

Limited Review Report

Review Report to the Board of Directors Goenka Diamond & Jewels Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Goenka Diamond & Jewels Limited ('the Company') for the quarter/half year ended Sept 30, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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.
2. 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.
3. *Trade Receivables of Rs.70186.53 Lacs which includes Rs.60841.04 lacs outstanding for more than six months from due date considered good by the management, are subject to confirmations/ reconciliation and adjustments. There have been defaults on payment obligations by the debtors on due date and recoveries from these debtors are not significant. In view of the above we are unable to comment on the realisability of the debts and any provision to be made for unrealisability of these balances and the consequential impact, on the financial statements.*
4. Based on our review conducted as above, *except for the matter stated in above para 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. 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) *Note No. 4 of Notes on financial results regarding disputes/ allegation/counter allegation and legal cases amongst promoters and on the Company and family settlement agreement entered thereafter which is pending for final implementation.*
 - c) *Refer Note No.4 regarding non-realization of debtors, 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 owing to which some banks have classified account as NPA. These factors indicate liquidity crunch faced by the company and therefore its future operations are largely dependent on recoveries from overseas debtors, infusion of fresh capital and restructuring/ release of additional working capital from banks.*
 - d) *Certain banks have classified its advance to company as NPA and are not charging interest or have charged excess interest in earlier year. In order to account all probable liabilities the management in its best judgment has provided interest on such borrowings. The management is of the opinion that any difference on account of interest, penal interest shall be accounted for as and when the interest is charged or adjusted by the banks.*
 - e) *Short Term Borrowings of Rs 5083.34 lacs are subject to confirmation. Some of the banks have neither issued bank statements nor confirmed balance outstanding as at period ended September 30, 2015. However, the management has confirmed that all transactions for the period have been recorded in the books of accounts.*

Our report is not qualified in respect of the above matters.

For RSVA & Co.
Chartered Accountants
Firm Registration No.110504W

B N Rao
Partner

Membership No.: 039555
Mumbai

Date: November 6, 2015



For B. Khosla & Co.
Chartered Accountants
Firm Registration No. 000765C

Sandeep Mundra
Partner

Membership No.: 075482





GOENKA DIAMOND AND JEWELS LIMITED
Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan
CIN No.L36911RJ1990PLC005651
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED SEPT 30, 2015

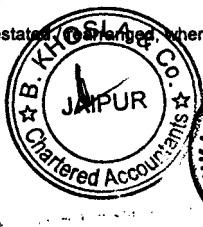
(₹ in Lacs)

