

# Classic Diamonds (India) Ltd.

14<sup>th</sup> February, 2014

The Manager  
Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East)  
Mumbai 400051

Dear Sir/Madam,

**Sub - Business transacted at the Board Meeting.**

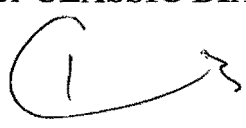
The Board Meeting of the Company was held today on Friday, 14<sup>th</sup> February, 2014 at 3.30 p.m. at the Registered office of the Company at Off. Premises No.701, Seventh Floor, Majestic Shopping, Centre Premises Co-op Soc. Ltd. J.S.S. Road Girgaum, Mumbai:- 400004 whereat the Board approved the following business:

- Approval of Unaudited Financial Results for the quarter ended 31<sup>st</sup> December, 2013.
- With a view to conserve resources the Directors have not recommended any dividend for the Quarter ended 31<sup>st</sup> December, 2013

This is for your information.

Thanking you,  
Yours faithfully,

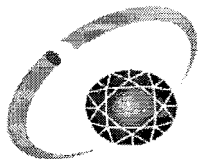
**For CLASSIC DIAMONDS (INDIA) LIMITED**

  
**KUMAR C. BHANSALI**  
(Chairman & Managing Director)



Regd. Office:

701, Majestic Shopping Centre Premises Co-op Soc. Ltd., 144 J.S.S. Road, Girgaum Mumbai 400 004.



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14<sup>th</sup> February, 2014

The Manager  
Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East)  
Mumbai 400051

Dear Sir/Madam,

**Ref: Unaudited Results for the Quarter ended 31<sup>st</sup> December, 2013.**

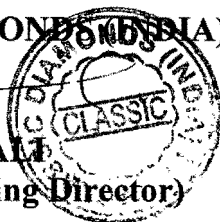
Enclosed please find the unaudited results for the period ended 31<sup>st</sup> December, 2013.

Kindly find the same in order and acknowledge the receipt.

Thanking you,  
Yours faithfully,

**For CLASSIC DIAMONDS (INDIA) LIMITED**

  
**KUMAR C. BHANSALI**  
(Chairman & Managing Director)



Regd. Office:

701, Majestic Shopping Centre Premises Co-op Soc. Ltd., 144 J.S.S. Road, Girgaum Mumbai 400 004.



# JMR & ASSOCIATES

CHARTERED ACCOUNTANTS

Boman House, Office No. 4, 1st Floor, 2nd Homji Street, P. M. Road, Fort, Mumbai - 400 001  
Tel : 91 22 66102224 / 25 / 26 • Fax : 91 22 66102226 • Email : info@jmrassociates.com • Website : www.jmrassociates.com

## LIMITED REVIEW REPORT

To,  
The Board of Directors,  
CLASSIC DIAMONDS (INDIA) LIMITED.

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **CLASSIC DIAMONDS (INDIA) LIMITED** ("the Company") for the Quarter and Nine Months ended 31 December, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. 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 the Statement based on our review.
2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is 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.
3. *Basis of Disclaimer of Opinion:*
  - a. *We are unable to confirm the existence and value of inventories by the alternative means as of 31 December, 2013. The Company follows as per industry practice; the cost in respect of stock of finished goods (polished diamonds) is based on technical estimate by the management. In view of the nature of variation in the value of individual diamonds, the differentials in their costs, it is not practical to compute the cost of polished diamonds using either FIFO or weighted average cost. In view of multiple grades, it is not practical to use specific cost. The basis of valuing stock, to avoid distortion in valuation, is to that extent a deviation from that as prescribed by Accounting Standard (AS -2) (Revised), 'Valuation of Inventories' issued by the Institute of Chartered Accountants of India. The impact on the profit for the quarter period, reserves and surplus and inventories as at 31 December 2013, if any, due to above deviations is not ascertainable.*
  - b. *We are also unable to confirm the bank balance (including working capital facility and overdraft) and interest payable thereon since the accounts are freezed by the consortium of banks and by income tax authorities and as a result facility has been ceased to be operational.*
  - c. *The Company has been unable to renegotiate its borrowings from its bankers and also incurred loss in current year and previous year. Without such financial support there is doubt that it will be able to*





