May 30, 2018

To,	To,
The General Manager-Listing,	The Manager (Listing),
BSE Limited,	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, Bandra Kurla Complex,
Dalal Street, Mumbai 400 001	Mumbai – 400051
Scrip Code: 533189	**Symbol: GOENKA**

Company Name: Goenka Diamond and Jewels Limited

Sub: Outcome of Board Meeting held on May 30, 2018

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, we inform you that the Directors in their meeting held today (May 30, 2018) which commenced at 1:00 P.M. and concluded at 05:20 P.M. have inter-alia, approved the following:

- To adopt and confirm the Audited Standalone and Consolidated Financial results for the quarter and year ended March 31, 2018 together with Auditor's report thereon.

We enclose the following:

1. Approved Audited Standalone and Consolidated Financial results for the quarter and year ended March 31, 2018 together with Auditor's report thereon.
2. Signed Modified opinion on Standalone Statement on Impact of Audit qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial results
3. Signed Modified opinion on Consolidated Statement on Impact of Audit qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial results.

Kindly take the same on record.

Thanking you.

Regards,
For **GOENKA DIAMOND & JEWELS LIMITED**

KUNDAN TANAWADE
COMPANY SECRETARY

Encl.: As above

GOENKA DIAMOND AND JEWELS LIMITED
Corp. Off.: 1305, Panchratna, Opera House, Mumbai 400 004, India *Tel.*: (022) 2361 3102, 2362 0222 *Fax* : (022) 2367 6020
Regd. Off.: 401, Panchratna, M.S.B. Ka Rasta, Johari Bazar, Jaipur 302 003, India *Tel.*: (0141) 2574175 *Fax* : (0141) 2573305
e-mail : accounts@goenkadiamonds.com *Website* : www.goenkadiamonds.com CIN : L36911RJ1990PLC005651

GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No.L36911RJ1990PLC005651

Statement of Standalone and Consolidated Audited Financial Results for the quarter/year ended March 31, 2018 prepared in compliance with the Indian Accounting Standard (Ind-AS)

(₹ in Lacs)

SR. NO.	PARTICULAR	STANDALONE			STANDALONE		CONSOLIDATED	
		3 Month Ended March 31, 2018	3 Month Ended Dec 31, 2017	3 Month Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Revenue							
	(a) Revenue from Operations	49.95	40.99	32.10	646.25	283.24	771.62	309.16
	(b) Other Income	6.60	49.73	818.50	146.70	245.56	59.16	165.97
	Total Income from operations	56.55	90.72	850.61	792.96	528.80	830.79	475.13
2	Expenses							
	(a) Cost of materials consumed (refer note no. 9)	47.28	37.42	28.20	330.20	(381.06)	330.20	(381.06)
	(b) Change in Inventories of finished goods, work-in-progress and stock-in-trade (refer note no. 9)	(1.43)	-	14.74	368.35	697.27	1,155.90	1,560.79
	(c) Employee benefits expenses	21.92	19.77	27.56	85.46	116.61	91.12	125.21
	(d) Finance costs - (Refer Note No. 6(b))	14.87	14.79	39.95	58.65	77.65	58.65	77.90
	(e) Depreciation and amortisation expenses	15.79	15.79	14.65	63.15	58.60	64.19	74.92
	(f) Other expenses	28.11	18.60	181.72	139.77	264.55	263.44	181.31
	Total Expenses	126.53	106.37	306.82	1,045.58	833.61	1,963.51	1,639.06
3	Profit / (Loss) before tax and exceptional items (1-2)	(69.98)	(15.65)	543.79	(252.63)	(304.81)	(1,132.72)	(1,163.93)
4	Exceptional items	-	-	-	-	-	-	-
5	Profit / (Loss) before tax (3-4)	(69.98)	(15.65)	543.79	(252.63)	(304.81)	(1,132.72)	(1,163.93)
6	Income Tax							
	Current Tax	-	-	-	-	-	-	-
	Deferred Tax	10.18	(0.28)	343.13	(3.88)	354.67	(3.88)	374.67
	Total tax expenses	10.18	(0.28)	343.13	(3.88)	354.67	(3.88)	374.67
7	Net Profit / (Loss) after tax (5-6)	(80.16)	(15.37)	200.66	(248.74)	(659.48)	(1,128.84)	(1,538.60)
8	Other Comprehensive Income							
	(a) Items that will not be reclassified to profit or loss	1.33	-	1.68	1.33	1.68	1.33	1.68
	(b) Income tax relating to items that will not be reclassified to profit or loss	(0.35)	-	(0.44)	(0.35)	(0.44)	(0.35)	(0.44)
	(c) Items that will be reclassified to profit or loss		-	-	-	-	(6.22)	(51.49)
	(d) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-
	Total Other Comprehensive Income	0.98	-	1.24	0.98	1.24	(5.24)	(50.25)
9	Total Comprehensive Income for the period (7-8)	(79.18)	(15.37)	201.90	(247.76)	(658.24)	(1,134.07)	(1,588.84)
10	Profit for the year attributable to:							
	a) Owners of the parent						(1,127.57)	(1,538.33)
	b) Non-controlling interests						(1.27)	(0.26)
11	Other comprehensive incomeattributable to:							
	a) Owners of the parent						(5.24)	(50.25)
	b) Non-controlling interests						-	-
15	Paid-up Equity Share Capital (Face Value per Share of ₹. 1/-)	3,170.00	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	(0.03)	(0.00)	0.06	(0.08)	(0.21)	(0.36)	(0.49)
	Diluted	(0.03)	(0.00)	0.06	(0.08)	(0.21)	(0.36)	(0.49)

Notes:

1 The Company adopted Indian Accounting Standards(Ind AS) from 1st April, 2017. The date of transition to Ind AS is 1st April 2016 accordingly these financial results are in compliance with Ind AS, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. Consequently, the figures for the quarter and year ended 31st March, 2017 have been restated by the management to comply with Ind AS to make them comparable.