SR. NO.	PARTICULAR	Quarter Ended			Half Year Ended		Year Ended
		30th Sept 2015	30th June 2015	30th Sept 2014	30th Sept 2015	30th Sept 2014	31st March 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	(a) Net Sale / Income from Operation (Net of excise duty)	215.58	4,691.63	2,762.68	4,907.21	4,105.75	10,252.93
	(b) Other Operating income	(4.88)	(4.50)	(22.11)	(9.38)	(24.55)	(29.25)
	(c) Exchange Gain (Loss) (Net)	1,081.13	603.05	624.83	1,684.18	633.21	1,068.80
	Total Income from operations (net)	1,291.83	5,290.18	3,365.40	6,582.01	4,714.41	11,292.48
2	Expenses						
	(a) Cost of materials consumed	105.56	4,249.88	2,375.40	4,355.44	3,231.81	8,744.20
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Change in Inventories of finished goods, work-in-progress and stock-in-trade	131.96	(14.50)	231.71	117.46	387.27	336.53
	(d) Employee benefits expenses	33.27	36.10	36.56	69.37	74.06	152.85
	(e) Depreciation and amortisation expenses	15.39	15.38	19.27	30.77	38.39	114.63
	(f) Other expenses	40.72	39.87	72.74	80.59	136.51	266.52
	Total Expenses	326.90	4,326.73	2,735.68	4,653.63	3,868.04	9,614.73
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	964.93	963.45	629.72	1,928.38	846.37	1,677.75
4	Other Income	42.67	41.33	52.42	84.00	92.56	174.64
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	1,007.60	1,004.78	682.14	2,012.38	938.93	1,852.39
6	Finance costs - (Refer Note No. 4)	538.73	619.30	533.35	1,158.03	901.98	1,744.11
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	468.87	385.48	148.79	854.35	36.95	108.28
8	Exceptional items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	468.87	385.48	148.79	854.35	36.95	108.28
10	Tax Expenses						
	Current Tax	98.13	81.00	16.37	179.13	16.37	35.00
	MAT Credit Entitlement	(38.25)	(22.50)	(2.50)	(60.75)	(2.50)	(5.00)
	Deferred Tax	(6.44)	(4.88)	28.64	(11.32)	(9.38)	(18.54)
11	Net Profit for the period (9-10)	415.43	331.86	106.28	747.29	32.46	96.82
12	Share of Profit / (Loss) of associates	-	-	-	-	-	-
13	Minority Interest	-	-	-	-	-	-
14	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (11+12-13)	415.43	331.86	106.28	747.29	32.46	96.82
15	Paid-up Equity Share Capital	3,170.00	3,170.00	3,170.00	3,170.00	3,170.00	3,170.00
16	Reserve (Excluding Revaluation Reserve)	-	-	-	-	-	27,140.32
17	Earning Per Shares in ₹1. (Not Annualized)						
	Basic	0.13	0.10	0.03	0.24	0.01	0.03
	Diluted	0.13	0.10	0.03	0.24	0.01	0.03
18	PARTICULAR OF SHAREHOLDING						
	Public shareholding						
	- No of Shares	93,572,000	93,572,000	93,572,000	93,572,000	93,572,000	93,572,000
	- Percentage of Shareholding	29.52	29.52	29.52	29.52	29.52	29.52
19	Promoters and Promoter Group Shareholding						
	(a) Pledged / Encumbered						
	- No of Shares	40,976,250	-	-	40,976,250	-	-
	- Percentage of Shares (As percentage of total shareholding of promoter and promoter group)	18.34	-	-	18.34	-	-
	- Percentage of Shares (As percentage of total sharecapital of the company)	12.93	-	-	12.93	-	-
	(b) Non Encumbered						
	- No of Shares	182,451,750	223,428,000	223,428,000	182,451,750	223,428,000	223,428,000
	- Percentage of Shares (As percentage of total shareholding of promoter and promoter group)	81.66	100.00	100.00	81.66	100.00	100.00
	- Percentage of Shares (As percentage of total sharecapital of the company)	57.56	70.48	70.48	57.56	70.48	70.48

Notes:

- The above results were reviewed by the Audit Committee and have been approved by Board of Directors of the company in its meeting held on 06th November 2015
- Out of the total public issue proceeds of Rs.12651 Lacs, Company has upto Sept 30, 2015 utilised Rs.12544 Lacs towards object of the issue as inter se 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.
- During the quarter ended Sept 30, 2015, the Company has received & resolved 16 investor complaints and there are no complaints pending at the end of the quarter.
- Regarding auditors observations relating to old outstanding Trade Receivables, disputes amongst promoters and other factual position regarding business relating to liquidity crunch, decrease in sales, non-payment of statutory dues, defaults in repayment of loans and interest etc., the management is of the view that due to certain unfavourable development in earlier year on account of disputes amongst promoters, the recovery from trade receivables are slow but at the same time management is confident that these trade receivables are good and recoverable. Due to slow recovery from trade receivables, there is a temporary mismatch in the cash flow resulting in default in repayment of statutory dues and dues to certain banks owing to which certain banks have classified the account as NPA. Promoter's dispute has now come to an end after a family settlement agreement was executed in March 2014 with the help of Court mediation and is at final stage of implementation subject to fulfillment of certain conditions. The bankers have also formed Joint Lenders Forum (JLF) on 29th May, 2014, in accordance with RBI guidelines wherein some additional loan facilities are sanctioned/ proposed to be sanctioned to the company, so that the Company can revive its operations and come out of the financial crisis.
- With regard to auditors observation a) relating to bank interest, the management in its best judgement and as a matter of prudence has accounted for all probable interest liability wherever banks have not applied interest and has made adequate representations to bank where excess interest has been charged by bank in earlier year b) relating to confirmation of Short term borrowing of Rs. 5083.34 lacs, two banks have neither issued any confirmations nor any physical bank statements inspite of written request from the company. However, all transactions in these accounts for the period have been duly accounted for in the books of accounts.
- The Statutory Auditors have carried out a limited review of standalone results for quarter ended Sept 30, 2015 in compliance with Clause 41 of the listing agreement with the Stock Exchange.
- Previous period / year figures have been regrouped / restated / reclassified, wherever necessary

