



Goenka Diamond & Jewels Limited
Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan
CIN No.L36911RJ1990PLC005651

Statement of Unaudited Financial Results for the quarter ended June 30, 2017 prepared in compliance with the Indian Accounting Standard (Ind-AS)

Sl. No.	PARTICULARS	Amount (Rs.)	
		Quarter Ended	
		Jun-17 Unaudited	Jun-16 Unaudited
1	Revenue from operations	3,54,91,386	75,68,911
2	Other Income (refer Note no. 11)	35,94,365	(6,24,67,518)
3	Total Income	3,90,85,751	(5,48,98,607)
4	Expenses		
	a. Cost of Material Consumed	68,05,185	0
	b. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2,54,08,507	84,55,706
	c. Employee Benefits Expenses	26,15,190	31,36,377
	d. Finance Cost	14,73,889	7,40,288
	e. Depreciation and Amortisation	15,78,703	14,64,946
	f. Other Expenses	29,15,111	31,27,850
	Total Expenses	4,07,96,585	1,69,25,167
5	Profit (Loss) before Exceptional Items (3-4)	(17,10,834)	(7,18,23,774)
6	Exceptional Items	-	-
7	Profit (Loss) before tax (5-6)	(17,10,834)	(7,18,23,774)
8	Tax Expenses		
	(a) Current tax	-	-
	(b) Deferred tax	(14,21,517)	1,11,075
	(c) MAT credit (entitlement)/ reversal	-	-
	Total Tax expense	(14,21,517)	1,11,075
9	Profit (Loss) for the period (7-8)	(2,89,317)	(7,19,34,849)
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	(2,89,317)	(7,19,34,849)
14	Paid up Equity Share Capital (Face value of ₹10 per Equity Share)	31,70,00,000	31,70,00,000
15	Basic and Diluted EPS (₹) (Not Annualised)		
	Basic	(0.00)	(0.23)
	Diluted	(0.00)	(0.23)

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 ended 30th June, 2016 have been restated to comply with Ind AS to make them comparable.
- This statement does not include Ind AS compliant results for preceding quarter and 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 ended June 30, 2016 is as under:

Particulars	Amount (Rs.)
	Quarter Ended June-16
Net profit as per Indian GAAP (AS)	(7,47,76,603)
Add / Less: IndAS Adjustments on account of:	
Interest income recognised on EIR basis	29,91,339
Deferred Tax Adjustment on Interest income recognised on EIR basis	(1,49,585)
Net profit/(loss) after tax	(7,19,34,849)
Other Comprehensive Income (Net of Tax)	-
Total comprehensive income as per IND AS	(7,19,34,849)

- The IND AS compliant corresponding figures for quarter ended 30th June, 2016 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs
- Out of the total public issue proceeds of Rs.12651 Lacs, Company has uptill June 30, 2017 utilised Rs.12574 Lacs towards object of the issue as interse re-allocated and approved by the Board of Directors at their meeting held on May 24, 2011. Pending utilisation of the balance proceeds, the same have been temporarily invested in Bank Balances and other liquid assets.
- 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. The banks have also initiated legal action in various courts for possession of Company's properties against which the company is in process of filing or has filed appeal/ reply for maintaining status quo. Further, one of the lender banks has 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:-

- 7 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 a 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 temporary mismatch in the cash flow resulting in default in payment to creditors, repayment of statutory dues and dues to banks owing to which banks have classified the account as NPA and recalled their loans. The management is hopeful that these old 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.
- 8 (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 period 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 and 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 of the financial year ended March 31, 2017 and for the quarter ended June 30, 2017. Further, no confirmations and/or statements have been received from three banks and an asset reconstruction company (ARC) having outstanding borrowing amounting to Rs. 3922.93 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 8(a) above and interest in para 8(b) above been accounted for, the loss after tax for the quarter ended would have been increased by Rs 975.45 lacs.
- 9 The auditors have made observation regarding non recognition of expected credit loss on trade receivables, loan and advances given to subsidiary and investment in Optionally Convertible Debentures. 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.
- 10 With regard to auditors observation regarding non-provision against investment in subsidiaries amounting to Rs. 2.03 Lacs and Rs. 7.44 lacs and advance of Rs. 59.78 lacs to one of the subsidiary, 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.
- 11 Other income for the corresponding quarter ended June 30, 2016 includes Rs. 6,95,32,263 being exchange loss accounted for during the quarter.
- 12 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary, including regrouping of exchange loss as referred in Note No. 11 above.