2 Reconciliation of Net Profit and Total Comprehensive Income on account of transition from the previous Indian GAAP to Ind-AS for the quarter and year ended March 31st, 2017 is as under":

Particulars	Quarter ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017
	Audited	Audited	Audited
	Standalone		Consolidated
Net profit as per Indian GAAP (AS)	289.16	(642.08)	(1,588.71)
Add / Less: IndAS Adjustments on account of:			
Interest income recognised on EIR basis	(24.60)	19.36	19.36
Exchange rate difference previously recognised under FCTR transferred to statement of profit and loss	(75.17)	(43.54)	-
Deferred Tax on Ind AS adjustments	12.95	8.46	8.46
Remeasurement of defined benefit obligation	(1.68)	(1.68)	(1.68)
Gain on elimination of net investment in foreign operation	-	-	23.97
Net profit/(loss) after tax	200.66	(659.48)	(1,538.60)
Other Comprehensive Income (Net of Tax)	1.24	1.24	(50.25)
Total comprehensive income as per IND AS	201.90	(658.24)	(1,588.84)

3 Reconciliation of total equity on account of transition from the previous Indian GAAP to Ind-AS for the year ended March 31, 2017 and as on April 01, 2016 is as under":

Particulars	As at March 31, 2017	As at April 01, 2016	As at March 31, 2017	As at April 01, 2016
	Audited	Audited	Audited	Audited
	Standalone		Consolidated	
Shareholders Equity under Previous GAAP	26,475.65	27,161.27	26,383.64	27,999.87
Add / Less: IndAS Adjustments on account of:				
Liability component of compoud financial Instruments	(60.71)	(60.71)	(60.71)	(60.71)
Interest income recognised on EIR basis	25.84	6.48	25.84	6.48
Deferred Tax on Ind AS adjustments	26.57	18.55	26.57	18.55
Total equity after Ind AS adjustments	26,467.35	27,125.58	26,375.34	27,964.19

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

GOENKA DIAMOND & JEWELS LTD. Mumbai

GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No.L36911RJ1990PLC005651

STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED ASSETS AND LIABILITIES AS ON MARCH 31, 2018

(₹ in Lacs) (₹ in Lacs)

	Particulars	STANDALONE		CONSOLIDATED	
		As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017
		Audited	Audited	Audited	Audited
I	ASSETS				
1	Non-Current Assets				
(a)	Property, Plant and Equipment	853.38	916.53	862.23	926.41
(b)	Intangible Assets	-	-	-	-
(c)	Investment Property	-	-	-	-
(d)	Financial Assets	-	-	-	-
	(i) Investments	448.76	448.76	429.29	429.29
	(ii) Loans	1,249.95	1,249.95	86.83	81.40
	(iii) Others financial assets	86.38	80.95	71.66	68.12
(e)	Deferred tax assets	71.66	68.12	-	-
2	Current assets				
(a)	Inventories	2,686.41	3,384.97	3,565.65	5,051.76
(b)	Financial Assets				
	(i) Trade receivables	69,877.78	69,881.90	74,909.69	74,968.42
	(ii) Cash and cash equivalents	43.70	42.59	44.51	43.34
	(iii) Bank Balance other than cash and cash equivalent	0.65	0.76	0.65	0.76
	(iv) Others current financial assets	527.31	425.72	33.14	29.04
(c)	Other current assets	42.54	16.92	52.86	21.83
	TOTAL ASSETS	75,888.52	76,517.17	80,056.52	81,620.37
II	EQUITY AND LIABILITIES				
1	Equity				
(a)	Equity Share capital	3,170.00	3,170.00	3,170.00	3,170.00
(b)	Other Equity	23,049.59	23,297.35	22,064.34	23,197.14
(c)	Non Controlling Interest	-	-	6.93	8.20
2	Non-current liabilities				
(a)	Financial Liabilities				
	(i) Borrowings	-	-	-	-
(b)	Provisions	45.69	45.69	45.69	45.69
3	Current liabilities				
(a)	Financial Liabilities				
	(i) Borrowings	-	-	251.78	251.78
	(ii) Trade payables	29,787.26	30,345.98	35,126.83	35,620.04
	(iii) Other financial liabilities	19,310.79	19,192.96	18,869.11	18,859.13
(b)	Other current liabilities	116.36	93.47	116.42	93.47
(c)	Provisions	38.56	44.21	38.56	44.21
(d)	Current Tax Liabilities (Net)	370.29	327.52	366.88	330.73
	TOTAL - EQUITY AND LIABILITIES	75,888.52	76,517.17	80,056.52	81,620.37

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

GOENKA DIAMOND & JEWELS LTD. Mumbai

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

CIN No.L36911RJ1990PLC005651

AUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER / YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

Particulars	STANDALONE			STANDALONE		CONSOLIDATED	
	3 Month Ended March 31, 2018	3 Month Ended Dec 31, 2017	3 Month Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue							
(a) Diamond	51.85	40.99	27.08	648.15	231.07	773.52	256.99
(b) Jewellery	(1.90)	-	5.02	(1.90)	52.17	(1.90)	52.17
(c) Unallocable	-	-	-				
Total	49.96	40.98	32.10	646.25	283.24	771.62	309.16
2. Segment Results							
(a) Diamond	29.23	23.21	708.17	174.90	40.07	210.70	27.14
(b) Jewellery	(54.69)	(44.38)	(30.55)	(358.47)	(292.38)	(1,254.79)	(1,244.74)
(c) Unallocable	-	-	-				-
Total	(25.46)	(21.17)	677.62	(183.57)	(252.31)	(1,044.09)	(1,217.60)
Less: (i) Interest	(14.87)	(14.79)	(39.95)	(58.65)	(77.65)	(58.65)	(77.65)
(ii) Other Income	10.78	49.73	(25.83)	150.89	225.94	150.89	225.94
(iii) Unallocable Expenses / Income	(40.44)	(29.42)	(68.06)	(161.30)	(200.80)	(180.87)	(94.62)
Total Profit Before Tax	(69.98)	(15.65)	543.78	(252.63)	(304.81)	(1,132.72)	(1,163.93)
3. Segment Assets							
(a) Diamond	65,463.57	65,534.26	65,899.22	65,463.57	65,899.22	70,018.33	71,003.26
(b) Jewellery	7,906.54	7,959.91	8,246.21	7,906.54	8,246.21	7,519.78	8,245.37
(c) Unallocable	2,518.41	2,433.26	2,371.75	2,518.41	2,371.75	2,518.41	2,371.75
Total	75,888.52	75,927.42	76,517.17	75,888.52	76,517.17	80,056.52	81,620.37
4. Segment Ljabilties							
(a) Diamond	29,630.75	29,628.43	29,982.08	29,630.75	29,982.08	34,775.81	35,180.73
(b) Jewellery	186.99	187.68	392.46	186.99	392.46	195.18	397.21
(c) Unallocable	46,070.78	46,111.31	46,142.64	46,070.78	46,142.64	45,085.53	46,042.44
Total	75,888.52	75,927.42	76,517.17	75,888.52	76,517.17	80,056.52	81,620.37

