



May 26, 2022

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

**Company Name: Goenka Diamond and Jewels Limited**

**Sub: Outcome of Board Meeting held on MAY 26, 2022**

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 26, 2022) which commenced at 2:00 P.M. and concluded at 04:00 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, 2022 together with Auditor's report thereon.

We enclose the following:

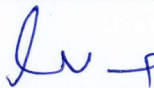
1. Approved Audited Standalone and Consolidated Financial results for the quarter and year ended March 31, 2022 together with Auditor's report thereon.
2. Signed Modified opinion on Standalone Statement on Impact of Audit qualifications (for audit report with modified opinion) submitted along-with Annual 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**

  
Nand Lal Goenka  
(Director)  
DIN : 00125281



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 Audited Standalone and Consolidated Assets and Liabilities as on March 31, 2022**

Particulars		Amount in Lakhs Except Share Data		Amount in Lakhs Except Share Data	
		STANDALONE		CONSOLIDATED	
		As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
		Audited	Audited	Audited	Audited
<b>I ASSETS</b>					
<b>Non-Current Assets</b>					
<b>1 Non-Current Assets</b>					
(a) Property, Plant and Equipment		703.82	718.83	708.54	724.57
(b) Intangible Assets		-	-	-	-
(c) Investment Property		-	-	-	-
<b>(d) Financial Assets</b>					
(i) Investments		19.48	19.48	-	-
(ii) Loans		1,249.95	1,249.95	-	-
(iii) Others financial assets		13.23	13.23	13.71	13.71
(e) Deferred tax assets		31.11	34.69	31.11	34.69
<b>2 Current assets</b>					
(a) Inventories		779.62	1,153.76	1,064.33	1,528.39
<b>(b) Financial Assets</b>					
(i) Trade receivables		69,730.17	69,734.56	75,729.84	75,532.53
(ii) Cash and cash equivalents		89.01	10.30	120.48	41.12
(iii) Bank Balance other than cash and cash equivalent		-	0.10	-	0.10
(iv) Others current financial assets		1,406.23	1,405.99	1,407.11	1,406.90
(c) Other current assets		39.72	38.38	49.89	53.24
<b>TOTAL ASSETS</b>		<b>74,062.33</b>	<b>74,379.28</b>	<b>79,125.03</b>	<b>79,335.27</b>
<b>II EQUITY AND LIABILITIES</b>					
<b>1 Equity</b>					
(a) Equity Share capital		3,170.00	3,170.00	3,170.00	3,170.00
(b) Other Equity		22,093.52	22,260.45	20,952.40	21,211.74
(c) Non Controlling Interest		-	-	6.73	6.77
<b>2 Non-current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings		-	-	-	-
(b) Provisions		9.11	9.91	9.11	9.91
<b>3 Current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings		17,695.78	17,850.26	18,087.95	18,250.29
(ii) Trade payables		-	-	-	-
A. Dues to Micro enterprise and small enterprise		-	-	-	-
B. Dues other than Micro enterprise and small enterprise		29,777.83	29,830.55	35,997.71	35,849.65
(iii) Other financial liabilities		623.49	616.14	205.31	191.54
(b) Other current liabilities		141.83	135.03	141.91	135.11
(c) Provisions		1.01	5.28	1.01	5.28
(d) Current Tax Liabilities (Net)		549.78	501.66	552.91	504.97
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>74,062.33</b>	<b>74,379.28</b>	<b>79,125.03</b>	<b>79,335.27</b>





**Independent Auditor's Report on Audited Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**INDEPENDENT AUDITOR'S REPORT**

To,  
To Board of Directors of  
Goenka Diamond and Jewels Limited

**Report on the audit of the Standalone Financial Results**

**Disclaimer of Opinion**

We were engaged to audit the accompanying statement of standalone financial results of Goenka Diamond and Jewels Limited ('the Company') for the quarter and year ended March 31, 2022 ('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, as amended.

In absence of any sufficient appropriate audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, Loan to subsidiary (including interest), outcome of pending legal action initiated against debtors and legal cases/ insolvency proceedings 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-availability of confirmations of Trade Receivables, Trade payables, Borrowings and bank accounts, non-payment of Trade payables and other 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 Disclaimer of Opinion* section of our report, absence of sufficient appropriate audit evidences and Material uncertainty related to Going Concern paragraph below, it is not possible to form an opinion on the financial results due to the potential interaction of the uncertainties and their possible cumulative effect on the standalone financial results. Accordingly, we do not express an opinion on the standalone financial results.

**Basis of Disclaimer of Opinion**

- (a) The company has not translated following monetary items denominated in foreign currency as at 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. 69,703.18 lacs
- ii. Trade payables and other payable amounting to Rs. 29717.66 lacs
- iii. Loans to subsidiary (including accrued interest) amounting to Rs. 1998.73lacs

The company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 8432.60 lacs including exchange gain amounting to Rs. 864.46 Lacs and Rs. 1681.27 lacs pertaining to the quarter and year ended March 31, 2022 respectively. Accordingly, exchange gain for the quarter ended March 31, 2022 is understated by Rs. 864.46 lacs and Rs. 1681.27 for the year ended March 31, 2022.

