

GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No. L36911RJ1990PLC005651

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DEC 31, 2016

SR. NO.	PARTICULAR	QUARTER ENDED			NINE MONTHS ENDED		Year Ended March 31, 2016
		Dec 31, 2016	Sept 30, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Income from Operations						
	(a) Sale / Income from Operation	26.03	154.00	2,757.61	259.77	7,664.82	9,159.66
	(b) Other Operating income	(3.51)	(1.07)	(2.98)	(8.63)	(12.36)	(14.73)
	(c) Exchange Gain (Loss) (Net) - (ref to note no.5(a))	(580.10)	434.71	293.02	(840.71)	1,977.20	(1,212.03)
	Total Income from operations	(557.59)	587.65	3,047.65	(589.57)	9,629.66	7,932.90
2	Expenses						
	(a) Cost of materials consumed	-	(409.26)	2,559.96	(409.26)	6,915.40	8,095.37
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Change in Inventories of finished goods, work-in-progress and stock-in-trade	25.54	572.43	212.27	682.53	329.73	518.29
	(d) Employee benefits expenses	27.28	30.40	32.86	89.04	102.23	129.94
	(e) Depreciation and amortisation expenses	14.65	14.65	15.38	43.95	46.15	61.53
	(f) Other expenses	27.61	23.94	43.80	82.83	124.19	161.16
	Total Expenses	95.08	232.16	2,864.07	489.09	7,517.70	8,966.29
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(652.67)	355.49	183.58	(1,078.66)	2,111.96	(1,033.39)
4	Other income	96.54	54.91	43.01	192.18	127.01	166.55
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(556.14)	410.40	226.59	(886.48)	2,238.97	(866.84)
6	Finance costs - (Refer Note No. 5(b))	16.75	13.55	497.16	37.70	1,655.19	2,295.89
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(572.89)	396.85	(270.57)	(924.19)	583.78	(3,162.73)
8	Exceptional items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(572.89)	396.85	(270.57)	(924.19)	583.78	(3,162.73)
10	Tax Expenses						
	Current Tax	-	-	(51.46)	-	127.87	-
	MAT Credit Entitlement	-	-	(47.00)	-	(107.75)	-
	Deferred Tax	0.77	6.67	68.04	7.05	56.72	59.28
11	Net Profit for the period (9-10)	(573.66)	390.18	(240.15)	(931.24)	507.14	(3,222.01)
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)	(573.66)	390.18	(240.15)	(931.24)	507.14	(3,222.01)
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)	-	-	-	-	-	-
17	Earning Per Shares in ₹1. (Not Annualized)						
	Basic	(0.18)	0.12	(0.08)	(0.29)	0.16	(1.02)
	Diluted	(0.18)	0.12	(0.08)	(0.29)	0.16	(1.02)

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 February 14, 2017.
- Out of the total public issue proceeds of Rs.12651 Lacs, Company has upto Dec 31, 2016 utilised Rs.12617 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.
- All consortium banks including lead bank have issued notice u/s 13(2) of the SARFAESI Act for recall of loans to the Company. The Company has submitted One Time Settlement (OTS) Proposals to all eight consortium banks. The OTS proposals are under consideration with these banks.
- The auditors in their report on financial statement for the year ended March 31, 2016 have given disclaimer of opinion on the basis of observations relating to slow recovery from Trade Receivables, non-restatement of Trade Receivables and Advances, recall of loans and SARFAESI notices by banks, disputes amongst promoters and other factual position regarding business relating to liquidity crunch, decrease in sales, overdue creditors, non-payment of statutory dues, defaults in repayment of loans and interest to banks, non realisation of interest on loans and debentures from subsidiary & associates 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 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 sending legal notices and filing court cases. The company has filed in legal suits in Mumbai High Court against of three debtors and is in process of filing legal suits against other debtors, wherever considered necessary. 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 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.
- (a) Trade Receivables denominated in foreign currency and advance given to a subsidiary 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 and / or as at end of March 31, 2016, 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 advances. The company shall account for the actual exchange difference at the time of realization of these trade receivables. Had trade receivables and advances been restated, it would have resulted in additional exchange gain of Rs. 1429.36 lacs for the quarter and Rs.1786.18 lacs for the period under review. Till date exchange gain of Rs.4980.31 lacs have not been accounted for on these trade receivable and advances.
- (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 have decided not to provide interest on working capital borrowings availed by the Company. To the extent information available with the Company, certain banks have charged interest amounting to Rs.896.47 lacs during the period under review which is not considered by the Company. Had the interest been provided at respective bank rate as applicable on the outstanding amounts, the finance cost for the quarter & period under review would have been higher by Rs. 814.23 Lacs and Rs.2355.81 lacs respectively. Further, no confirmations and/or bank statements have been received from three banks for borrowings amounting to Rs.4316.25 lacs at period end. However, the management to the best of its knowledge and belief have recorded all the transactions incurred during the period in these banks accounts.
- (c) Had the exchange gains as referred in para 5(a) above and interest in para 5(b) above been accounted for, the loss for the quarter ended would have been reduced by Rs 615.13 lacs and loss for the period nine months ended would have been increased by Rs.569.63 lacs.
- With regard to auditors observation regarding provision against investment and advance to one of the subsidiary namely M B Diamonds LLC whose net worth is negative as at year end, the management is of the view that the investment is in the nature of long term investment and the diminution in value is of temporary in nature. The management is confident that the subsidiary shall revive its operations in near future.
- Previous period / year figures have been rearranged / restated / rearranged as per the above.

