

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
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20th August, 2014

National Stock Exchange of India Limited

Surveillance
BKC, Mumbai

Dear Sir,

Subject: Clarification on media reports

This refers to article dated 20th August, 2014 titled "*Did top defaulter divert Rs.6,500 crore loan funds abroad?*" appearing on pages 1 and 24 of the Mumbai edition of The Times of India. In this connection, in the interest of shareholders, we would like to clarify as under.

At the outset, the article is grossly misleading. It appears to be apparently based on an Investigation Report prepared by a private agency with the assistance of a foreign bank. Although the Company's account has been debited to pay for this Report, despite repeated requests and reminders, the banks have not furnished a copy thereof to the company so as to enable the Company to respond to the allegations contained therein.

Unfortunately, the banks have, however, thought it fit to share the same Report with the media. This is most unfair and unjust. Hence, this response should be taken on record.

The Company believes that Banks have misled and cast aspersions on the Company and its Directors and the Promoters based on false investigative report. The fact that the Banks have chosen not to be transparent and disclosed the investigative report to the Company shows that it is to the knowledge of the Banks that such a report cannot stand and lacks credibility. The fact that Banks have chosen not to be transparent is itself proof of the fact that the Bank is unconvinced about the correctness of the Report.

The Company denies all the allegations. The Company has provided the banks with concrete evidence which show that the allegations in the Report are wholly baseless. The Company denies that money has been taken out of India or diverted to other projects as alleged or at all, including into any real estate projects as referred to in the above mentioned newspaper report. The Company denies that there is a conspiracy to defraud banks in India. The Company denies that there is any relationship with Al Alam or with any of the other UAE buyers. The Company is not aware of Mr. Suniel Mehta and has no relationship with any such person.

The Company understands that at the same time the banks had also commissioned a forensic auditor to do a Forensic Audit. While the Company has also asked banks to disclose the copy of the Forensic Audit Report, till date the same has not been provided to the Company. But the Company understands and states that there is nothing adverse in the Forensic Audit Report. The Company has been doing business with the UAE buyers since 2002.

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Significant to note that, at all times, the banks have been fully aware of who the customers / buyers in UAE were. All the Dunn & Bradstreet Reports are available with the banks. Post the default by the UAE buyers, representatives of banks have had meetings with the representative of the UAE buyers.

As already informed to the BSE, the Company has since initiated legal action against the UAE buyers in Sharjah.

We do repeat and reiterate that, Winsome is doing business with the customers since 2002 and the banks are aware of the said fact and fully appraised of the business with the customers.

The Company has always extended cooperation to all the required enquiries by the agencies and have provided all the relevant information and the supporting documents asked for by the banks.

The Company deeply regrets the inclusion of Mr. Jatin Mehta, who has been Non-Executive Director on the board since April 2011 and resigned as Director from the Board in the month of November 2012. The Company would like to assure its shareholders that there is no wrong done by the professionals on the Board of Winsome.

The Company also regrets to find the name of Mrs. Gunvantiben Mehta in the Report. She is known to the present Director and CFO from last 40 years. It is true that Mrs. Gunvantiben Mehta resides at Kamal Apartment, in the property which is her husband's self owned property.

Thanking you,

For Winsome Diamonds and Jewellery Limited

Asish Narayan
Company Secretary