- (b) The Company has defaulted in repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. 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. 18248.38 Lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs. 705.74 Lacs and Rs. 2763.19 Lacs pertaining to the quarter and year ended March 31, 2022. Accordingly, finance cost for the quarter and year ended March 31, 2022 is understated by Rs. 705.74 Lacs and Rs. 2763.19 lacs respectively.
- (c) The Company has made provision for expected credited loss of Rs. 748.78 Lacs against the interest receivable on loan from a subsidiary and has recognized loss of Rs. 49.00 lacs on current investment designated through FVTPL. No deferred tax assets thereon amounting to Rs. 200.79 lacs have been recognized which is not in accordance with Ind AS-12 "Income Taxes"

Had the exchange differences, interest and deferred tax as stated above has been provided, the loss before tax for the quarter ended would have been decreased by Rs. 158.72Lacs and loss before tax for the year would have been increased by Rs. 1081.92 Lacs. Consequently, the overstatement and understatement of assets and liabilities are as under: -

Head of Assets/ Liabilities	Assets		Liabilities	
	Understatement	Overstatement	Understatement	Overstatement
Trade Receivables	12675.24	-	-	-
Trade Payables	-	-	4540.76	-
Non-Current financial assets	211.97	-	-	-
Current Financial Assets	87.10	-	-	-
Borrowings	-	-	18248.39	-
Current financial liabilities			0.96	
Deferred Tax Liability	-	-	213.66	-
Other Equity	-	-	-	10029.45
<b>Total</b>	<b>12974.31</b>	<b>-</b>	<b>23003.76</b>	<b>10029.45</b>





- (d) Due to uncertainties with respect to settlement of bank dues and interest, adjustments of trade receivables and payables and its consequential impact on taxation thereof, we are unable to ascertain the tax impact and liability, on the financial results.
- (e) We draw attention to Note No. 2 and 3(b) of financial results regarding default in repayment of loans and interest to banks (including ARC) owing to which the banks has classified the account as NPA and recalled its loans and has initiated various legal actions for recovery of its dues including legal action initiated under SARFAESI Act, The Recovery of Debts due to Banks and Financial Institution Act, 1993 and Insolvency and Bankruptcy Code, 2016, which are still pending for hearing. The outstanding loans, credit balances and interests due to banks (including ARC) amounting to Rs. 17,695.78 lacs and deposit/advance to an asset reconstruction company amounting to Rs.1,405.61lacs for which no confirmation/ statements have been obtained and are subject to reconciliation and subsequent adjustments.
- (f) No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 69730.17 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, notices/ summon to the Company from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ 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 results.
- (g) No provision for the expected credit loss/ impairment on loan to a subsidiary amounting to Rs. 1249.95Lacs has been recognized as per the requirement of Ind-AS 109 "Financial Instruments". The net worth of above subsidiary is negative and based on reasonable and supportable information regarding the current financial status and business condition of the subsidiary, there has been significant increase in credit risk and there could be delay/default in recovery of this amount. Considering the above, we are unable to comment on the amount of expected credit loss/ impairment and its consequential impact, on the financial results.
- (h) The Inventory has been taken on the basis of physical verification carried out by the management as at the year end and its valuation is based on determination of estimated net realizable value and specific identification which involves technical judgment of management. We have relied upon by the physical verification and valuation of the Inventory as certified and determined by the management.
- (i) The company has made investment of Rs. 2.03 lacs in its subsidiary namely M.B. Diamonds LLC and Rs. 7.44 lacs in its subsidiary namely Goenka Diamond and Jewels DMCC, the net-worth of these subsidiaries is negative. The Company has not made any provision for Impairment against these investments and advance.





- (j) Balances with Banks amounting to Rs. 2.81(debit balances), Other non-current deposits amounting to Rs. 13.23 lacs,, Trade Payables and Other Current Assets and Liabilities are subject to confirmations and consequential adjustment thereof.

### **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 actions/ insolvency proceedings initiated by banks against company for recovery of its dues, notices/ summon to company/director(s) from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and from other regulatory authorities, pending proceeding with National Company Law Tribunal, Debt Recovery Tribunals and other courts for recovery of banks dues and possession/attachment/sale of company's properties, assignment and transfer of dues in favor of an asset reconstruction company (ARC), pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on occasional 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. We are also unable to determine the impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein above. 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, settlement of its due from banks and ARC and 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 exist that cast significant doubt on company's ability to continue as a going concern.

### **Management's Responsibility for the Standalone Financial Results**

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the standalone financial results, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our responsibility is to conduct an audit of the Company's standalone financial results in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial results.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial results and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Other Matters**

The Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended the results for the Quarter ended March 31, 2022, being the balancing figure between 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

**UDIN: 22137970AJQUMS4307**

Mumbai

May 26, 2022





**GOENKA DIAMOND AND JEWELS LIMITED**

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

CIN No.L36911RJ1990PLC005651

**Statement of Audited Standalone Financial Results for the Year ended March 31, 2022 prepared in compliance with the Indian Accounting Standard (Ind-AS)**

