 1,743.27 | 2,058.05 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 69,734.56 | 69,833.98 | 75,576.48 | 75,684.04 |
| (ii) Investments | 429.29 | - | 429.29 | - |
| (iii) Cash and cash equivalents | 60.94 | 83.42 | 63.25 | 87.21 |
| (iv) Bank Balance other than cash and cash equivalent | 0.10 | 0.10 | 0.10 | 0.10 |
| (v) Others current financial assets | 2,307.32 | 1,699.54 | 1,564.77 | 1,006.98 |
| (c) Other current assets | 37.28 | 38.55 | 51.91 | 53.24 |
| TOTAL ASSETS | 75,942.30 | 75,862.69 | 80,237.18 | 80,344.10 |
| II EQUITY AND LIABILITIES | | | | |
| 1 Equity | | | | |
| (a) Equity Share capital | 3,170.00 | 3,170.00 | 3,170.00 | 3,170.00 |
| (b) Other Equity | 23,009.64 | 22,965.59 | 21,295.25 | 21,439.71 |
| (c) Non Controlling Interest | - | - | 6.79 | 6.78 |
| 2 Non-current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | - | - | - | - |
| (b) Provisions | 10.52 | 10.52 | 10.52 | 10.52 |
| 3 Current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | - | - | 364.74 | 252.78 |
| (ii) Trade payables | - | - | - | - |
| A. Dues to Micro enterprise and small enterprise | - | - | - | - |
| B. Dues other than Micro enterprise and small enterprise | 29,833.65 | 29,821.31 | 35,900.70 | 35,999.57 |
| (iii) Other financial liabilities | 19,306.10 | 19,305.24 | 18,873.52 | 18,871.41 |
| (b) Other current liabilities | 131.32 | 130.36 | 131.38 | 130.42 |
| (c) Provisions | 3.74 | 3.74 | 3.74 | 3.74 |
| (d) Current Tax Liabilities (Net) | 477.31 | 455.91 | 480.52 | 459.15 |
| TOTAL - EQUITY AND LIABILITIES | 75,942.30 | 75,862.69 | 80,237.18 | 80,344.10 |





GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No.L36911RJ1990PLC005651

Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended Sept 30, 2020 prepared in compliance with the Indian Accounting Standard (Ind-AS)

Amount in Lakhs Except Share Data

| SR. NO. | PARTICULAR | STANDALONE | | | | | |
|---------|--|----------------------|---------------|---------------|-----------------|---------------|-----------------|
| | | QUARTER MONTHS ENDED | | | HALF YEAR ENDED | | YEAR ENDED |
| | | Sept 30, 2020 | June 30, 2020 | Sept 30, 2019 | Sept 30, 2020 | Sept 30, 2019 | March 31, 2020 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | |
| 1 | Revenue | | | | | | |
| | (a) Revenue from Operations | 224.19 | (0.68) | 586.18 | 223.51 | 724.67 | 1,271.25 |
| | (b) Other Income | 44.12 | 67.86 | 42.63 | 111.98 | 83.36 | 178.53 |
| | Total Income from operations | 268.31 | 67.19 | 628.80 | 335.50 | 808.03 | 1,449.78 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed/ Sold | 148.52 | - | 630.93 | 148.52 | 737.63 | 1,167.50 |
| | (b) Change in Inventories of finished goods, work-in-progress and stock-in-trade | 39.95 | - | (87.01) | 39.95 | (87.01) | (6.84) |
| | (c) Employee benefits expenses | 8.77 | 15.53 | 16.24 | 24.30 | 32.17 | 67.11 |
| | (d) Finance costs - (Refer Note No. 3(b)) | 14.45 | 13.80 | 13.78 | 28.25 | 30.08 | 57.69 |
| | (e) Depreciation and amortisation expenses | 8.80 | 12.40 | 11.18 | 21.20 | 22.28 | 44.55 |
| | (f) Other expenses | 12.52 | 13.98 | 16.36 | 26.50 | 33.87 | 123.95 |
| | Total Expenses | 233.01 | 55.71 | 601.47 | 288.72 | 769.01 | 1,453.96 |
| 3 | Profit / (Loss) before tax and exceptional items (1-2) | 35.30 | 11.48 | 27.32 | 46.78 | 39.01 | (4.18) |
| 4 | Exceptional items | - | - | - | - | - | - |
| 5 | Profit / (Loss) before tax (3-4) | 35.30 | 11.48 | 27.32 | 46.78 | 39.01 | (4.18) |
| 6 | Tax Expenses | | | | | | |
| | Current Tax | - | - | - | - | - | - |
| | Deferred Tax | 1.13 | 1.59 | 1.74 | 2.72 | 3.11 | 5.42 |
| | Total tax expenses | 1.13 | 1.59 | 1.74 | 2.72 | 3.11 | 5.42 |
| 7 | Net Profit / (Loss) after tax (5-6) | 34.17 | 9.90 | 25.58 | 44.06 | 35.90 | (9.58) |
| 8 | Other Comprehensive Income | | | | | | |
| | (a) Items that will not be reclassified to profit or loss | - | - | - | - | - | (0.09) |
| | (b) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | 0.02 |
| | (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 / (loss) | - | - | - | - | - | (0.07) |
| 9 | Total Comprehensive Income / (loss) for the period (7-8) | 34.17 | 9.90 | 25.58 | 44.06 | 35.90 | (9.65) |
| 10 | Loss for the year attributable to: | | | | | | |
| | a) Owners of the parent | | | | | | |
| | b) Non-controlling interests | | | | | | |
| 11 | Other comprehensive income attributable to: | | | | | | |
| | a) Owners of the parent | | | | | | |
| | b) Non-controlling interests | | | | | | |
| 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 | Other Equity (Excluding Revaluation Reserve) | - | - | - | - | - | 22,965.59 |
| 12 | Earning Per Shares in ₹ 1. (Not Annualized) | | | | | | |
| | Basic | 0.01 | 0.00 | 0.01 | 0.01 | 0.01 | (0.00) |
| | Diluted | 0.01 | 0.00 | 0.01 | 0.01 | 0.01 | (0.00) |