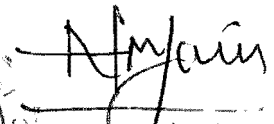
# JMR & ASSOCIATES

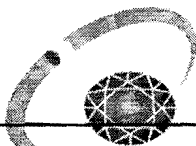
CHARTERED ACCOUNTANTS

*continue as a going concern. Consequently, adjustments may be required to the recorded asset amounts and classification of liabilities. The financial statements (and notes thereto) do not disclose this fact.*

- d. *We were unable to confirm or verify by alternative means accounts receivable, accounts payable included in the statements and corresponding exchange translation gain of Rs. 10,291.83 Lacs on amount due from party and exchange translation loss of Rs. 6,581.87 Lacs on amount payable has not been recorded in the results.*
4. *Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph above, we have not been able to obtain sufficient appropriate evidence to provide a basis for conclusion that nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (Standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956, which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 December 2013 of the Ministry of Corporate Affairs) and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we are unable to comment on the aforesaid statements.*
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine months ended 31 December 2013 of the Statement, from the details furnished by the Management.

For JMR & Associates  
Chartered Accountants  
Firm Registration No.-106912W

  
  
CA. Nimesh Jain  
(Partner)  
M.No-114003  
Place: Mumbai  
Date: 14 February 2014



# Classic Diamonds (India) Ltd.

## PART I UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2013

(` in Lacs)

