

Limited Review Report

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

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Goenka Diamond & Jewels Limited ("the Company") for the quarter ended September, 30, 2016 ("the Statement"). 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 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. (a) *The company has not restated Trade Receivables denominated in foreign currency and advance given to a subsidiary as at the period ended rate which is not in accordance with Accounting Standard 11 "Effect of changes in foreign exchange rates" and accounting policy followed by the Company. Due to the same, the company has not accounted for cumulative exchange gains amounting to Rs 3553.94 lacs.*

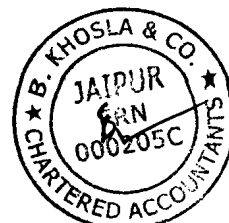
(b) The Company has defaulted on its loans from the banks due to which the banks have recalled their loans. During the period under review, no interests on the loans due to banks have been provided. Accordingly, finance cost for the quarter and period is understated by Rs. 781.30 lacs and Rs. 1541.58 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 for the quarter would have been increased by Rs. 1835.69 lacs and the loss for the period would have been increased by Rs. 1184.68 Lacs.

4. (a) *Trade Receivables of Rs. 69867.04 Lacs which includes Rs. 69853.30 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 in 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.*

(b) The Company's operating results have been materially affected due to various factors including non-realization of debtors, dispute amongst promoters, non-availability of finance due to recall of loans by banks in consortium, attachment of bank accounts by Income tax department, reliance on cash sales and maintenance of heavy cash balance 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, non realization of interest on loans and debentures from subsidiaries and associates. 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 debtors to meet its short term and long term obligations as well as to establish consistent business operation.

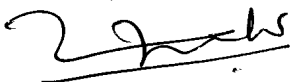
In absence of any convincing evidence, non recovery of trade receivable on due date, non-payment of liabilities including statutory dues, financial difficulty faced by the company due to recalling of the bank finance facilities and in view of multiple uncertainties as stated above we are unable to determine 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.



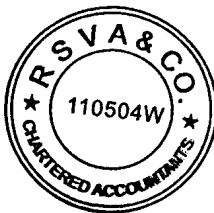
5. Based on our review, with a exception of the matters described in para 4 above, where we have not been able to determine the possible effect on the financial results and financial impact of the *matters described in para 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. 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) *Refer Note No. 6 regarding investment of Rs.2.03 Lacs and advance/ receivables of Rs. 163.60 Lacs given to its subsidiary whose net worth is negative against which no provision has been made for the reasons stated therein.*
 - c) *Refer Note No 5 (b) regarding outstanding dues amounting to Rs. 1821.99 lacs of two banks which have neither issued bank 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 RSVA & Co.
Chartered Accountants
Firm Registration No.110504W



B N Rao
Partner
Membership No.: 039555
Mumbai
Date: November 19, 2016



For B. Khosla & Co.
Chartered Accountants
Firm Registration No. 000205C



Sandeep Mundra
Partner
Membership No.: 075482