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

GOENKA DIAMOND & JEWELS LTD. Mumbai

4 Lead Bank Punjab National Bank, on behalf of all consortium banks, has issued notice u/s 13(2) of the SARFAESI Act for recall of loans to the Company and has filed application under section 14 of the SARFAESI Act for possession of the secured assets of the Company. During the year CMM Court, Mumbai issued an order permitting banks to take over possession of the secured assets. The Company thereafter approached DRT to restrain banks from taking any further steps in respect of taking possession of company's properties. During the hearing of case in DRT, the respondent banks withdraw the demand notices already issued and prayed for liberty to issue fresh demand notices and as the result the Securitisation application filed by the company stand dismissed as no cause of action exists. The company has also approached to DRT, Ahmedabad for interim relief against the order of taking possession of Companys' property in Surat for which final hearing is still pending. The company has also recieved enquiry and summon notices from Enforcement Directorate in respect of non- recovery of dues from overseas trade receivables. Further, two lender banks have transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. Meanwhile, the One Time Settlement (OTS) Proposals submitted by company to banks is still under consideration with some banks.

5 The auditors in their report on financial statement for the year ended March 31, 2018 have given disclaimer of opinion on the basis of observations that the Company's operating results have been materially affected due to various factors including non-realization of Trade receivables, non-availability of finance due to recall of loans by banks in consortium, legal action initiated by banks against company for recovery of its dues, pending legal cases for recovery of banks dues and for attachment of company's properties, assignment and transfer of dues of two bank in favor of an asset reconstruction company, pending income tax demands and consequent 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 to banks, non realization of interest on loans to subsidiary 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 slugglish market in earlier periods, the recovery from trade receivables are slow and there is a mismatch in the cash flow resulting in default in payment to creditors, payment of statutory dues and repayment of dues to banks owing to which banks have classified the account as NPA and recalled their loans. The management is hopeful that these trade receivables shall be recovered as the company has initiated legal action by way of sending legal notices and filing court cases. The company has filed legal suits in Mumbai High Court against majority of debtors and is in process of filing legal suits against other major debtors. 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 and payment to creditors 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.

6 (a) Trade Receivables, Trade payables/other payables and Loans and advance given to a subsidiary denominated in foreign currency have not been restated based on exchange rate as at the year end. These Trade Receivables and Advances have been carried forward based on exchange rate as at the end of March 31, 2015, March 31, 2016 and / or as at end of March 31, 2017, 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 loans and advances to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange difference at the time of realization of these trade receivables, Loans and advances and at the time of payment to trade creditors/ other payables.

(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 in earlier year have decided not to provide Interest on working capital borrowings availed by the Company. Accordingly, no interest liability has been provided for the financial year ended March 31, 2017 and March 31, 2018. Further, no confirmations and/or statements have been recieved from two banks and an asset reconcstruction company (ARC) having outstanding borrowing amounting to Rs. 4930.86 lacs and seven banks having debit balance of Rs. 21.98 Lacs and two banks having credit balance of Rs. 18.15 Lacs at the year end. However, the management to the best of its knowledge and belief have recorded all the transactions.

(c) Had the exchange gains (loss) as referred in para 6(a) above and deferred tax assets thereupon and interest in para 6(b) above been accounted for, the loss after tax in the standalone financials for the year ended March 31, 2018 would have been increased by Rs. 3940.37 Lacs (Rs. 3937.53 lacs) . Accordingly, Trade Receivables, Advances and Interest recievable from subsidiary in standalone financials shown under Current Financial Assets are understated by Rs. 776.98 Lacs (Rs.775.04 lacs), Trade Payables and Other Payables shown under Current Financial Liabilities are overstated by Rs. 310.25 Lacs (Rs. 310.25 lacs), Loan to a Subsidiary shown under Non-Current Financial Assets is overstated by Rs. 0.78 Lacs (Rs. Nil) and Deferred Tax assets are overstated by Rs.429.36 Lacs (Rs. 427.80 lacs) as at March 31, 2018. Figures in brackets indicate impact on consolidated financial statements.

7 The auditors have made observation regarding non recognition of expected credit loss on trade receivables, loan and advances (including accrued interest) given to subsidiary and investment in Optionally Convertible Debentures (including accrued interest). The management is of the view that in view of court cases initiated against the trade receivables and looking to the uncertainity regarding time frame and quantum of realisation from these trade receivables, amount of expected credit loss required to be recognized cannot be estimated. The same shall be provided as and when the information regarding quantum and time frame of realisation from these trade receivables is ascertained. With regard to loan (including accrued interest) due from subsidiary, the same is in the nature of long term loan for set up of business of the subsidiary and is part of net investment in the subsidiary. The operation of the subsidiary shall soon be revived and these loans will be recovered in near future. In respect of investment in OCD, the company assumes that the amount shall be recovered as per the terms of repayment.

8 With regard to auditors observation in standalone financial statement regarding non-provision for impairment against investment in subsidiaries amounting to Rs. 2.03 Lacs and Rs. 7.44 lacs, the management is of the view that the investment in subsidiary is in the nature of long term investment and the subsidiaries have substantial business value.

9 Cost of material consumed in the standalone and consolidated financial results for the year March, 2017 is in negative due to recovery of raw materials by melting of finished goods. Changes in Inventories in consolidated financial statement includes Rs. 800.56 lacs being the allowance for slow and moving inventory made by one of the subsidiary namely Goenka Diamond and Jewels DMCC, Dubai.

10 All the three independent directors have resigned from office of directors and their resignation was accepted in the board meeting held on 6th February, 2018. The company further appointed two new Independent Directors in the board meeting held on 6th February 2018 and accordingly the Audit Committee has been reconstituted in terms with the SEBI (Listing Obligations and Disclosures Requirement) Regulations 2015 and Companies Act 2013.

11 In the standalone results the figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto third quarter of the respective financial year. Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary.

