

WINSOME DIAMONDS AND JEWELLERY LTD

(Formerly Known as Su-Raj Diamonds and Jewellery Ltd.)

CIN NO.: L36910GJ1985PLC015915

**Administrative Office:**

906/907/908, 9th Floor, The Plaza,
Near Dharam Palace, 55, Gamdevi,
Grant Road, Mumbai – 400 007.

Phone : (91-22) 4920 0300

Fax : (91-22) 4920 0333

12th August, 2014

The Manager
Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C-1, Block - G
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051

Dear Sir,

Symbol: WINSOMEDJ

Series: EQ

Sub: Clause 41 of the Listing Agreement

- i) Unaudited Financial Results; and
- ii) Limited Review Report of the Statutory Auditors on Unaudited Financial Results for the Quarter Ended 30th June, 2014

With reference to the above, please find enclosed herewith a copy of the Unaudited Financial Results for the First Quarter Ended 30th June, 2014 which have been approved by the Board of Directors at its meeting held on 12th August, 2014.

Also find enclosed herewith a copy of the Limited Review Report of the Statutory Auditors on Unaudited Financial Results for the quarter ended 30th June, 2014.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For WINSOME DIAMONDS AND JEWELLERY LIMITED



Ashish Narayan
ASHISH NARAYAN
COMPANY SECRETARY

Encl.

LIMITED REVIEW REPORT

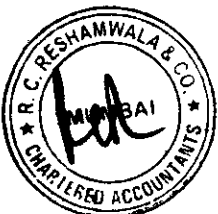
To,
The Board of Directors,
Winsome Diamonds and Jewellery Ltd.,
Mumbai.

1. We have reviewed the accompanying statement of unaudited financial results of WINSOME DIAMONDS AND JEWELLERY LTD. (Formerly known as SU-RAJ DIAMONDS AND JEWELLERY LTD.) for the quarter ended 30th June, 2014, 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 reviewed 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 limited review.
2. We conducted our review 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 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. BASIS FOR QUALIFIED CONCLUSIONS

- A. *In accordance with Accounting Standard - 11 (Standard on The Effects of Changes in Foreign Exchange Rates), the Company is required to report the monetary items using the closing rate as on the date of reporting of the financial statements. Accordingly the Company is required to value the monetary assets and liabilities viz foreign currency trade receivables and trade payables at the foreign exchange rates prevailing as on the date of the financial statements. The Company has not carried out such valuations as at the period end. Accordingly the exchange loss for the period is understated, total loss for the period is understated by Rs. 57 lakhs (net)*

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- B. The Company has made long term investments in Forever Precious Diamonds and Jewellery Ltd. (Forever) amounting to Rs. 14,118 lakhs, thereby resulting in it holding a 49 % stake in the equity of that company. The said investments continue to be valued at cost. In the view of the management, provision for diminution in value of investments as per the requirements of Accounting Standard -13 (Accounting for Investments) is not considered necessary and hence not made. We have been provided with the financial statements of Forever for the period ended September 2013. We have observed that there are no significant business operations in Forever. Further the auditors of Forever have qualified the financial statements and termed the company as a non-going concern. In view of the above the Company should have provided the diminution in value of investments amounting to Rs. 14,118 lakhs. Accordingly the loss for the period has been understated by Rs. 14,118 lakhs.*
- C. In respect of Trade Receivables amounting to Rs. 4,74,173 lakhs the auditors have not received any confirmations of balances. The management has obtained confirmations of balances from the respective parties only as on 31st March, 2013 and none thereafter. There have been defaults on the payment obligations by the debtors on the due dates. Various attempts have been made by the management and lenders for recovery however such attempts have not resulted into any significant collections or getting commitment from the parties regarding schedule of payments which are acceptable to the management / lenders. In view of the above we are unable to comment on the realisability of the debts and any provision to be made for unrealisability in the carrying amounts of these balances and the consequential impact, on the financial statements.*
- D. As regards to preparation of accounts on a Going Concern basis and considering the developments that have happened in the previous period and the period under audit, the Company's operating results have been materially affected due to various factors including non availability of finance in view of the consortium bankers recalling the financial facilities granted. These events cast significant doubts on the ability of the Company to continue as a going concern since the volumes of business have drastically dropped in the last 3 months. The appropriateness of the going concern assumption is dependent*