| PARTICULARS                                                                                           | QUARTER                            |                                    | NINE MONTHS                        |                                    |                                    | YEAR ENDED                       |
|-------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|----------------------------------|
|                                                                                                       | ENDED<br>31-12-2013<br>(UNAUDITED) | ENDED<br>30-09-2013<br>(UNAUDITED) | ENDED<br>31-12-2012<br>(UNAUDITED) | ENDED<br>31-12-2013<br>(UNAUDITED) | ENDED<br>31-12-2012<br>(UNAUDITED) | ENDED<br>31/03/2013<br>(AUDITED) |
| <b>1. Net Sales / Income</b>                                                                          |                                    |                                    |                                    |                                    |                                    |                                  |
| a) Sales (Incl. Exch. Difference)                                                                     | -                                  | -                                  | 342.33                             | -                                  | 1,006.95                           | 1,009.76                         |
| b) Other Operating Income                                                                             | 0.16                               | 0.26                               | (2.55)                             | 0.55                               | 29.33                              | 85.92                            |
|                                                                                                       | <b>0.16</b>                        | <b>0.26</b>                        | <b>339.78</b>                      | <b>0.55</b>                        | <b>1,036.28</b>                    | <b>1,095.68</b>                  |
| <b>2. Total Expenditure</b>                                                                           |                                    |                                    |                                    |                                    |                                    |                                  |
| a) Cost of Material Consumed                                                                          | -                                  | -                                  | 291.38                             | -                                  | 1,091.43                           | 1,297.66                         |
| b) Purchase of Stock in Trade                                                                         | -                                  | -                                  | -                                  | -                                  | -                                  | -                                |
| c) Changes in Inventories of finished goods / work in progress and stock in trade                     | -                                  | -                                  | 146.99                             | -                                  | 195.21                             | 195.21                           |
| d) Employee benefit Expenses                                                                          | 0.37                               | 0.00                               | -                                  | 0.37                               | 0.87                               | 44.62                            |
| e) Depreciation                                                                                       | 57.02                              | 57.02                              | 89.14                              | 171.58                             | 244.96                             | 325.41                           |
| f) Share of Loss in Partnership firm - M/s Rup Diamonds (Refer Note no. 6)                            | -                                  | -                                  | -                                  | -                                  | -                                  | 954.53                           |
| g) Provision for doubtful Debts                                                                       | -                                  | -                                  | -                                  | -                                  | -                                  | 17,379.70                        |
| h) Other Expenses                                                                                     | 1.99                               | 5.62                               | 2.48                               | 15.52                              | 13.97                              | 54.78                            |
| <b>Total</b>                                                                                          | <b>59.37</b>                       | <b>62.64</b>                       | <b>530.01</b>                      | <b>187.47</b>                      | <b>1,546.45</b>                    | <b>20,251.91</b>                 |
| <b>3. Profit from Ordinary Operations before Other Income, Interest &amp; Exception Items (1 - 2)</b> | <b>(59.21)</b>                     | <b>(62.38)</b>                     | <b>(190.23)</b>                    | <b>(186.92)</b>                    | <b>(510.17)</b>                    | <b>(19,156.23)</b>               |
| <b>4. Other Income</b>                                                                                | -                                  | -                                  | -                                  | -                                  | -                                  | -                                |
| <b>5. Profit before Interest &amp; Exceptional Items (3 + 4)</b>                                      | <b>(59.21)</b>                     | <b>(62.38)</b>                     | <b>(190.23)</b>                    | <b>(186.92)</b>                    | <b>(510.17)</b>                    | <b>(19,156.23)</b>               |
| <b>6. Interest</b>                                                                                    | 991.71                             | 991.29                             | 1,055.32                           | 3,787.99                           | 2,563.85                           | 3,885.83                         |
| <b>7. Profit after Interest but before Exceptional Items (5-6)</b>                                    | <b>(1,050.93)</b>                  | <b>(1,053.67)</b>                  | <b>(1,245.55)</b>                  | <b>(3,974.92)</b>                  | <b>(3,074.02)</b>                  | <b>(23,042.06)</b>               |
| <b>8. Exceptional items</b>                                                                           | -                                  | -                                  | 204.23                             | -                                  | 204.23                             | -                                |
| <b>9. Profit from Ordinary Activities before Tax (7 - 8)</b>                                          | <b>(1,050.93)</b>                  | <b>(1,053.67)</b>                  | <b>(1,449.78)</b>                  | <b>(3,974.92)</b>                  | <b>(3,278.25)</b>                  | <b>(23,042.06)</b>               |
| <b>10. Tax Expense</b>                                                                                |                                    |                                    |                                    |                                    |                                    |                                  |
| a) Provision for taxation                                                                             | -                                  | -                                  | -                                  | -                                  | -                                  | 286.08                           |
| b) Deferred tax                                                                                       | -                                  | -                                  | -                                  | -                                  | -                                  | 1,416.68                         |
|                                                                                                       | -                                  | -                                  | -                                  | -                                  | -                                  | 1,702.76                         |
| <b>11. Net Profit from Ordinary Activities After Tax (9 - 10)</b>                                     | <b>(1,050.93)</b>                  | <b>(1,053.67)</b>                  | <b>(1,449.78)</b>                  | <b>(3,974.92)</b>                  | <b>(3,278.25)</b>                  | <b>(24,744.82)</b>               |
| <b>12. Extraordinary Items (net of tax expense)</b>                                                   |                                    |                                    |                                    |                                    |                                    |                                  |
| - Prior period expense / (income) [net]                                                               | -                                  | 1.22                               | -                                  | 31.63                              | -                                  | 15.82                            |
| - Loss on impairment of fixed asset                                                                   | -                                  | -                                  | -                                  | -                                  | -                                  | 324.98                           |
| - Unrecoverable deposits written off                                                                  | -                                  | -                                  | -                                  | -                                  | -                                  | 12.29                            |
| - Provision for diminution in carrying value of Investments                                           | -                                  | -                                  | -                                  | -                                  | -                                  | 28.54                            |
| <b>13. Net Profit for the Period (11-12)</b>                                                          | <b>(1,050.93)</b>                  | <b>(1,054.89)</b>                  | <b>(1,449.78)</b>                  | <b>(4,006.54)</b>                  | <b>(3,278.25)</b>                  | <b>(25,126.45)</b>               |
| <b>14. Paid-up Equity Share Capital (Face Value of Rs.2/- Each)</b>                                   | 784.40                             | 784.40                             | 784.40                             | 784.40                             | 784.40                             | 784.40                           |
| <b>15. Earning per share</b>                                                                          |                                    |                                    |                                    |                                    |                                    |                                  |
| Basic earning per share                                                                               | (2.68)                             | (2.69)                             | (3.70)                             | (10.22)                            | (8.36)                             | (64.07)                          |
| Diluted earning per share                                                                             | (2.68)                             | (2.69)                             | (3.70)                             | (10.22)                            | (8.36)                             | (64.07)                          |
| (Not annualised)                                                                                      |                                    |                                    |                                    |                                    |                                    |                                  |