For Goenka Diamond And Jewels Ltd

Nandlal Goenka
Chairman

Place : Mumbai
Date : May 30, 2018

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

GOENKA DIAMOND & JEWELS LTD. Mumbai

Auditor's Report on Annual Standalone Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Goenka Diamond and Jewels Limited

1. We have audited the accompanying Statement of Annual Standalone Financial Results of **Goenka Diamond and Jewels Limited** ('the Company') for the year ended March 31, 2018 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and year ended March 31, 2017 included in these standalone financial results are based on the previously issued financial statement prepared in accordance with the Companies Accounting Standards) Rules, 2006 audited by a predecessor auditor and one of the joint-auditor whose report for the year ended March 31, 2017 dated May 30, 2017 expressed disclaimer of opinion on those standalone financial statement, as adjusted for the differences in the accounting principle adopted by the Company on transition to the Ind-AS, which have been audited by us.

2. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express an opinion on this Statement, based on our audit of such standalone annual financial statements, which have been prepared in accordance with the recognition and measurement principals laid down in Indian Accounting Standards for interim financial reporting (Ind-AS 34) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other accounting principles generally accepted in India.

3. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statement is free of material misstatement. An audit includes examining, on test check basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by the management. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, it is not possible to form an opinion on the Financial Statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

4. **Basis of Qualified Conclusions**

   (a) The company has not translated following monetary items denominated in foreign currency as at the year ended closing rate and has been carried forward at the rate as at 31st March 2015, 31st March 2016, and / or 31st March 2017, which is not in accordance with Ind-AS -21 "The Effect of changes in Foreign Exchange Rates" and accounting policy followed by the Company.

   i. Trade receivable amounting to Rs. 69,806.99 lacs

   ii. Trade payables and other payable amounting to Rs. 29,717.66 lacs

   iii. Loans and Advances to subsidiaries (including accrued interest) amounting to Rs. 1748.46 lacs

RSVA & CO. CHARTERED ACCOUNTANTS 110504W

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

The company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 1088.01 lacs including exchange gain (net) amounting to Rs. 566.50 Lacs and Rs. 23.77 Lacs pertaining to the quarter and year ended March 31, 2018 respectively. Accordingly, loss for the quarter and year ended March 31, 2018 is overstated by Rs. 566.50 Lacs and Rs. 23.77 Lacs respectively. The Company has not recognized deferred tax liability amounting to Rs. 429.36 lacs on the above cumulative exchange gain (net) including deferred tax credit for the quarter and year ended March 31, 2018 amounting to Rs.147.29 Lacs and Rs. 6.18 lacs respectively.

(b) The Company has defaulted on repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. During the previous year, the management has decided not to provide interest on such loans and consequently based on the calculation done by the management total interest amounting to Rs. 7052.33 Lacs determined at an average estimated rate of 17% p.a., has not been provided for in the books of accounts including interest amounting to Rs. 1183.44 Lacs and Rs. 3970.33 Lacs pertaining to the quarter and year ended March 31, 2018 respectively. Accordingly, finance cost and loss for the quarter and year is understated by Rs. 1183.44 Lacs and Rs. 3970.33 Lacs respectively.

Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the quarter and year would have been increased by Rs. 469.65 Lacs and Rs. 3940.38 Lacs respectively. Accordingly, Trade Receivables shown under Current Financial Assets are understated by Rs. 777.61 Lacs, Trade Payables, Interest payable to banks and Other Payables shown under Current Financial Liabilities are understated by Rs. 6742.08 Lacs, Loan to a Subsidiary shown under Non-Current Financial Assets is understated by Rs. 0.78 Lacs, Deferred Tax assets are overstated by Rs. 429.36 Lacs and other Current Financial Assets are overstated by Rs. 0.63 Lacs as at March 31, 2018.

(c) No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 69,877.78 Lacs has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". In view of defaults in payment obligations by the Trade Receivables on due date, non-recoveries from Trade Receivables, non-confirmations/ reconciliation from Trade receivables, initiation of legal action/ suits against Trade Receivables by the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of these Trade receivables, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial statements.

(d) No provision for the expected credit loss/ impairment on loan to a subsidiary amounting to Rs. 1688.68 Lacs (including accrued interest) and investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 509.74 Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above subsidiary and entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of these entities, there has been significant increase in credit risk and there could be delay/default in recovery of these amounts. Considering the above, we are unable to comment on the amount of expected credit loss// impairment and its consequential impact, on the financial statements.

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5. **Material Uncertainty related to going concern**

The Company's operating results have been materially affected due to various factors including non-realization of Trade receivables, defaults in repayment of loans and interest to banks, non-availability of finance due to recall of loans by banks in consortium, legal action initiated by banks against company for recovery of its dues, notices/ summon from enforcement directorate, pending cases with various Debt Recovery Tribunals and other courts for recovery of banks dues and attachment of company's properties, assignment and transfer of dues of banks in favor of an asset reconstruction company (ARC), pending income tax demands and consequent 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, non realization of loan and interest thereon from a subsidiary etc. 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 Trade Receivables to meet its short term and long term obligations as well as to establish consistent business operation. The above situation indicates that material uncertainty exists that cast significant doubt on company's ability to continue as a going concern.

6. **Basis of Disclaimer of Opinion**

In absence of any convincing audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, outcome of pending legal action initiated against debtor and legal cases initiated by banks against company for recovery of loans and possession of Company's properties, transfer of banks dues in favor of ARC, other factors such as non-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result and ability of the company to continue as a going concern.

Because of the significance of the matters described in the basis of qualified conclusions and Material uncertainty related to Going Concern paragraph above, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements. Accordingly, we do not express an opinion on the financial statements.

7. **Emphasis of Matter**

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. Two banks and a asset reconstruction company having outstanding dues of Rs. 4930.86 lacs have neither issued bank statements nor confirmed balance outstanding as at year-end. However, the management has confirmed that all transactions have been recorded in the books of accounts.

c. Balances of Trade Receivables, Trade Payables and Current Assets and Liabilities are subject to confirmations and consequential adjustment thereof.

d. The company has made investment of Rs. 2.03 lacs and has given advance of Rs.59.78 lacs to its subsidiary namely M.B. Diamonds LLC and has made investment of Rs. 7.44 lacs in its subsidiary namely Goenka Diamond and Jewels DMCC, the net-worth of these subsidiaries as at the year end is negative

No provision against these investments and advance has been made as the management is of the view that the investment in subsidiary is long term in nature.