Place : Mumbai
Date : November 06, 2015



For Goenka Diamond And Jewels Ltd

Nandlal Goenka
Chairman



GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No.L36911RJ1990PLC005661

UNAUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER / HALF YEAR ENDED SEPT 30, 2015

(₹ in Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30th Sept 2015	30th June 2015	30th Sept 2014	30th Sept 2015	30th Sept 2014	31st March 2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
(a) Diamond	130.46	4,563.94	2,071.97	4,694.40	3,069.85	8,341.67
(b) Jewellery	80.24	123.19	668.60	203.43	1,011.35	1,882.01
(c) Unallocable	-	-	-	-	-	-
Total	210.70	4,687.13	2,740.57	4,897.83	4,081.20	10,223.68
2. Segment Results						
(a) Diamond	823.99	922.11	595.65	1,746.10	725.32	1,487.94
(b) Jewellery	190.64	91.67	112.77	282.31	253.94	439.17
(c) Unallocable	-	-	-	-	-	-
Total	1,014.63	1,013.79	708.42	2,028.41	979.26	1,927.11
Less: (i) Interest	(538.73)	(619.30)	(533.35)	(1,158.03)	(901.98)	(1,743.98)
(ii) Other Income	42.67	41.33	41.27	84.00	81.41	163.37
(iii) Unallocable Expenses / Income	(49.70)	(50.34)	(67.55)	(100.03)	(121.74)	(238.22)
Total Profit Before Tax	468.87	385.48	148.79	854.35	36.95	108.28
3. Capital Employed						
(a) Diamond	38,039.90	36,191.32	35,317.22	38,039.90	35,317.22	36,960.09
(b) Jewellery	9,311.71	9,707.36	9,304.84	9,311.71	9,304.84	8,070.66
(c) Unallocable	(16,232.53)	(15,233.79)	(14,395.14)	(16,232.53)	(14,395.14)	(14,720.42)
Total	31,119.07	30,664.90	30,226.92	31,119.07	30,226.92	30,310.32

Statement of Assets & Liabilities under clause 41 (v) (h) of the listing agreement

(₹ in Lacs)

Particulars	STANDALONE	
	As at 30/09/2015	As at 31/03/2015
	Unaudited	Audited
(A) EQUITY AND LIABILITIES		
(1) Shareholder's funds		
(a) Share Capital	3,170.00	3,170.00
(b) Reserve and Surplus	27,949.07	27,140.32
(c) Money received against share warrants	-	-
Sub total - Shareholder's fund	31,119.07	30,310.32
(2) Share application money pending allotment	-	-
(3) Minority Interest	-	-
(4) Non-current liabilities		
(a) Long-term borrowings	306.25	237.75
(b) Deferred tax liabilities (net)	-	-
(c) Other long-term liabilities	-	-
(d) Long-term provisions	45.69	45.69
Sub total - Non-current liabilities	351.94	283.44
(5) Current liabilities		
(a) Short-term borrowings	16,162.43	15,649.39
(b) Trade payable	31,050.42	24,297.02
(c) Other current liabilities	2,154.91	1,403.95
(d) Short-term provisions	509.78	323.47
Sub total - Current liabilities	49,877.54	41,673.83
TOTAL - EQUITY AND LIABILITIES	81,348.54	72,267.59
(B) ASSETS		
(1) Non-current assets		
(a) Fixed assets	1,005.90	1,036.66
(b) Non-current investments	19.48	19.48
(c) Deferred tax assets (net)	133.54	122.22
(d) Long-term loans & advances	1,704.99	1,582.79
(e) Other non-current assets	-	-
Sub total - Non-current assets	2,863.90	2,761.16
(2) Current assets		
(a) Current investment	490.00	490.00
(b) Inventories	7,036.84	5,491.84
(c) Trade receivable	70,186.53	62,782.40
(d) Cash and cash equivalents	231.40	238.19
(e) Short-term loans & advances	360.34	346.44
(f) Other current assets	179.54	157.57
Sub total - Current assets	78,484.64	69,506.43
TOTAL - ASSETS	81,348.54	72,267.59