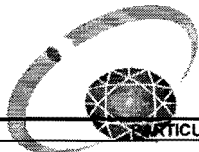
## PART - II SELECT INFORMATION FOR THE QUARTER AND NINE MONTH ENDED 31 DECEMBER 2013

| Particulars of the Shareholding                                                                |                         |                         |                         |                           |                           |                         |
|------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|-------------------------|
|                                                                                                | 31-12-13<br>(UNAUDITED) | 30-09-13<br>(UNAUDITED) | 31-12-12<br>(UNAUDITED) | 31-12-2013<br>(UNAUDITED) | 31-12-2012<br>(UNAUDITED) | 31/03/2013<br>(AUDITED) |
| <b>A. PARTICULARS OF SHAREHOLDING</b>                                                          |                         |                         |                         |                           |                           |                         |
| <b>1. Public Share Holding</b>                                                                 |                         |                         |                         |                           |                           |                         |
| - Number of Shares                                                                             | 14,419,095              | 14,419,095              | 14,419,095              | 14,419,095                | 14,419,095                | 14,419,095              |
| - Percentage of Shareholding                                                                   | 36.76%                  | 36.76%                  | 36.76%                  | 36.76%                    | 36.76%                    | 36.76%                  |
| <b>2. Promoter and Promoter Group Shareholding</b>                                             |                         |                         |                         |                           |                           |                         |
| <b>a) Pledged / Encumbered</b>                                                                 |                         |                         |                         |                           |                           |                         |
| - Number of Shares                                                                             | 6,499,201               | 6,499,201               | 6,499,201               | 6,499,201                 | 6,499,201                 | 6,499,201               |
| - Percentage of Shareholding (as a % of the total shareholding of promoter and promoter group) | 26.21%                  | 26.21%                  | 26.21%                  | 26.21%                    | 26.21%                    | 26.21%                  |
| - Percentage of Shares (as a % of total share capital of the Company)                          | 16.57%                  | 16.57%                  | 16.57%                  | 16.57%                    | 16.57%                    | 16.57%                  |
| <b>b) Non - Pledged / Encumbered</b>                                                           |                         |                         |                         |                           |                           |                         |
| - Number of Shares                                                                             | 18,301,704              | 18,301,704              | 18,301,704              | 18,301,704                | 18,301,704                | 18,301,704              |
| - Percentage of Shares (as a % of total shareholding of promoter and promoters group)          | 73.79%                  | 73.79%                  | 73.79%                  | 73.79%                    | 73.79%                    | 73.79%                  |
| - Percentage of Shares (as a % of total share capital of the Company)                          | 46.67%                  | 46.67%                  | 46.67%                  | 46.67%                    | 46.67%                    | 46.67%                  |

Regd. Office:

Majestic Shopping Centre Premises Co-op Soc. Ltd., 144 J.S.S. Road, Girgaum Mumbai 400 004.