Notes:

- Lead Bank Punjab National Bank, on behalf of all consortium banks, had issued fresh notice u/s 13(2) of the SARFAESI Act (after withdrawing its earlier notice) on October 22, 2018 for an amount of Rs. 216.62 crores owed by company to the consortium banks (excluding dues of one bank) and Asset Reconstruction Company up to March 31, 2018 and subsequently issued possession notices for company's properties and thereafter for sale of secured assets of the company which was stayed by DRT-1, Mumbai vide its order dated December 30, 2019. Further, Punjab & Sind Bank (one of the consortium bank) has issued separate notice u/s 13(2) of the SARFAESI Act on January 07, 2020 for recovery of an amount of Rs. 77.26 Crores (including interest upto December 31, 2019) within 60 days of the receipt of notice, which as per the management is already covered under the above stay order by DRT. Further, Mumbai DRT has also issued summons dated June 3, 2019 on application made by Punjab & Sind Bank (one of the consortium bank) under section 19(4) of The Recovery of Debts due to Banks and Financial Institution Act, 1993 for recovery of an amount of Rs. 56.92 crores owed by company to the bank, which is pending for hearing. The Corporation Bank (one of the consortium bank) has filed petition with National Company Law Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiating corporate insolvency resolution process which is adjourned for next hearing date. Four lender banks up to the reporting date have already transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. One Time Settlement (OTS) Proposals submitted by company to other banks has been rejected by the banks and has requested to improve the OTS proposal. The company and its managing director have also received enquiry and summon notices from Enforcement Directorate in respect of non-recovery of dues from overseas trade receivables against which the company has submitted its reply or are in process of submitting reply and managing directors have attended the personal hearing proceedings. The Company has also received show cause notice from Reserve Bank of India (RBI) for non-realisation of export bills within the period prescribed under the Foreign Exchange Management Act, 1999, to which the company has replied or in process of replying. The Company has also received show cause notice from Office of the Development Commissioner, Surat SEZ regarding certain non-compliances and non-realisation of export proceeds, which is pending for final hearing.





GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No.L36911RJ1990PLC005651

Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended Sept 30, 2020 prepared in compliance with the Indian Accounting Standard (Ind-AS)

- 2 The auditors in their report on financial statement for the year ended March 31, 2020 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 including initiating corporate insolvency resolution process with NCLT under Insolvency and Bankruptcy Code and for attachment of company's properties, assignment and transfer of dues of three banks 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, non-confirmation of various balances 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. Further, the management is taking all possible steps to revive the business operations. The Company has approached consortium bankers and ARC for settlement of 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.
- 3 (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 period end and consequential tax impact on above has also not been accounted for. 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 and their consequential tax impact 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 and ARC 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, March 31, 2019, March 31, 2020 and quarter and half year ended September 30, 2020. Further, no confirmations and/or statements have been received from lender banks having outstanding dues amounting to Rs. 15688.07 lacs, deposit/advance given to an assets reconstruction company amounting to Rs. 1335.61 lacs and various banks having debit balance of Rs. 37.54 Lacs & credit balance of Rs. 2471.64 at the quarter and half year ended September 30, 2020. These balances are subject to reconciliation and subsequent adjustments. 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 3(a) above and interest in para 3(b) above been accounted for, the profit after tax in the standalone financials results for the quarter and half year ended September 30, 2020 would have been decreased by Rs.1870.13 lacs and Rs. 2397.89 lacs respectively.
- 4 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 opinion 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.
- 5 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.
- 6 The Company has given Rs. 1335.61 lacs to Alchemist Asset Reconstruction Company Ltd (ARC) as adhoc advance payment/ security Deposit to show its intent of settlement of its dues with four lender banks assigned to ARC. The terms and conditions of the settlement are yet to be finalised.
- 7 **Impact of COVID-19:**
In view of the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020. The Company's operations which were already materially affected due to reasons as stated in Note 2 above, the impact of the COVID-19 pandemic is not material to the current business operations of the Company. As per the management, the Company's future operations are dependent on the recoveries from trade receivables and settlement of its dues with banks/ARC which might not get delayed significantly due to pandemic.
The Company has considered internal and external information up to the date of approval of these financial statements including economic forecast, expected recoveries from trade receivables and settlement of its dues with banks/ARC and expects to recover the carrying value of property, plant & equipment, investments, inventories and other current assets appearing in the financial results of the Company. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 8 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary.

Place : Mumbai
Date : November 11, 2020



For Goenka Diamond & Jewels Ltd

Nandlal Goenka
Chairman