Place: Mumbai
Date: September 14, 2017

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
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Segment Information for the Quarter Ended June, 2017

S. No.	Particulars	Quarter Ended	
		Jun-17	Jun-16
		Unaudited	Unaudited
1	Segment Revenue		
	(a) Diamond	3,54,91,386	39,95,625
	(b) Jewellery	-	35,73,286
	(c) Unallocable	-	-
	Less:		
	Inter Segment revenue	-	-
	Net Segment revenue	3,54,91,386	75,68,911
2	Segment Results		
	(a) Diamond	82,84,226	(7,21,39,907)
	(b) Jewellery	(75,00,983)	(9,66,268)
	(c) Unallocable	-	-
	Total Segment profit/(loss) before interest & tax		
	Less: (i) Interest	(14,73,889)	(7,40,288)
	(ii) Other Income	35,94,365	70,64,745
	(iii) Unallocable Expenses / Income	(46,14,553)	(50,42,056)
	Profit Before Tax	(17,10,834)	(7,18,23,774)
3	Segment Assets		
	(a) Diamond	6,56,76,33,522	6,59,38,14,068
	(b) Jewellery	81,96,89,805	85,42,70,149
	(c) Unallocable	23,41,27,870	29,44,82,153
	Total	7,62,14,51,197	7,74,25,66,370
4	Segment Liabilities		
	(a) Diamond	2,96,70,26,882	3,05,55,87,718
	(b) Jewellery	3,94,26,250	4,07,47,412
	(c) Unallocable	4,61,49,98,065	4,64,62,31,240
	Total	7,62,14,51,197	7,74,25,66,370



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 period ended June 30, 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 ended June 30, 2016 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and were reviewed by us. 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 are not subject to our review. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
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.1,660.91 lacs

Till date the company has not provided for cumulative exchange gain on the above items amounting to Rs. 962.48 lacs including exchange loss amounting to Rs. 101.76 Lacs pertaining to the quarter ended June 30, 2017. Accordingly, loss due to exchange difference for the quarter is understated by Rs. 101.76 Lacs and consequential impact thereof on cumulative deferred tax assets amounting to Rs. 297.40 Lacs including deferred tax assets reversal for the quarter ended June, 2017 amounting to Rs. 31.44 Lacs 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. 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.3,924.26 Lacs has not been provided for in the books of accounts including interest amounting to Rs. 842.25 Lacs pertaining to the quarter ended June 30, 2017. Accordingly, finance cost and loss for the quarter under review is understated by Rs.842.25 Lacs.

Had the exchange difference as stated in para (a) above and interest on loan as stated in para (b) above been provided, the loss after tax for the quarter would have been increased by Rs.975.45 Lacs.



6. Trade Receivables of Rs.69,882.91 Lacs which includes Rs. 69,855.43 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.1,622.89 Lacs (including accrued interest) whose net worth is in negative and has made investment in Optionally Convertible Debentures amounting to Rs. 467.31 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, 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 a 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. 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, 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.

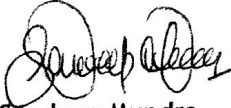


10. We draw attention to:

- 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.
- 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 8 (b) regarding outstanding dues amounting to Rs. 3,922.93 lacs of three 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 B. Khosla & Co.
Chartered Accountants
ICAI Firm Regn. No. 000205C


Sandeep Mundra
Partner
Membership No.: 75482



Mumbai
Sept 14, 2017

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


B.N.Rao
Partner
Membership No.: 039555



Mumbai
Sept 14, 2017