8. The Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and SEBI circular dated 5th July, 2016 includes the results for the Quarter ended March 31, 2018, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Ummed Jain & Co.
Chartered Accountants
ICAI Firm Regn. No. 119250W

Akhil Jain
Partner
Membership No.: 137970

Mumbai
May 30, 2018

For RSVA & Co.
Chartered Accountants
ICAI Firm Regn. No. 110504W

B.N.Rao
Partner
Membership No.: 039555

Mumbai
May 30, 2018

Auditor's Report on Annual Consolidated Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Goenka Diamond and Jewels Limited

1. We have audited the accompanying Statement of Annual Consolidated Financial Results of Goenka Diamond and Jewels Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its *subsidiaries together referred to as 'the Group'), for the year ended March 31, 2018 ("the Statement"), being* submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding year ended March 31, 2017 included in these consolidated financial results are based on the previously issued financial statement prepared in accordance with the Companies Accounting Standards) Rules, 2006 audited by a predecessor auditor and one of the joint-auditor whose report for the year ended March 31, 2017 dated May 30, 2017, expressed disclaimer of opinion on those consolidated financial statement, as adjusted for the differences in the accounting principle adopted by the Group on transition to the Ind-AS, which have been audited by us.

2. This Statement is the responsibility of the Holding Company's management and has been approved by the Board of Directors of holding company. Our responsibility is to express an opinion on this Statement, based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principals laid down in Indian Accounting Standards for interim financial reporting (Ind-AS 34) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other accounting principles generally accepted in India.

3. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statement is free of material misstatement. An audit includes examining, on test check basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by the management. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, it is not possible to form an opinion on the Financial Statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

4. **Basis of Qualified Conclusions**

(a) The group has not translated following monetary items denominated in foreign currency as at the period ended closing rate and has been carried forward at the rate as at 31st March 2015, 31st March 2016, and / or 31st March 2017, which is not in accordance with Ind-AS -21 "The Effect of changes in Foreign Exchange Rates" and accounting policy followed by the Group.

i. Trade receivable amounting to Rs. 69,703.18 lacs

ii. Trade payables and other payable amounting to Rs. 29,717.66 lacs

The group has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 1085.29 lacs including exchange gain (net) amounting to Rs. 26.03 Lacs pertaining to the year ended March 31, 2018. Accordingly, loss for the year ended March 31, 2018 is overstated by Rs. 26.03 Lacs. The group has not

recognized deferred tax liability amounting to Rs. 427.80 lacs on the above cumulative exchange gain (net) including deferred tax credit for the year ended March 31, 2018 amounting to Rs. 6.77 lacs.

(b) The Group has defaulted on repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. During the previous year, the management has decided not to provide interest on such loans and consequently based on the calculation done by the management interest amounting to Rs. 7052.33 Lacs determined at an average estimated rate of 17% p.a., has not been provided for in the books of accounts including interest amounting to Rs. 3970.33 Lacs pertaining to the year ended March 31, 2018. Accordingly, finance cost and loss for the year is understated by Rs. 3970.33 Lacs.

Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the year would have been increased by Rs. 3937.53 Lacs. Accordingly, Trade Receivables shown under Current Financial Assets are understated by Rs. 775.04 Lacs, Trade Payables, Interest payable to banks and Other Payables shown under Current Financial Liabilities are understated by Rs. 6742.08 Lacs, Deferred Tax assets are overstated by Rs. 427.80 Lacs as at March 31, 2018.

(c) No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 70,949.69 Lacs has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". In view of defaults in payment obligations by the Trade Receivables on due date, non-recoveries from Trade Receivables, non-confirmations/ reconciliation from Trade receivables, initiation of legal action/ suits against Trade Receivables by the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of these Trade receivables, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial statements.

(d) No provision for the expected credit loss/ impairment on investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 509.74 Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above entity is negative and based on reasonable and supportable information regarding the current financial status and business condition, there has been significant increase in credit risk and there could be delay/default in recovery of the amounts. Considering the above, we are unable to comment on the amount of expected credit loss// impairment and its consequential impact, on the financial statements.

5. **Material Uncertainty related to going concern**

The Group's operating results have been materially affected due to various factors including non-realization of Trade receivables, defaults in repayment of loans and interest to banks , non-availability of finance due to recall of loans by banks in consortium, legal action initiated by banks against holding company for recovery of its dues, notices/ summon from enforcement directorate, pending cases with various Debt Recovery Tribunals and other courts for recovery of banks dues and attachment of holding company's properties, assignment and transfer of dues of banks in favor of an asset reconstruction company (ARC), pending income tax demands and consequent 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 etc. These events cause significant doubts on the ability of the group to continue as a going concern. The appropriateness of the going concern assumption is dependent on the group's ability to raise adequate finance from alternative means and or recoveries from overseas Trade Receivables to meet its short term and long term obligations as well as to

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establish consistent business operation. The above situation indicates that a material uncertainty exists that cast significant doubt on group's ability to continue as a going concern.

6. **Basis of Disclaimer of Opinion**

In absence of any convincing audit evidences regarding certainty and time frame for recovery from Trade receivable, outcome of pending legal action initiated against debtor and legal cases initiated by banks against holding company for recovery of loans and possession of Holding Company's properties and transfer of banks dues in favor of ARC, , other factors such as non-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result and ability of the group to continue as a going concern.

Because of the significance of the matters described in the basis of qualified conclusions and Material uncertainty related to Going Concern paragraph above, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements. Accordingly, we do not express an opinion on the financial statements.

7. **Emphasis of Matter**

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. Two banks and a asset reconstruction company having outstanding dues of Rs. 4930.86 lacs have neither issued bank statements nor confirmed balance outstanding as at year-end. However, the management has confirmed that all transactions have been recorded in the books of accounts.

c. Balances of Trade Receivables, Trade Payables and Current Assets and Liabilities are subject to confirmations and consequential adjustment thereof.

8. The accompanying consolidated financial results are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and includes annual financial results of the following entities:

Sr. No.	Name of the Entity	Relationship
1.	M.B. Diamonds LLC	Subsidiary
2.	Goenka Diamond and Jewels DMCC	Subsidiary
3.	Solitaire Diamond Exports	Subsidiary

9. We did not audit the financial results of three subsidiaries included in the Statement, whose financial results reflects, total assets of Rs. 6039.74 lacs, total revenue of Rs. Nil and total loss after tax of Rs.1017.76 lacs for the year ended March 31, 2018 , as considered in the Statement. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of other auditors.

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10. The Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and SEBI circular dated 5th July, 2016.