Amount in Lakhs Except Share Data

SR. NO.	PARTICULAR	STANDALONE				
		THREE MONTHS ENDED			YEAR ENDED	
		March 31, 2022	Dec 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	<b>Revenue</b>					
	(a) Revenue from Operations	(1.99)	(0.65)	33.50	421.15	349.34
	(b) Other Income	15.53	14.96	(36.76)	59.95	119.20
	<b>Total Income from operations</b>	<b>13.55</b>	<b>14.31</b>	<b>(3.26)</b>	<b>481.11</b>	<b>468.54</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed/ Sold	-	-	42.29	323.66	248.59
	(b) Change in Inventories of finished goods, work-in-progress and stock-in-trade	-	-	24.76	55.35	88.12
	(c) Employee benefits expenses	14.13	13.51	15.81	54.32	54.06
	(d) Finance costs - (Refer Note No. 4(b))	13.83	13.81	11.92	55.24	56.21
	(e) Depreciation and amortisation expenses	11.49	11.53	10.14	43.54	40.58
	(f) Other expenses	45.42	24.11	650.58	119.85	1,423.25
	<b>Total Expenses</b>	<b>84.87</b>	<b>62.96</b>	<b>755.50</b>	<b>651.96</b>	<b>1,910.81</b>
3	<b>Profit / (Loss) before tax and exceptional items (1-2)</b>	<b>(71.32)</b>	<b>(48.65)</b>	<b>(758.75)</b>	<b>(170.86)</b>	<b>(1,442.27)</b>
4	Exceptional items	-	-	(75.30)	-	(753.47)
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>(71.32)</b>	<b>(48.65)</b>	<b>(683.46)</b>	<b>(170.86)</b>	<b>(688.80)</b>
6	<b>Tax Expenses</b>					
	Current Tax	-	-	-	-	-
	Deferred Tax	(0.27)	1.05	12.94	1.63	17.54
	<b>Total tax expenses</b>	<b>(0.27)</b>	<b>1.05</b>	<b>12.94</b>	<b>1.63</b>	<b>17.54</b>
7	<b>Net Profit / (Loss) after tax (5-6)</b>	<b>(71.05)</b>	<b>(49.70)</b>	<b>(696.40)</b>	<b>(172.48)</b>	<b>(706.33)</b>
8	<b>Other Comprehensive Income</b>					
	(a) Items that will not be reclassified to profit or loss	7.50	-	1.63	7.50	1.63
	(b) Income tax relating to items that will not be reclassified to profit or loss	(1.95)	-	(0.42)	(1.95)	(0.42)
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-
	(d) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	<b>Total Other Comprehensive Income/ (loss)</b>	<b>5.55</b>	<b>-</b>	<b>1.21</b>	<b>5.55</b>	<b>1.21</b>
9	<b>Total Comprehensive Income / (loss) for the period (7-8)</b>	<b>(65.50)</b>	<b>(49.70)</b>	<b>(695.19)</b>	<b>(166.93)</b>	<b>(705.13)</b>
10	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
11	Other Equity ( Excluding Revaluation Reserve )				22,093.52	22,260.45
12	<b>Earning Per Shares in ₹ 1. ( Not Annualized )</b>					
	Basic	(0.02)	(0.02)	(0.22)	(0.05)	(0.22)
	Diluted	(0.02)	(0.02)	(0.22)	(0.05)	(0.22)

**Notes:**

- Lead Bank Punjab National Bank, on behalf of all consortium banks, had issued fresh notice u/s 13(2) of the SARFAESI Act (after withdrawing its earlier notice) on October 22, 2018 for an amount of Rs. 216.62 crores owed by company to the consortium banks (excluding dues of one bank) and Asset Reconstruction Company up to March 31, 2018 and subsequently issued possession notices for company's properties and thereafter for sale of secured assets of the company which was stayed by DRT-1, Mumbai vide its order dated December 30, 2019. Further, Punjab & Sind Bank (one of the consortium bank) has issued separate notice u/s 13(2) of the SARFAESI Act on January 07, 2020 for recovery of an amount of Rs. 77.26 Crores (including interest upto December 31, 2019) within 60 days of the receipt of notice, which as per the management is already covered under the above stay order by DRT. Further, Mumbai DRT has also issued summons dated June 3, 2019 on application made by Punjab & Sind Bank (one of the consortium bank) under section 19(4) of The Recovery of Debts due to Banks and Financial Institution Act, 1993 for recovery of an amount of Rs. 56.92 crores owed by company to the bank, against which company has filed appeal. The Corporation Bank (one of the consortium bank) has filed petition with National Company Law Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiating corporate insolvency resolution process which are still pending for hearing. Further on application by the Corporation Bank, DRT- Mumbai has also issued summons dated September 16, 2020 under The Recovery of Debts due to Banks and Financial Institution Act, 1993 for recovery of Rs.30.41 crs, the proceeding for which is still pending. PNB has also issued notice for classifying the company and its directors & guarantors as "wilful defaulter" against which the Company has filed its reply. Four lender banks up to the reporting date have already transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. In previous year State Bank of India has accepted the One Time Settlement (OTS) proposal submitted by the Company and the company during the period has paid full amount as per settlement terms. However, OTS proposal submitted to other banks has been rejected by the banks and they have requested to improve the OTS proposal.







GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No.L36911RJ1990PLC005651

Statement of Audited Standalone Financial Results for the Year ended March 31, 2022 prepared in compliance with the Indian Accounting Standard (Ind-AS)

The company and its managing director have also received enquiry and summon notices from Enforcement Directorate in respect of non-recovery of dues from overseas trade receivables against which the company has submitted its reply and managing directors have attended the personal hearing proceedings. The Company has also received show cause notice from Reserve Bank of India (RBI) for non-realisation of export bills within the period prescribed under the Foreign Exchange Management Act, 1999, to which the company has replied. The Company has also received show cause notice from Office of the Development Commissioner, Surat SEZ regarding certain non-compliances and non-realisation of export proceeds, to which company has replied suitably.

- 2 The auditors in their report on financial statement for the year ended March 31, 2022 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 including initiating corporate insolvency resolution process with NCLT under Insolvency and Bankruptcy Code and for attachment of company's properties, assignment and transfer of dues of four banks in favor of an asset reconstruction company, pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on occasional 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, non-confirmation of various balances 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 sluggish 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. Further, the management is taking all possible steps to revive the business operations. The Company has approached consortium bankers and ARC for settlement of 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.
- 3 (a) Trade Receivables, Trade payables/other payables and Loans (including accrued interest) given to a subsidiary denominated in foreign currency have not been restated based on exchange rate as at the period end and consequential tax impact on above has also not been accounted for. These Trade Receivables and Loans (including accrued interest) 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 loan to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange differences and its consequential tax impact 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 and ARC 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, March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022. Further, no confirmations and/or statements have been received from lender banks having outstanding dues amounting to Rs. 17,695.78 lacs, deposit/advance given to an assets reconstruction company amounting to Rs. 1405.61 lacs and various banks having debit balance of Rs. 2.81 Lacs at the year ended March 31, 2022. These balances are subject to reconciliation and subsequent adjustments. However, the management to the best of its knowledge and belief have recorded all the transactions.
- (c) The Company has made provision for expected credited loss in previous year and current year of Rs. 748.78 lacs against the interest receivable on loan from subsidiary and had recognized loss of Rs. 49.00 lacs on current investment designated through FVTPL on which no deferred tax assets thereon amounting to Rs. 200.79 lacs has been recognized.
- (d) Had the exchange gains/(loss) and interest as referred above have been accounted for, loss before tax for the quarter ended would have been decreased by Rs. 158.72 Lacs and loss before tax for the year would have been increased by Rs. 1081.92 Lacs.







**GOENKA DIAMOND AND JEWELS LIMITED**

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

**CIN No.L36911RJ1990PLC005651**

**Statement of Audited Standalone Financial Results for the Year ended March 31, 2022 prepared in compliance with the Indian Accounting Standard (Ind-AS)**

- 4 The auditors have made observation regarding non recognition of expected credit loss on trade receivables and loan given to subsidiary. The management is of the opinion that in view of court cases initiated against the trade receivables and looking to the uncertainty 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 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 future.

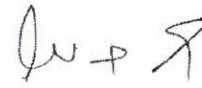
However, the company is providing interest on its loan to subsidiary and simultaneously is also providing for expected credited loss against such interest accrued. Till date provision for expected credit loss amounting to Rs. 748.78 lacs has been made against the accrued interest on the loan to subsidiary.

- 5 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.
- 6 The Company has given Rs. 1405.61 lacs to Alchemist Asset Reconstruction Company Ltd (ARC) as adhoc advance payment/ security Deposit to show its intent of settlement of its dues with four lender banks assigned to ARC. The terms and conditions of the settlement are yet to be finalised.
- 7 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary.

Place : Mumbai  
Date : May 26, 2022



**For Goenka Diamond & Jewels Ltd**

  
**Nandlal Goenka**  
Chairman







**GOENKA DIAMOND AND JEWELS LIMITED**

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

CIN No.L36911RJ1990PLC005651

**Audited Segment wise Standalone Revenue, Results and Capital Employed for the Year ended March 31, 2022**

Amount in Lakhs Except Share Data

Particulars	STANDALONE				
	THREE MONTHS ENDED			YEAR ENDED	
	March 31, 2022	Dec 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1. Segment Revenue</b>					
(a) Diamond	(1.99)	(0.65)	33.50	421.15	345.07
(b) Jewellery	-	-	-	-	4.27
(c) Unallocable	-	-	-	-	-
<b>Total</b>	<b>(1.99)</b>	<b>(0.65)</b>	<b>33.50</b>	<b>421.15</b>	<b>349.34</b>
<b>2. Segment Results</b>					
(a) Diamond	(25.13)	(22.87)	(1,245.73)	279.74	(1,032.70)
(b) Jewellery	(6.18)	(6.17)	(47.94)	(348.19)	(306.60)
(c) Unallocable	-	-	-	-	-
<b>Total</b>	<b>(31.30)</b>	<b>(29.05)</b>	<b>(1,293.67)</b>	<b>(68.45)</b>	<b>(1,339.30)</b>
Less: (i) Interest	(13.83)	(13.81)	(11.92)	(55.24)	(56.21)
(ii) Other Income	15.53	14.96	16.81	59.95	849.86
(iii) Unallocable Expenses / Income	(41.72)	(20.76)	605.32	(107.12)	(143.15)
<b>Total Profit / (Loss) Before Tax</b>	<b>(71.32)</b>	<b>(48.65)</b>	<b>(683.46)</b>	<b>(170.86)</b>	<b>(688.80)</b>
<b>3. Segment Assets</b>					
(a) Diamond	64,072.92	64,077.59	64,114.73	64,072.92	64,114.73
(b) Jewellery	7,563.59	7,569.22	7,909.31	7,563.59	7,909.31
(c) Unallocable	2,425.83	2,467.29	2,355.23	2,425.83	2,355.23
<b>Total</b>	<b>74,062.34</b>	<b>74,114.10</b>	<b>74,379.28</b>	<b>74,062.34</b>	<b>74,379.28</b>
<b>4. Segment Liabilities</b>					
(a) Diamond	29,629.90	29,629.87	29,666.67	29,629.90	29,666.67
(b) Jewellery	187.11	187.74	187.81	187.11	187.81
(c) Unallocable	44,245.33	44,296.49	44,524.80	44,245.33	44,524.80
<b>Total</b>	<b>74,062.34</b>	<b>74,114.10</b>	<b>74,379.28</b>	<b>74,062.34</b>	<b>74,379.28</b>