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on the Company's ability to raise adequate finance from alternate means and/or recoveries from overseas debtors to meet its short term and long term obligations as well as to establish consistent business operations. In absence of any convincing audit evidences, no positive steps taken by the management, non recovery of trade receivables on due date, non payment of liabilities including statutory dues, financial difficulties faced by the company due to recalling of bank finance facilities and in view of multiple uncertainties stated above, we are unable to determine the possible effects on the financial statements. We are also unable to conclude on the ability of the company to carry on as a going concern.

4. EMPHASIS OF MATTER

Depreciation has been provided based on the existing method pending evaluation of estimated useful life of the assets as required under schedule II of the Companies Act, 2013.

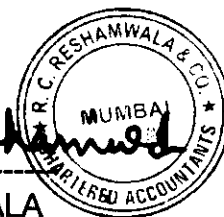
5. QUALIFIED CONCLUSIONS

Based on our review conducted as above, except for the effect of the matter stated in Basis for Qualified Conclusion - paragraph 3 AND Emphasis of Matter - paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised 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.

For R.C. RESHAMWALA & CO.
CHARTERED ACCOUNTANTS
(FRN: 108832W)

Rajnikant C. Reshamwala

RAJNIKANT C. RESHAMWALA
PARTNER
M. NO. 5502



Place: Mumbai
Date : August 12, 2014

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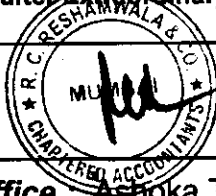
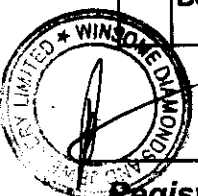
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WINSOME DIAMONDS AND JEWELLERY LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2014

(Rs. in Lakhs)

Sr.	PART I Particulars	For Quarter Ended			For 6 Months Period Ended
		30/06/2014 (Unaudited)	31/03/2014 (Unaudited)	30/06/2013 (Unaudited)	31/03/2014 (Audited)
1	Income From Operation				
	(a) Net Sales/Income from Operations	130	138	572	255
	(b) Other Operating Income	-	13	40.00	174
	Total Income from Operation (Net)	130	151	612	429
2	Expenses				
	a) Cost of Materail Consumed	138	26	562	148
	b) Purchase of Stock in Trade				
	c) Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	(19)	75	(19)	67
	d) Employees benefits Expenses	31	62	70	120
	e) Depreciation	137	146	162	295
	f) Other Expenses	102	124	2,238	200
	Total Expenses	389	433	3,013	830
3	Profit from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(259)	(282)	(2,401)	(401)
4	Other Income	32	48	162	106
5	Profit from Ordinary activities before Finance Cost & Exceptional Items (3+4)	(227)	(234)	(2,239)	(295)
6	Finance Cost	13,488	12,889	12,138	25,339
7	Profit from Ordinary activities after Finance cost but before Exceptional Items (5-6)	(13,715)	(13,123)	(14,377)	(25,634)
8	Exceptional Items	-	-	-	-
9	Profit from Ordinary Activities before Tax (7+8)	(13,715)	(13,123)	(14,377)	(25,634)
10	Tax Expenses :-				
	Current & Deferred Tax Liability		132		132
11	Net Profit from Ordinary Activities after Tax (9-10)	(13,715)	(13,255)	(14,377)	(25,766)
12	Extraordinary items (Net of tax expenses)				
13	Net Profit for the Period (11-12)	(13,715)	(13,255)	(14,377)	(25,766)
14	Paid-up Equity Share Capital (Face value: Rs.10 per share)	10,647	10,647	10,647	10,647
15	Reserves excluding Revaluation Reserve as per Balance Sheet of Previous accounting year				48,149
16	Earnings Per Share (EPS) [without annualising] Rs. :- Before and after Extraordinary items(Basic & Diluted)	(12.88)	(12.45)	(13.50)	(24.20)



Registered Office : Ashoka Tower, Kesharba Market - 2, Gotalawadi, Katargam, Surat - 395 004.