For Ummed Jain & Co.
Chartered Accountants
ICAI Firm Regn. No. 119250W

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Akhil Jain
Partner
Membership No.: 137970

Mumbai
May 30, 2018

For RSVA & Co.
Chartered Accountants
ICAI Firm Regn. No. 110504W

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

B.N.Rao
Partner
Membership No.: 039555

Mumbai
May 30, 2018

Standalone Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 of Goenka Diamond & Jewels Limited

[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2017 (₹ *in Lakh*)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	792.96	792.96
	2.	Total Expenditure	1,045.58	4985.96
	3.	Net Profit/(Loss)	(252.63)	(4193.00)
	4.	Earnings Per Share	(0.08)	(1.32)
	5.	Total Assets	75,888.52	76,664.72
	6.	Total Liabilities	49,668.94	56,840.38
	7.	Net Worth	26,219.59	19,824.34
	8.	Any other financial item(s) (as felt appropriate by the management)	0.98	0.98

Type of Audit Qualification	Comments in Auditors Report	Management Reply
Basis of Qualified Conclusions		
Frequency of Qualification: Appearing for Third time	The company has not translated following monetary items denominated in foreign currency as at the year ended closing rate and has been carried forward at the rate as at 31st March 2015, 31st March 2016, and / or 31st March 2017, which is not in accordance with Ind-AS -21 "The Effect of changes in Foreign Exchange Rates" and accounting policy followed by the Company. i) Trade Receivables outstanding amounting to ₹ 69,806.99 lacs. ii) Trade Payables and other payables amounting to ₹ 29,717.66 lacs	It was 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 loans and advances to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange difference at the time of realization of these trade receivables, Loans and advances and at the time of payment to trade creditors/ other payables. The company shall account for the actual exchange difference & deferred tax

	iii) Loans and Advances given to a subsidiaries (including accrued interest) amounting to ₹ 1748.46 lacs. The company has not provided for cumulative exchange gain (net) on the above items amounting to ₹ 1088.01 lacs including exchange gain (net) amounting to ₹ 566.50 Lacs and ₹ 23.77 Lacs pertaining to the quarter and year ended March 31, 2018 respectively. Accordingly, loss for the quarter and year ended March 31, 2018 is overstated by ₹ 566.50 Lacs and ₹ 23.77 Lacs respectively. The Company has not recognized deferred tax liability amounting to ₹ 429.36 lacs on the above cumulative exchange gain (net) including deferred tax credit for the quarter and year ended March 31, 2018 amounting to ₹147.29 Lacs and ₹ 6.18 lacs respectively.	liability at the time of actual occurrence of.
Frequency of Qualification: Appearing for the Second time	The Company has defaulted on repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. During the previous year, the management has decided not to provide interest on such loans and consequently based on the calculation done by the management total interest amounting to ₹ 7052.33 Lacs determined at an average estimated rate of 17% p.a., has not been provided for in the books of accounts including interest amounting to ₹ 1183.44 Lacs and ₹ 3970.33 Lacs pertaining to the quarter and year ended March	The Management is taking all possible steps to revive the business operations and has approached consortium bankers for one time settlement (OTS) of entire loan dues and assumes that Company will have adequate cash flow from export realization to defray its entire debt obligation in phased manner. Further, two lender banks have transferred and assigned its outstanding dues against company to an Asset Reconstruction Company and OTS proposals submitted by the company to some banks are still under consideration. Also the Board have decided not to provide Interest on

GOENKA DIAMOND & JEWELS LTD. MUMBAI

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	31, 2018 respectively. Accordingly, finance cost and loss for the quarter and year is understated by ₹ 1183.44 Lacs and ₹ 3970.33 Lacs respectively. Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the quarter and year would have been increased by ₹ 469.65 Lacs and ₹ 3940.38 Lacs respectively. Accordingly, Trade Receivables shown under Current Financial Assets are understated by ₹ 777.61 Lacs, Trade Payables, Interest payable to banks and Other Payables shown under Current Financial Liabilities are understated by ₹ 6742.08 Lacs, Loan to a Subsidiary shown under Non-Current Financial Assets is understated by ₹ 0.78 Lacs, Deferred Tax assets are overstated by ₹ 429.36 Lacs and other Current Financial Assets are overstated by ₹ 0.63 Lacs as at March 31, 2018.	working capital borrowings availed by the Company. However, the Management to the best of its knowledge and belief has recorded all the transactions.
Frequency of Qualification: Earlier appeared in Basis of Disclaimer of opinion	No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of ₹ 69,877.78 Lacs has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". In view of defaults in payment obligations by the Trade Receivables on due date, non-recoveries from Trade Receivables, non-confirmations/ reconciliation from Trade receivables, initiation	The Management is of the view that due to certain unfavorable developments and sluggish market in earlier periods, the recovery from trade receivables is slow and there is a mismatch in the cash flow. The Management is hopeful that these trade receivables shall be recovered as the company has initiated legal action by way of sending legal notices and filing court cases. The company has filed legal suits

GOENKA DIAMOND & JEWELS LTD. MUMBAI

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

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	of legal action/ suits against Trade Receivables by the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of these Trade receivables, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial statements.	in Mumbai High Court against majority of debtors and is in process of filing legal suits against other major debtors.
Frequency of Qualification: Earlier appeared in Emphasis of Matter	No provision for the expected credit loss/ impairment on loan to a subsidiary amounting to ₹ 1688.68 Lacs (including accrued interest) and investment in an entity by way of Optionally Convertible Debentures amounting to ₹ 509.74 Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above subsidiary and entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of these entities, there has been significant increase in credit risk and there could be delay/default in recovery of these amounts. Considering the above, we are unable to comment on the amount of expected credit loss// impairment and its consequential impact, on the financial statements.	With regard to loan (including accrued interest) due from subsidiary, the same is in the nature of long term loan for set up of business of the subsidiary and is part of net investment in the subsidiary. The operation of the subsidiary shall soon be revived and these loans will be recovered in near future. In respect of investment in Optionally Convertible Debentures (OCD), the company assumes that the amount shall be recovered as per the terms of repayment.
Material Uncertainty related to going concern	The Company's operating results have been materially affected due to various factors including non-realization of Trade receivables,	The management is of the view that due to certain unfavourable developments and

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UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

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	defaults in repayment of loans and interest to banks, non-availability of finance due to recall of loans by banks in consortium, legal action initiated by banks against company for recovery of its dues, notices/ summon from enforcement directorate, pending cases with various Debt Recovery Tribunals and other courts for recovery of banks dues and attachment of company's properties, assignment and transfer of dues of banks in favor of an asset reconstruction company (ARC), pending income tax demands and consequent 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, non realization of loan and interest thereon from a subsidiary etc. 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 Trade Receivables to meet its short term and long term obligations as well as to establish consistent business operation. The above situation indicates that material uncertainty exists that cast significant doubt on company's ability to continue as a going concern.	slugglish market in earlier periods, the recovery from trade receivables are slow and there is a mismatch in the cash flow resulting in default in payment to creditors, payment of statutory dues and repayment of dues to banks owing to which banks have classified the account as NPA and recalled their loans. The management is hopeful that these trade receivables shall be recovered as the company has initiated legal action by way of sending legal notices and filing court cases. The company has filed legal suits in Mumbai High Court against majority of debtors and is in process of filing legal suits against other major debtors. 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 and payment to creditors 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.