**GOENKA DIAMOND AND JEWELS LIMITED**  
Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan  
CIN No. L36911RJ1990PLC005651  
**Audited Standalone Statement of Cash Flows for the Year ended March 31, 2022**

Amount in Lakhs Except Share Data		
	Year ended March 31, 2022 Audited	Year ended March 31, 2021 Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(170.86)	(688.80)
<b>Adjustment for</b>		
Depreciation	43.54	40.58
Gratuity & Leave Liabilities (OCI)	7.50	1.63
Finance Charges Paid	55.24	56.21
Interest Income	(58.75)	(95.19)
Gain on Extinguishment of liabilities	-	(753.47)
Loss on instruments designated at FVTPL	-	49.00
Provision for expected credit loss	58.48	690.31
Bad debts written off	-	617.87
<b>Operating Profit before Working Capital Changes</b>	<b>(64.86)</b>	<b>(81.87)</b>
<b>Adjustment for</b>		
Trade and other receivables(financial and non financial)	3.26	(212.49)
Inventories	374.14	336.71
Trade payable	(52.72)	9.23
Other liabilities and provision (financial and non financial)	(152.44)	(90.25)
<b>Cash generated from operations</b>	<b>107.40</b>	<b>(38.65)</b>
Income Tax Paid (Net)	-	-
<b>Net cash inflow from Operating Activities</b>	<b>107.40</b>	<b>(38.65)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of Property, Plant and Equipment	(28.53)	-
Bank deposits matured during the year	-	-
Interest Income	-	-
<b>Net cash (outflow) from investing activities</b>	<b>(28.53)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	-	-
<b>Net cash (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in Cash and Cash equivalent (A+B+C)</b>	<b>78.87</b>	<b>(38.65)</b>
Cash and Cash equivalent in the Opening balance	7.33	45.98
<b>Cash and Cash equivalent in the Closing balance</b>	<b>86.20</b>	<b>7.33</b>
<b>Note :</b>		
<b>Reconciliation of componenet of cash and cash equivalent:</b>		
<b>Closing Cash and Cash Equivalents as per books</b>		
Cash & Cash Equivalents	86.20	7.33
<b>Cash and Cash equivalent as per statement of cash flows</b>	<b>86.20</b>	<b>7.33</b>
<b>Cash in hand</b>	<b>32.60</b>	<b>4.42</b>
<b>Current Accounts*</b>	<b>53.60</b>	<b>2.91</b>
<b>Total</b>	<b>86.20</b>	<b>7.33</b>

\*the above balance in current account does not include balance amounting to Rs. 2.81 lacs ( Rs. 7.5 lacs ) attached with Income Tax Department and lienied by lender banks.





**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, 2022 of Goenka Diamond & Jewels Limited				
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2017 (Rs.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 (including exceptional item)	481.11	2162.38
	2.	Total Expenditure	651.96	3415.15
	3.	Net Profit/(Loss)	(170.85)	(1252.77)
	4.	Earnings Per Share	(0.05)	(0.40)
	5.	Total Assets	74062.33	87036.64
	6.	Total Liabilities	48798.82	71802.59
	7.	Net Worth	25263.52	15234.05
	8.	Any other financial item(s) (as felt appropriate by the management)	0.00	0.00
Type of Audit Qualification		Comments in Auditors Report		Management Reply
Basis of Qualified Conclusions				
Frequency of Qualification: Appearing for Seventh time		The company has not translated following monetary items denominated in foreign currency as at year ended closing rate and has been carried forward at the rate as at 31st March 2015, 31 <sup>st</sup> 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.		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 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 and