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Select Information for the Quarter ended 30/06/2014					
	PART II Particulars	For Quarter Ended			For 6 Months Period Ended
		30/06/2014	31/03/2014	30/06/2013	31/03/2014
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	- Number of shares	79,736,299	79,736,299	79,736,299	79,736,299
	- Percentage of shareholding	74.79	74.79	74.79	74.79
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered :-				
	- Number of Shares	-	-	-	-
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	-	-	-	-
	- Percentage of Shares (as a % of the total Share Capital of the Company)	-	-	-	-
	b) Non - encumbered :-				
	- Number of Shares	26,871,595	26,871,595	26,871,595	26,871,595
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	100.00	100.00	100.00	100.00
	- Percentage of Shares (as a % of the total Share Capital of the Company)	25.21	25.21	25.21	25.21
	Particulars	For Quarter ending 30/06/2014			
B	INVESTOR COMPLAINTS				
	Pending at the beginning of the quarter		Nil		
	Received during the quarter		45		
	Disposed of during the quarter		45		
	Remaining at the end of the quarter		Nil		



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Notes:

1. The un-audited results for the quarter ended June 2014 have been taken on record at the Board of Directors meeting held on August 12, 2014. The auditors have carried out the Limited Review of the same.
2. The Company has provided depreciation for the quarter under review as per old Companies act 1956 instead of Companies Act 2013. However it is not expected to make a material impact on the financial result for the quarter under review.
3. No activities are being carried out in any location except at Company's location at Goa.
4. The company has not received any money from its defaulting overseas customers during the quarter. The company has initiated legal process against its defaulting customers before the Conciliation Committee of Sharjah Federal Court, the step preceeding to filing of commercial cases before the Sharjah Court and the same is in progress.
5. The stock of Mumbai and Surat locations are in the joint custody with Consortium of Bank since June 2013. And the stock at Chennai SEZ and Cochin SEZ are under joint custody of consortium of bank at the company's premises.
6. Some of the lending banks have declared the Company as Willful Defaulters, and have filed complaints with investigative agencies and the same is in progress. The Company is extending its full co-operation to the Investigating agencies.
7. Foreign currency trade receivables have not been restated based on exchange rate as at the end of quarter under review but have been carried forward based on exchange rate as at the end of March 2013 (when it was last restated) as it is deemed expedient not to take cognizance of depreciation in Indian rupees-vis-avis US dollars on notional basis in view of uncertainty with regards to expected timeframe for realization of receivables. Likewise, foreign currency trade payables have also not been restated on exchange rate as at as at the end of quarter under review but have been carried forward based on exchange rate as at the end of March 2013. Had export receivables and overseas trade creditors been restated on the basis of exchanged rate as at the end of the period under review, it would have resulted in notional profit of Rs.49,991 lacs for the period from April 2013 to June 2014, out of which Rs.50,048 lacs upto March 2014 and loss of Rs.57 lacs is attributable to the quarter under review. (Previous Period of April 2013 to June 2013 profit of Rs. 50,700 lacs).



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8. The advances to the Company have been classified as NPA by the banks. Accordingly, a few banks have not been charging interest since account turned NPA whereas some of the banks have reversed interest charged earlier while a few have still been charging interest albeit at much higher rate. The Company has at a matter of prudence and to account for all probable liabilities has considered a rate of Interest at 12.50% p.a. based on average rate for the rupee export finance, for the purpose of providing for Interest expenses for the period. The company has, accordingly, made total provision of Rs.13,473 lacs (Previous Period Rs. Nil) so as to recognize interest at 12.5% p.a. on entire outstanding amount. Similarly in the case of Term loan for windmill where the Company has defaulted in payments of its EMI, the interest on the same have been provided by the Company at 12.5% amounting to Rs.3^{lacs} (Previous Period Rs. Nil).
9. The Company has made an application for voluntary delisting of its shares from NSE under Clause 6(a) of SEBI(Delisting of Equity Shares) Regulations, 2009
10. Figures for the previous year/ period have been regrouped and re-classified wherever necessary.

For Winsome Diamonds And Jewellery Limited

Place : Mumbai

Date : 12th August, 2014


Director