Basis of Disclaimer of Opinion	In absence of any convincing audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, outcome of pending legal action initiated against debtor and legal cases initiated by banks against company for recovery of loans and possession of Company's properties, transfer of banks dues in favor of ARC, other factors such as non-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result and ability of the company to continue as a going concern. Because of the significance of the matters described in the basis of qualified conclusions and Material uncertainty related to Going Concern paragraph above, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements. Accordingly, we do not express an opinion on the financial statements.	Auditors have not expressed an opinion on the financial statements due to the reasons has mentioned in the auditors comments

GOENKA DIAMOND & JEWELS LTD. MUMBAI

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Emphasis of Matter		
Frequency of Qualification: Since 2011-12	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.	Management has properly valued the inventory based on determination of estimated net realizable value and specific identification.
Frequency of Qualification: Appearing for Third time	Two banks and a asset reconstruction company having outstanding dues of ₹ 4930.86 lacs have neither issued bank statements nor confirmed balance outstanding as at year-end. However, the management has confirmed that all transactions have been recorded in the books of accounts.	The management in its best judgment and as a matter of prudence believes that all the transactions have been recorded in the books of accounts.
Frequency of Qualification: Appearing for First Time	Balances of Trade Receivables, Trade Payables and Current Assets and Liabilities are subject to confirmations and consequential adjustment thereof.	The management in its best judgment and as a matter of prudence believes that all the transactions have been recorded in the books of accounts.
Frequency of Qualification: Appearing for Third time	The company has made investment of ₹ 2.03 lacs and has given advance of ₹.59.78 lacs to its subsidiary namely M.B. Diamonds LLC and has made investment of ₹ 7.44 lacs in its subsidiary namely Goenka Diamond and Jewels DMCC, the net-worth of these subsidiaries as at the year end is negative. No provision against these investments and advance has been made as the management is of the view that the investment in subsidiary is long term in nature.	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 and therefore no provision is required against such investment and advances.

GOENKA DIAMOND & JEWELS LTD. MUMBAI

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RSVA & CO. 110504W CHARTERED ACCOUNTANTS

To be signed by		
For Goenka Diamond & Jewels Ltd. Nandlal Goenka CEO / Chairman DIN : 00125281	**For Goenka Diamond & Jewels Ltd.** Navneet Goenka MD & CFO DIN : 00164428	**For Goenka Diamond & Jewels Ltd.** Bhau Dhure Chairman Audit Committee DIN : 08067074
Place: Mumbai **Date:** May 30, 2018	**For Ummed Jain & Co.** ICAI Firm Regn. No. 119250W Akhil Jain Partner Membership No.: 137970	**For RSVA & Co.** ICAI Firm Regn. No. 110504W B. N. Rao Partner Membership No.: 039555

Consolidated Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 of
Goenka Diamond & Jewels Limited
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2017 *(₹. in Lakh)*

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	830.79	830.79
	2.	Total Expenditure	1963.51	5901.04
	3.	Net Profit/(Loss)	(1132.72)	(5070.25)
	4.	Earnings Per Share	(0.36)	(1.60)
	5.	Total Assets	80056.52	80831.56
	6.	Total Liabilities	54815.25	61983.13
	7.	Net Worth	25241.27	18848.44
	8.	Any other financial item(s) (as felt appropriate by the management)	(5.24)	(5.24)

Type of Audit Qualification	Comments in Auditors Report	Management Reply
Basis of Qualified Conclusions		
Frequency of Qualification: Appearing for Third time	The group has not translated following monetary items denominated in foreign currency as at the period ended closing rate and has been carried forward at the rate as at 31st March 2015, 31st March 2016, and / or 31st March 2017, which is not in accordance with Ind-AS -21 "The Effect of changes in Foreign Exchange Rates" and accounting policy followed by the Group. i) Trade receivable amounting to ₹ 69,703.18 lacs ii) Trade payables and other payable amounting	It was 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 loans and advances to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange difference at the time of realization of these trade receivables, Loans and advances and at the time of payment to trade creditors/ other payables. The company shall account for the

GOENKA DIAMOND & JEWELS LTD. MUMBAI

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

R.S.VA & CO. 111504W CHARTERED ACCOUNTANTS

	to ₹ 29,717.66 lacs The group has not provided for cumulative exchange gain (net) on the above items amounting to ₹ 1085.29 lacs including exchange gain (net) amounting to ₹ 26.03 Lacs pertaining to the year ended March 31, 2018. Accordingly, loss for the year ended March 31, 2018 is overstated by ₹ 26.03 Lacs. The group has not recognized deferred tax liability amounting to ₹ 427.80 lacs on the above cumulative exchange gain (net) including deferred tax credit for the year ended March 31, 2018 amounting to ₹ 6.77 lacs.	actual exchange difference and deferred tax liability at the time of actual occurrence.
Frequency of Qualification: Appearing for Second time	The Group has defaulted on repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. During the previous year, the management has decided not to provide interest on such loans and consequently based on the calculation done by the management interest amounting to ₹ 7052.33 Lacs determined at an average estimated rate of 17% p.a., has not been provided for in the books of accounts including interest amounting to ₹ 3970.33 Lacs pertaining to the year ended March 31, 2018. Accordingly, finance cost and loss for the year is understated by ₹ 3970.33 Lacs. Had the exchange difference and deferred tax thereon as stated in para (a) above and interest	The Management is taking all possible steps to revive the business operations and has approached consortium bankers for one time settlement (OTS) of entire loan dues and assumes that Company will have adequate cash flow from export realization to defray its entire debt obligation in phased manner. Further, two lender banks have transferred and assigned its outstanding dues against company to an Asset Reconstruction Company and OTS proposals submitted by the company to some banks are still under consideration. Also the Board have decided not to provide Interest on working capital borrowings availed by the Company. However, the Management to the best of its knowledge and belief has recorded all the transactions.