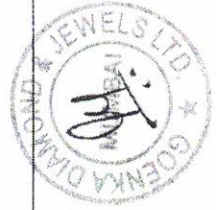


	<p>Trade receivable amounting to Rs. 69,703.18 lacs</p> <p>Trade payables and other payable amounting to Rs. 29717.66 lacs</p> <p>Loans to subsidiary (including accrued interest) amounting to Rs. 1998.73 lacs</p> <p>The company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 8432.60 lacs including exchange gain amounting to Rs. 864.46 Lacs and Rs. 1681.27 lacs pertaining to the quarter and year ended March 31, 2022 respectively. Accordingly, exchange gain for the quarter ended March 31, 2022 is understated by Rs. 864.46 lacs and Rs. 1681.27 for the year ended March 31, 2022.</p>	<p>loans and at the time of payment to trade creditors/ other payables. The company shall account for the actual exchange difference &amp; deferred tax liability at the time of actual occurrence of.</p>
<p>Frequency of Qualification: Appearing for the Sixth time</p>	<p>The Company has defaulted in repayment of loans taken from the banks due to which the banks have recalled their loans and have initiated legal actions. 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. 18248.38 Lacs determined at estimated rates, has not been provided for in the books of</p>	<p>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, four lender banks have transferred and assigned its outstanding dues against company to an Asset Reconstruction Company and State</p>





	<p>accounts including interest amounting to Rs. 705.74 Lacs and Rs. 2763.19 Lacs pertaining to the quarter and year ended March 31, 2022. Accordingly, finance cost for the quarter and year ended March 31, 2022 is understated by Rs. 705.74 Lacs and Rs. 2763.19 lacs respectively.</p> <p>Had the exchange differences, interest and deferred tax as stated above has been provided, the loss before tax for the quarter ended would have been decreased by Rs. 158.72 Lacs and loss before tax for the year would have been increased by Rs. 1081.92 Lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under: -</p> <ol style="list-style-type: none"> <li>1. Trade Receivables Rs. 12675.24 lacs (Understatement)</li> <li>2. Trade Payables Rs. 4540.76 lacs (Understatement)</li> <li>3. Non-Current financial assets Rs. 211.97 lacs (Understatement)</li> <li>4. Current Financial Assets Rs. 87.10 lacs (Understatement)</li> <li>5. Current financial liabilities Rs. 0.96 lacs (Understatement)</li> </ol>	<p>Bank of India accepted the One Time Settlement (OTS) proposal submitted by the Company and Company has paid full OTS amounts to State Bank of India. However, OTS proposals submitted by the company to other banks are still under consideration.</p> <p>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.</p>
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	<p>6. Deferred Tax Liability Rs. 213.66 lacs (Understatement)</p> <p>7. Borrowing (Understatement) Rs. 18248.39</p> <p>8. Other Equity Rs. 8962.24 (Overstatement)</p> <p>Due to uncertainties with respect to settlement of bank dues and interest, adjustments of trade receivables and payables and its consequential impact on taxation thereof, we are unable to ascertain the tax impact and liability, on the financial results.</p>	
Frequency of Qualification: Appearing for the Second time	<p>The Company has made provision for expected credited loss of Rs. 748.78 Lacs against the interest receivable on loan from a subsidiary and has recognized loss of Rs. 49.00 lacs on current investment designated through FVTPL. No deferred tax assets thereon amounting to Rs. 200.79 lacs have been recognized which is not in accordance with Ind AS-12 "Income Taxes"</p>	<p>The management has decided on basis of prudent not to recognize deferred tax asset.</p>
Frequency of Qualification: Earlier appeared in Basis of Disclaimer of opinion, from previous year shown in separate point – Seventh time	<p>We draw attention to Note No. 2 and 3(b) of financial results regarding default in repayment of loans and interest to banks (including ARC) owing to which the banks has classified the account as NPA</p>	<p>Factual description of status of legal cases. Since, the banks are not allowing any operation and no statements/confirmations are being issued by the</p>





	<p>and recalled its loans and has initiated various legal actions for recovery of its dues including legal action initiated under SARFAESI Act, The Recovery of Debts due to Banks and Financial Institution Act, 1993 and Insolvency and Bankruptcy Code, 2016, which are still pending for hearing. The outstanding loans, credit balances and interests due to banks (including ARC) amounting to Rs. 17,695.78 lacs and deposit/advance to an asset reconstruction company amounting to Rs.1,405.61 lacs for which no confirmation/ statements have been obtained and are subject to reconciliation and subsequent adjustments</p>	<p>banks. However, the Management to the best of its knowledge and belief has recorded all the transactions</p>
<p>Frequency of Qualification: Seventh time</p>	<p>No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 69730.17 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, notices/ summon to the Company from Enforcement Directorate, Reserve Bank of India, Development</p>	<p>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. Therefore, the company has not made provision for the</p>

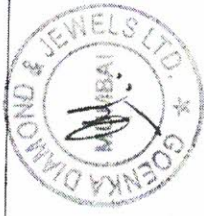


	Commissioner of Surat SEZ and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of these Trade receivables, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial results.	expected credit loss/ impairment relating to overdue Trade Receivables
Frequency of Qualification: Sixth time	No provision for the expected credit loss/ impairment on loan to a subsidiary amounting to Rs. 1249.95 Lacs has been recognized as per the requirement of Ind-AS 109 "Financial Instruments". The net worth of above subsidiary is negative and based on reasonable and supportable information regarding the current financial status and business condition of the subsidiary, there has been significant increase in credit risk and there could be delay/default in recovery of this amount. Considering the above, we are unable to comment on the amount of expected credit loss/ impairment and its consequential impact, on the financial results.	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.





