



Tara Jewels Ltd.
Plot 29 (P) & 30 (P), Sub Plot A,
SEEPZ SEZ, Andheri (E),
Mumbai 400 096
O. +91 22 66774444
F. +91 22 66774464
www.tarajewels.in

TARA JEWELS LIMITED (CIN NO L 52393MH2001PLC131252)

(Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			Rs in Lakhs	Rs in Lakhs
	1.	Turnover / Total income	44,234.92	Not ascertainable
	2.	Total Expenditure	55,793.32	
	3.	Net Profit/(Loss) After Tax	(72,277.62)	
	4.	Earnings Per Share	-	
	5.	Total Assets	78,636.61	
	6.	Total Liabilities	96,817.03	
	7.	Net Worth	(18,180.42)	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
II.	Audit Qualification (each audit qualification separately):			
	a.Details of Audit Qualification:			
	<u>Point no. 1</u>			
	As stated in Note 2, the Company is carrying an inventory of raw material and work in progress amounting to INR 34,278 lakhs as at March 31, 2018. Due to the distinctive nature of jewellery industry and impracticability in physical identification of inventory consisting of diamonds, colour stones, etc. in various sizes, cuts, colours, carat and quality, we are unable to obtain sufficient appropriate audit evidence of the extent and condition of inventory. The Company has on the basis of an internal evaluation provided for INR 32,531 lakhs as write down of inventories. In view of above and in the absence of valuation report from an external valuation expert, we are unable to comment on the realisability of raw material and work in progress amounting to INR 34,278 lakhs carried in these financial statements.			
	<u>Point no. 2</u>			
	As stated in Note 3, the Company has provided for loss to the extent of INR 27,278 lakhs in respect of trade receivables. We have sent letters seeking confirmation of balances to debtors aggregating INR 50,644 lakhs and have received confirmation aggregating INR 12,035 lakhs only. We have not received confirmation aggregating to INR 38,608 lakhs. In view of long overdue receivables and absence of confirmations as at year end, we are unable to comment on the recoverability of trade receivables of INR 29,467 lakhs (net of provisions) carried in these financial statements.			
	<u>Point no. 3</u>			
	The Company's Internal Controls and compliances with policies and procedures needs to be strengthened with respect to recoverability of receivables, valuation of Inventories and timely payment of statutory dues.			



Registered Office : Tara Jewels Ltd., Plot No.122, 15th Road, Near IDBI Bank, MIDC, Andheri (E), Mumbai - 400 093
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b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification:

Point no. 1: 1st time – in 2018

Point no. 2: 1st time – in 2018

Point no. 3: 1st time – in 2018

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor, Management's Views:

(i) Management's estimation on the impact of audit qualification:

Management is unable to estimate the impact of audit qualifications on the financial results.

(ii) If management is unable to estimate the impact, reasons for the same:

Point No.1:

The inventories as such have been physically verified by the management and disclosed at lower of cost or net realizable value. Thus, the management does not envisage any material impact in the financial results.

Point No 2:

The outstanding balances as at March 31, 2018 in respect of receivables are subject to confirmation from respective parties. The management expects to either realize the balance dues or recover the materials supplied. However, the Management does not expect any significant variation in the balances and if any, consequential impact on the financials results will not be material.

Point No 3:

The management is reviewing and further strengthening the internal controls with respect to realization from customers, utilization of inventory and payment of necessary statutory dues on time.

Auditors' Comments on (i) or (ii) above:

Point No.1 :

In view of the impracticability in physical verification and absence of valuation report from an external expert, we are unable to comment on realisability of the inventory.

Point No.2 :

The Company needs to obtain balance confirmation and do consequential reconciliation and adjustment arising therefrom, in respect of trade receivables.

Point No.3 :

The internal controls need to be strengthened by the management.



III.

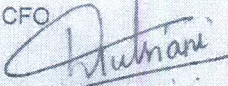
Signatories:

- Managing Director

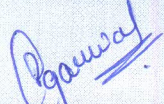

Mr. Rajeev Sheth



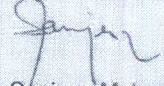
- CFO


Disha Tulsiani

- Audit Committee Chairman


Priyanka Agarwal

- Statutory Auditor


CA Sanjeev Maheshwari
GMJ & Co.



Mumbai
May 29, 2018



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(Consolidated)

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I.	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			Rs in Lakhs	Rs in Lakhs
	1.	Turnover / Total income	84,516.89	Not ascertainable
	2.	Total Expenditure	95,778.79	
	3.	Net Profit/(Loss) After Tax	(72,089.74)	
	4.	Earnings Per Share	-	
	5.	Total Assets	106,946.88	
	6.	Total Liabilities	119,654.26	
	7.	Net Worth	(12,707.38)	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
II.	Audit Qualification (each audit qualification separately): a.Details of Audit Qualification: <u>Point no. 1</u> As stated in Note 2, the Company is carrying an inventory of raw material and work in progress amounting to INR 34,278 lakhs as at March 31, 2018. Due to the distinctive nature of jewellery industry and impracticability in physical identification of inventory consisting of diamonds, colour stones, etc. in various sizes, cuts, colours, carat and quality, we are unable to obtain sufficient appropriate audit evidence of the extent and condition of inventory. The Company has on the basis of an internal evaluation provided for INR 32,531 lakhs as write down of inventories. In view of above and in the absence of valuation report from an external valuation expert, we are unable to comment on the realisability of raw material and work in progress amounting to INR 34,278 lakhs carried in these financial statements. <u>Point no. 2</u> As stated in Note 3, the Company has provided for loss to the extent of INR 27,278 lakhs in respect of trade receivables. We have sent letters seeking confirmation of balances to debtors aggregating INR 38,401 lakhs and have received confirmation aggregating INR 2,368 lakhs only. We have not received confirmation aggregating to INR 36,033 lakhs. In view of long overdue receivables and absence of confirmations as at year end, we are unable to comment on the recoverability of trade receivables of INR 29,467 lakhs (net of provisions) carried in these financial statements. <u>Point no. 3</u> The Company's Internal Controls and compliances with policies and procedures needs to be strengthened with respect to recoverability of receivables, valuation of Inventories and timely payment of statutory dues.			

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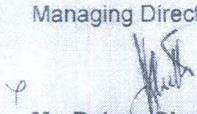
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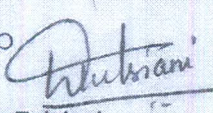
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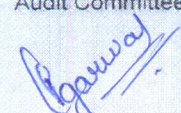

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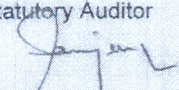
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