# Classic Diamonds (India) Ltd.

| PARTICULARS                                    | 3 MONTHS ENDED 31.12.2013 |
|------------------------------------------------|---------------------------|
| <b>B. INVESTOR COMPLAINTS</b>                  |                           |
| Pending at the beginning of the quarter        | 0                         |
| Received during the quarter                    | 1                         |
| Disposed of during the quarter                 | 1                         |
| Remaining unresolved at the end of the quarter | 0                         |

## Notes

The above results were reviewed by the Audit Committee and considered and taken on record by the Board of Directors at its meeting held on 14 february 2014 and a limited review of the same has been carried out by the Statutory Auditors' of the Company.

In accordance with industry practice, the cost in respect of stock of finished goods (polished diamonds) is based on technical estimate by the management. In view of the nature of variation in the value of individual diamonds, the differentials in their costs, it is not practical to compute the cost of polished diamonds using either FIFO or weighted average cost. In view of multiple grades, it is not practical to use specific cost. The basis of valuing stock, to avoid distortion in valuation, is to that extent a deviation from that prescribed by Accounting Standard (AS -2) (Revised), 'Valuation of Inventories' issued by the Institute of Chartered Accountants of India. The impact on the profit for the quarter / nine months period, reserves and surplus and inventories as at 31 December 2013, if any, due to above deviations is not ascertainable.

As the company's business activity falls within a single primary business segment viz. Gems & Jewellery, the disclosure requirement of Accounting standard (AS-17) "Segment Reporting" is not applicable.

The company has accumulated losses of Rs.12,881.16 lacs as at December 31, 2013 and its net worth as at the date is minus Rs.7,735.85 lacs. The consortium banks who had let monies to the Company have recalled their debts in November 2011. The Company will request the banks at an appropriate time for debt restructuring. The Company has temporarily suspended its business operations since November 2011 and is making efforts to revive the operations with the help of lenders and/or find suitable investor. Based on the detailed evaluation of the current situation and active discussions underway with debtors, management is confident of revival of business in future. Therefore, the management holds the view that the Company will realize its assets and discharge liabilities in the normal course of business. The management of the Company will also support the Company and will resume operation of the Company at appropriate time. Accordingly the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities other than doubtful debtors which has been provided during the previous year.

The quarter ended monetary asset and liabilities which are in foreign currency have not been restated at closing exchange rate which is in non-compliance with the requirements of Accounting Standard (AS) 11 - "The Effects of Changes in Foreign Exchange Rates". Had such restatement being made, the gross amount of foreign monetary assets and liabilities (before giving netting off effect) would have been lower by Rs.1,206.34 Lacs and Rs.771.48 Lacs respectively, loss before tax for the quarter ended 31 December 2013 would have been higher by Rs.434.86 Lacs and loss before tax for the period and accumulated loss as on 31 December 2013 would have been lower by Rs.3,709.96 Lacs.

The above results does not include company's share of loss from partnership firm - M/s Rup Diamonds, relating to the period under review

Since there is no virtual / reasonable certainty (laid down in Accounting Standard (AS -22) Guidelines) of taxable income in future against which deferred tax assets can be realised, the Company has not recognized deferred tax assets (net) during the Quarter.

The figures of the quarter ended 31st December, 2013 and 31st December 2012, are balancing figures between unaudited figures in respect of the nine months ended 31st December, 2013 and 31st December 2012 respectively, and the unaudited published year to date figure up to 30th September, 2013 and 30th September, 2012, respectively, being the end of the third quarter of the respective financial year, which were subjected to a limited review.

Previous period's/year's figures have been regrouped / reclassified wherever necessary

Place: Mumbai

Date: 14 February 2014

For CLASSIC DIAMONDS (INDIA) LIMITED  
Kumar C. Bhansali  
(Managing Director)

Regd. Office:

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