Frequency of Qualification: Earlier appearing in Emphasis of matter Since 2011-12	The Inventory has been taken on the basis of physical verification carried out by the management as at the year end and its valuation is based on determination of estimated net realizable value and specific identification judgment of management. We have relied upon by the physical verification and valuation of the Inventory as certified and determined by the management.	Management has physically verified the inventory as at year end and has properly valued the inventory based on determination of estimated net realizable value and specific identification
Frequency of Qualification: Earlier appearing in Emphasis of matter – Seventh time	The company has made investment of Rs. 2.03 lacs in its subsidiary namely M.B. Diamonds LLC and Rs. 7.44 lacs in its subsidiary namely Goenka Diamond and Jewels DMCC, the net-worth of these subsidiaries is negative. The Company has not made any provision for Impairment against these investments and advance.	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.
Frequency of Qualification: Earlier appearing in Emphasis of matter -Fifth time	Balances with Banks amounting to Rs. 2.81 (debit balances), Other non-current deposits amounting to Rs. 13.23 lacs, Trade Payables and Other Current Assets and Liabilities are subject to	The management is of the opinion that all the transactions have been recorded on the books properly. Efforts are being made regularly for obtaining confirmations statements.

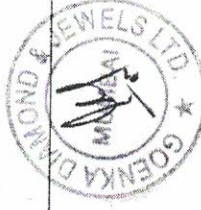


<p>Material Uncertainty related to going concern - Eighth time</p>	<p>confirmations and consequential adjustment thereof.</p>	
	<p>The Company's operating results have been materially affected due to various factors including non-realization of Trade receivables, defaults in repayment of loans and interest to banks, non-availability of finance due to recall of loans by banks in consortium, legal actions/ insolvency proceedings initiated by banks against company for recovery of its dues, notices/ summon to company/director(s) from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and from other regulatory authorities, pending proceeding with National Company Law Tribunal, Debt Recovery Tribunals and other courts for recovery of banks dues and possession/attachment/sale of company's properties, assignment and transfer of dues in favor of an asset reconstruction company (ARC), pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on occasional 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</p>	<p>The management is of the view that due to certain unfavourable developments and sluggish 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.</p>





	<p>interest thereon from a subsidiary etc. We are also unable to determine the impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein above. 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, settlement of its due from banks and ARC and 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 exist that cast significant doubt on company's ability to continue as a going concern</p>	<p>Hence, the accounts of the Company are prepared on going concern basis.</p>
<b>Basis of Disclaimer of Opinion</b>		
Frequency of Qualification: Appearing for Seventh time	<p>In absence of any sufficient appropriate audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, Loan to subsidiary (including interest), outcome of pending legal action initiated against debtors and legal cases/ insolvency proceedings initiated by banks against</p>	<p>Auditors have not expressed an opinion on the financial statements due to the reasons has mentioned in the auditor's comments</p>



company for recovery of loans and possession of Company's properties, transfer of banks dues in favor of ARC, other factors such as non-availability of confirmations of Trade Receivables, Trade payables, Borrowings and bank accounts, non-payment of Trade payables and other 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 Disclaimer of Opinion* section of our report, absence of sufficient appropriate audit evidences and Material uncertainty related to Going Concern paragraph below, it is not possible to form an opinion on the financial results due to the potential interaction of the uncertainties and their





	possible cumulative effect on the standalone financial results. Accordingly, we do not express an opinion on the standalone financial results.	
To be signed by		
<p>For Goenka Diamond &amp; Jewels Ltd.</p>  <p>Nandlal Goenka CEO / Chairman DIN : 00125281</p> 	<p>For Goenka Diamond &amp; Jewels Ltd.</p>  <p>Navneet Goenka MD &amp; CFO DIN : 00164428</p> 	<p>For Goenka Diamond &amp; Jewels Ltd.</p>  <p>Bhau Dhure Chairman Audit Committee DIN : 08067074</p> 
<p>Place: Mumbai Date: May 26 2022</p>	<p>For Ummed Jain &amp; Co. ICAI Firm Regn. No. 119250W</p>  <p>Akhil Jain Partner Membership No.: 137970</p> 	

**Independent Auditor's Report on Audited Consolidated Quarterly Financial Results and Year to Date Results of the Group Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**INDEPENDENT AUDITOR'S REPORT**

To,  
To the Board of Directors of  
Goenka Diamond and Jewels Limited

**Report on the audit of the Consolidated Financial Results**

**Disclaimer of Opinion**

We were engaged to audit the accompanying statement of annual consolidated financial results ("the Statement") of **Goenka Diamond and Jewels Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the **Group**"), for the quarter and yearended March 31, 2021, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The accompanying consolidated financial results include 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

In absence of any sufficient appropriate audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, outcome of pending legal action initiated against debtors and legal cases/ insolvency proceedings initiated by banks against holding company for recovery of loans and possession of Holding Company's properties, transfer of banks dues in favor of ARC, other factors such as non-availability of confirmations of Trade Receivables, Trade payables, Borrowings and bank accounts, 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 below 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 Disclaimer of Opinion* section of our report, absence of sufficient appropriate audit evidences and Material uncertainty related to Going Concern paragraph below, it is not possible to form an opinion on the consolidated financial results due to the potential interaction of the uncertainties and their possible cumulative effect on the consolidated financial results. Accordingly, we do not express an opinion on the consolidated financial results.