GOENKA DIAMOND & JEWELS LTD. MUMBAI

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

	on loans as stated in para (b) above been provided, the loss after tax for the year would have been increased by ₹ 3937.53 Lacs. Accordingly, Trade Receivables shown under Current Financial Assets are understated by ₹ 775.04 Lacs, Trade Payables, Interest payable to banks and Other Payables shown under Current Financial Liabilities are understated by ₹ 6742.08 Lacs, Deferred Tax assets are overstated by ₹ 427.80 Lacs as at March 31, 2018.	
Frequency of Qualification: Appeared earlier in FY 2013-14, FY 2014-15, FY 2015-16 and FY 2016-17	No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of ₹ 70,949.69 Lacs has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". In view of defaults in payment obligations by the Trade Receivables on due date, non-recoveries from Trade Receivables, non-confirmations/ reconciliation from Trade receivables, initiation of legal action/ suits against Trade Receivables by the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of these Trade receivables, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial statements.	The Management is of the view that due to certain unfavorable developments and sluggish market in earlier periods, the recovery from trade receivables is slow and there is a mismatch in the cash flow. The Management is hopeful that these trade receivables shall be recovered as the company has initiated legal action by way of sending legal notices and filing court cases. The company has filed legal suits in Mumbai High Court against majority of debtors and is in process of filing legal suits against other major debtors.

GOENKA DIAMOND & JEWELS LTD. MUMBAI

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

Frequency of Qualification: Appeared for Second time	No provision for the expected credit loss/ impairment on investment in an entity by way of Optionally Convertible Debentures amounting to ₹ 509.74 Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above entity is negative and based on reasonable and supportable information regarding the current financial status and business condition, there has been significant increase in credit risk and there could be delay/default in recovery of the amounts. Considering the above, we are unable to comment on the amount of expected credit loss// impairment and its consequential impact, on the financial statements.	In respect of investment in Optionally Convertible Debentures (OCD), the company assumes that the amount shall be recovered as per the terms of repayment.
Material Uncertainty related to going concern		
	The Group's operating results have been materially affected due to various factors including non-realization of Trade receivables, defaults in repayment of loans and interest to banks , non-availability of finance due to recall of loans by banks in consortium, legal action initiated by banks against holding company for recovery of its dues, notices/ summon from enforcement directorate, pending cases with various Debt Recovery Tribunals and other courts for recovery of banks dues and attachment of holding company's properties, assignment and transfer of dues of banks in favor of an asset reconstruction company (ARC), pending income tax demands and	The management is of the view that due to certain unfavourable developments and slugglish market in earlier periods, the recovery from trade receivables are slow and there is a mismatch in the cash flow resulting in default in payment to creditors, payment of statutory dues and repayment of dues to banks owing to which banks have classified the account as NPA and recalled their loans. The management is hopeful that these trade receivables shall be recovered as the company has initiated legal action by way of sending legal notices and filing court cases. The company has filed legal suits in Mumbai High Court against majority of debtors and is in process of filing legal suits

GOENKA DIAMOND & JEWELS LTD. MUMBAI

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

	consequent 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 etc. These events cause significant doubts on the ability of the group to continue as a going concern. The appropriateness of the going concern assumption is dependent on the group's ability to raise adequate finance from alternative means and / or recoveries from overseas Trade Receivables to meet its short term and long term obligations as well as to establish consistent business operation. The above situation indicates that a material uncertainty exists that cast significant doubt on group's ability to continue as a going concern.	against other major debtors. 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 and payment to creditors 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.
Basis of Disclaimer of Opinion		
Frequency of Qualification: Appearing for Third time	In absence of any convincing audit evidences regarding certainty and time frame for recovery from Trade receivable, outcome of pending legal action initiated against debtor and legal cases initiated by banks against holding company for recovery of loans and possession of Holding Company's properties and transfer of banks dues in favor of ARC, , other factors such as non-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and	Auditors have not expressed an opinion on the financial statements due to the reasons has mentioned in the auditors comments

GOENKA DIAMOND & JEWELS LTD. MUMBAI

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

RSVA & CO. 110504W CHARTERED ACCOUNTANTS

	forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result and ability of the group to continue as a going concern. Because of the significance of the matters described in the basis of qualified conclusions and Material uncertainty related to Going Concern paragraph above, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements. Accordingly, we do not express an opinion on the financial statements.	
Emphasis of Matter		
Frequency of Qualification: Since 2011-12	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.	Management has properly valued the inventory based on determination of estimated net realizable value and specific identification.
Frequency of Qualification: Appearing for Third time	Two banks and a asset reconstruction company having outstanding dues of ₹ 4930.86 lacs have neither issued bank statements nor confirmed balance outstanding as at year-end. However, the management has confirmed that all transactions have been recorded in the books of accounts.	The management in its best judgment and as a matter of prudence believes that all the transactions have been recorded in the books of accounts.

GOENKA DIAMOND & JEWELS LTD. MUMBAI

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

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Frequency of Qualification: Appearing for First time	Balances of Trade Receivables, Trade Payables and Current Assets and Liabilities are subject to confirmations and consequential adjustment thereof.	The management in its best judgment and as a matter of prudence believes that all the transactions have been recorded in the books of accounts.
Frequency of Qualification: Appearing for Third time	We did not audit the financial results of three subsidiaries included in the Statement, whose financial results reflects, total assets of ₹ 6039.74 lacs, total revenue of ₹ Nil and total loss after tax of ₹1017.76 lacs for the year ended March 31, 2018 , as considered in the Statement. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of other auditors.	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 and therefore no provision is required against such investment and advances.
To be signed by		
For Goenka Diamond & Jewels Ltd. Nandlal Goenka CEO / Chairman DIN : 00125281	**For Goenka Diamond & Jewels Ltd.** Navneet Goenka MD & CFO DIN : 00164428	**For Goenka Diamond & Jewels Ltd.** Bhau Dhure Chairman Audit Committee DIN : 08067074
	For Ummed Jain & Co. ICAI Firm Regn. No. 119250W Akhil Jain Partner Membership No.: 137970	**For RSVA & Co.** ICAI Firm Regn. No. 110504W B. N. Rao Partner Membership No.: 039555