

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) 40046746
Fax : (91-22) 4920 0333

13th February, 2015

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 31st December, 2014

With reference to the above, please find enclosed herewith a copy of the Unaudited Financial Results of the Company for the Third Quarter ended 31st December, 2014 which have been approved by the Board of Directors at its meeting held on 13th February, 2015.

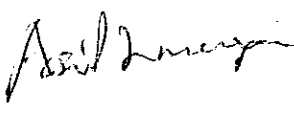
Also find enclosed herewith a copy of the Limited Review Report of the Statutory Auditors on Unaudited Financial Results for the quarter ended 31st December, 2014.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For WINSOME DIAMONDS AND JEWELLERY LIMITED




ASISH 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 31st December, 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. The Company has a gain of Rs.16,641 lakhs (net). Accordingly the exchange gain for the period is understated, total loss for the period is overstated by Rs. 16,641 lakhs (net).*



-2-

- 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 March 2014. 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. 4,74,560 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, 2014 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 review, 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 Clauses 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)

Manish R. Reshamwala



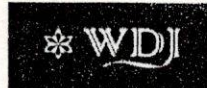
MANISH R. RESHAMWALA
PARTNER
M. NO. 106586

MS
Place: ~~Mumbai~~ Ahmedabad
Date : February 13, 2015

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WINSOME DIAMONDS AND JEWELLERY LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER /NINE MONTH ENDED 31ST DECEMBER, 2014

(Rs. in Lakhs)

Sr.	PART I Particulars	For Quarter Ended			For Nine Month Period Ended		For 6 Months Period Ended
		31/12/2014 (Unaudited)	30/09/2014 (Unaudited)	31/12/2013 (Unaudited)	31/12/2014 (Unaudited)	31/12/2013 (Unaudited)	31/03/2014 (Audited)
1	Income From Operation						
	(a) Net Sales/Income from Operations	195	144	117	469	821	255
	(b) Other Operating Income	-	-	161	-	(1,336)	174
	Total Income from Operation (Net)	195	144	278	469	(515)	429
2	Expenses						
	a) Cost of Material Consumed	152	133	122	423	1,137	148
	b) Purchase of Stock in Trade						
	c) Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	73	(14)	(8)	40	10,743	67
	d) Employees benefits Expenses	55	33	58	119	135	120
	e) Depreciation	139	139	149	415	404	295
	f) Other Expenses	179	72	76	353	1,041	200
	Total Expenses	598	363	397	1,350	13,460	830
3	Profit from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(403)	(219)	(119)	(881)	(13,975)	(401)
4	Other Income	64	30	58	126	245	106
5	Profit from Ordinary activities before Finance Cost & Exceptional Items (3+4)	(339)	(189)	(61)	(755)	(13,730)	(295)
6	Finance Cost	14,350	13,913	12,450	41,751	25,732	25,339
7	Profit from Ordinary activities after Finance cost but before Exceptional Items (5-6)	(14,689)	(14,102)	(12,511)	(42,506)	(39,462)	(25,634)
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7+8)	(14,689)	(14,102)	(12,511)	(42,506)	(39,462)	(25,634)
10	Tax Expenses :- Current & Deferred Tax Liability	-	-	-	-	(185)	132
11	Net Profit from Ordinary Activities after Tax (9-10)	(14,689)	(14,102)	(12,511)	(42,506)	(39,277)	(25,766)
12	Extraordinary items (Net of tax expenses)						
13	Net Profit for the Period (11-12)	(14,689)	(14,102)	(12,511)	(42,506)	(39,277)	(25,766)
14	Paid-up Equity Share Capital (Face value: Rs. 10 per share)	10,647	10,647	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)	(13.80)	(13.25)	(11.75)	(39.92)	(36.89)	(24.20)



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Select Information for the Quarter/Nine Month ended 31/12/2014

PART II		For Quarter Ended			For Nine Month Period Ended		For 6 Months Period Ended
	Particulars	31/12/2014	30/09/2014	31/12/2013	31/12/2014	31/12/2013	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	79,736,299	79,736,299
	- Percentage of shareholding	74.79	74.79	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	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	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	25.21	25.21
	Particulars	For Quarter ending 31/12/2014					
B	INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter			Nil			
	Received during the quarter			6			
	Disposed of during the quarter			6			
	Remaining at the end of the quarter			Nil			



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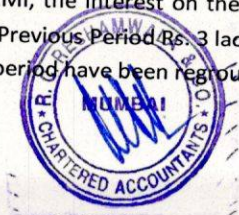
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Notes:

1. The un-audited results for the quarter ended Dec 2014 have been taken on record at the Board of Directors meeting held on February 13, 2015. 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 major activities had been carried out in any location except at Company's unit at Goa. In view of consistent cash losses, the Directors in their meeting held on 20th December 2014 had decided for closure of Goa unit. Accordingly the Company has paid / provided all statutory dues to employees and workers.
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 preceding 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. Further, the stock at Chennai SEZ and Cochin SEZ are under joint custody of consortium of bank at the company's premises respectively since November 2013.
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. Stock at Goa includes stock of non precious CZ / Colour stones. As the manufacturing of the Goa division has been closed and the said items being slow moving, the company has as a matter of prudence decided to depreciate the value of the said stones to 25 % of its book value.
8. The Consortium of banks have issued a statutory possession notice u/s 13(4) of the SARFESI Act with respect to the company's premises at Mumbai.
9. 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 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.77,965 lacs for the period from April 2013 to Dec 2014, of which Rs. 61,324 lacs upto Sept 2014 and a profit of Rs.16,641 lacs is attributable to the quarter under review. (Previous Period of Sept 2013 to Dec 2013: profit of Rs. 2,002 lacs).
10. The advances to the Company have been classified as NPA by the banks. Accordingly, most 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.14,347 lacs (Previous Period Rs. 124,47 lacs) 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. 3 lacs).
11. Figures for the previous year/ period have been regrouped and re-classified wherever necessary.



For Winsome Diamonds and Jewellery Limited

Director / Authorised Signatory

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