Place : Mumbai
Date : February 14, 2017



For Goenka Diamond And Jewels Ltd
[Signature]
Nandlal Goenka
Chairman





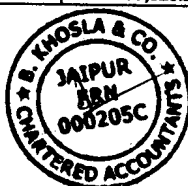
GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No.L36911RJ1990PLC005651

UNAUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER/ NINE MONTHS ENDED DEC 31, 2016

Particulars	QUARTER ENDED			NINE MONTHS ENDED		Year Ended 31/03/2016
	Dec 31, 2016	Sept 30, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
(a) Diamond	22.25	141.78	2,436.96	203.99	7,131.36	8,493.74
(b) Jewellery	0.26	11.16	317.67	47.15	521.10	651.19
(c) Unallocable	-	-	-	-	-	-
Total	22.52	152.93	2,754.63	251.14	7,652.46	9,144.93
2. Segment Results						
(a) Diamond	(366.60)	419.90	118.82	(668.10)	1,864.92	(1,087.05)
(b) Jewellery	(245.27)	(6.90)	103.33	(261.83)	385.64	253.68
(c) Unallocable	-	-	-	-	-	-
Total	(611.87)	413.00	222.15	(929.93)	2,250.56	(833.37)
Less: (i) Interest	(16.75)	(13.55)	(497.16)	(37.70)	(1,655.19)	(2,295.89)
(ii) Other Income	96.53	38.92	43.01	176.18	127.01	166.55
(iii) Unallocable Expenses / Income	(40.80)	(41.52)	(38.57)	(132.74)	(138.60)	(200.02)
Total Profit Before Tax	(572.89)	396.85	(270.57)	(924.19)	583.78	(3,162.73)
3. Segment Assets						
(a) Diamond	65,924.14	65,951.51	69,201.58	65,924.14	69,201.58	66,042.44
(b) Jewellery	8,290.11	8,296.47	9,924.92	8,290.11	9,924.92	8,582.52
(c) Unallocable	3,028.14	3,075.24	3,001.47	3,028.14	3,001.47	2,887.79
Total	77,242.39	77,323.22	82,127.96	77,242.39	82,127.96	77,512.75
4. Segment Liabilities						
(a) Diamond	30,703.61	30,128.76	30,479.19	30,703.61	30,479.19	29,984.60
(b) Jewellery	402.33	403.38	1,071.07	402.33	1,071.07	401.31
(c) Unallocable	46,136.45	46,791.08	50,577.71	46,136.45	50,577.71	47,126.84
Total	77,242.39	77,323.22	82,127.96	77,242.39	82,127.96	77,512.75



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 December, 31, 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 4980.31 lacs.*

(b) *The Company has defaulted on repayment of 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. 814.23 lacs and Rs. 2355.81 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 reduced by Rs.615.13 lacs and the loss for the period would have been increased by Rs.569.63 Lacs.

4. (a) *Trade Receivables of Rs.69879.68 Lacs which includes Rs. 69866.72 lacs outstanding for more than six months from due date, considered good by the management, 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 uncertainty regarding outcome of pending legal actions initiated, 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 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, uncertainty regarding outcome of pending legal action initiated against debtors, 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.



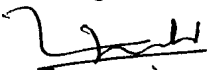
Based on our review, with a exception of the matters described in para 4 above, where we have not been able to determine the possible effect on the financial results and financial impact of the matters described in para 3 above, nothing has come to our attention that causes us to believe that the accompanying 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.

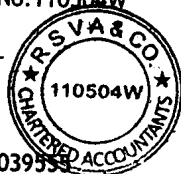
6. We draw attention to:

- 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. 223.48 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. 4316.25 lacs of three 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.

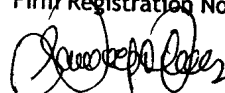
Our report is not modified in respect of these matters.

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


B N Rao
Partner
Membership No.: 039553
Mumbai
Date: February 14, 2017



For B. Khosla & Co.
Chartered Accountants
Firm Registration No. 008205C


Sandeep Mundra
Partner
Membership No.: 075482