## Basis of Disclaimer of Opinion

(a) The holding 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, 31<sup>st</sup> 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 Holding Company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 8133.53lacs including exchange gain amounting to Rs. 826.52lacs for quarter and Rs. 1607.49 lacsfor theyearended March 31, 2022. Accordingly, exchange gain for the quarterended is understated by Rs. 826.52Lacs and Rs. 1607.49lacs for the year ended on March 31, 2022.

(b) The Holding 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. The Holding Company's management has decided not to provide interest on such loansand consequently based on the calculation done by the management total interest amounting to Rs. 18248.38 Lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs. 705.74lacs and Rs. 2763.19 lacs pertaining to the quarter and year ended March 31, 2022. Accordingly, finance cost for the quarter and yearended March 31, 2022is understated by Rs. 705.74 lacs and Rs. 2763.190 lacs respectively.

(c) The Holding Company has recognized loss of Rs. 49.00 lakhs on current investment designated through FVTPL. No deferred tax assets thereon amounting to Rs. 12.33 lacs has been recognized which is not in accordance with Ind AS-12 "Income Taxes"

Had the exchange differences, interest and deferred tax as stated above been provided, the loss before tax for the quarter ended would have been decreased by Rs. 120.79 Lacs and for the year ended would have been increased by Rs. 1155.70Lacs. Consequently, the overstatement and understatement of assets and liabilities are as under: -

Head of Assets/ Liabilities	Assets		Liabilities	
	Understatement	Overstatement	Understatement	Overstatement
Trade Receivables	12675.24	-	-	-
Trade Payables	-	-	4540.76	-
Borrowings	-	-	18248.39	-
Current financial liabilities			0.96	
Deferred Tax Liability	-	-	401.78	-
Other Equity	-	-		10516.64
<b>Total</b>	<b>12675.24</b>	<b>-</b>	<b>23191.88</b>	<b>10516.64</b>



- (d) Due to uncertainties with respect to settlement of bank dues and interest, adjustments of trade receivables and payables and its consequential impact on taxation thereof, we are unable to ascertain the tax impact and liability, on the financial results.
- (e) We draw attention to Note No. 2 and 3(b) of consolidated financial results regarding default in repayment of loans and interest to banks (including ARC) owing to which the banks has classified the account as NPA and recalled its loans and has initiated various legal actions for recovery of its dues including legal action initiated under SARFAESI Act, The Recovery of Debts due to Banks and Financial Institution Act, 1993 and Insolvency and Bankruptcy Code, 2016 for which the proceedings are still going on. The outstanding loan and interest balances due to banks (including ARC) amounting to Rs. 17695.78 lacs and deposit/advance to an asset reconstruction company amounting to Rs. 1405.61 lacs for which no confirmation/ statements have been obtained and are subject to reconciliation and subsequent adjustments.
- (e) No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 75,729.84 lacs have 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 holding company, notices/ summon to the holding company/director(s) of holding company from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ 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 results.
- (f) The Inventory of holding company has been taken on the basis of physical verification carried out by the management as at the year end and its valuation is based on determination of estimated net realizable value and specific identification which involves technical judgment of management. We have relied upon by the physical verification and valuation of the Inventory as certified and determined by the management.
- (g) Balances with Banks amounting to Rs 2.81(debit balances), Other non-current deposits amounting to Rs. 13.71 lacs, Trade Payables and Other Current Assets and Liabilities of the group are subject to confirmations and consequential adjustment thereof.

#### **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 actions/ insolvency proceedings initiated by banks against holding company for recovery of its dues, notices/ summon to the holding company/director(s) of holding company from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and from other regulatory authorities, pending cases with National Company Law Tribunal, Debt Recovery





Tribunals and other courts for recovery of banks dues and possession/attachment/sale 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 occasional sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, etc. We are also unable to determine the impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein above. 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, settlement of holding company's due from banks and ARC 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 exist that cast significant doubt on group's ability to continue as a going concern.

### **Management's Responsibilities for the Consolidated Financial Results**

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Other Matters

- (a) We did not review the interim financial information / financial results of three subsidiaries included in the audited consolidated financial results, whose interim financial information / financial results reflects, total revenues of Rs. NIL lacs, total net loss after tax of Rs. 164.90 lacs and other comprehensive income of Rs. NIL lacs, for the year ended March 31, 2022, as considered in the audited consolidated financial results. These interim financial information / financial results have been reviewed/audited by other auditors whose reports have been furnished to us by the Management and our conclusion 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 the other auditors and the procedures performed by us..

Our conclusion on the consolidated annual financial results is not modified in respect of above matters.

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited 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

UDIN: 22137970AJQUXB3902

Mumbai

May 26, 2022







**GOENKA DIAMOND AND JEWELS LIMITED**

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

CIN No.L36911RJ1990PLC005651

Statement of Audited Consolidated Financial Results for the Year ended March 31, 2022 prepared in compliance with the Indian Accounting Standard (Ind-AS)

Amount in Lakhs Except Share Data

SR. NO.	PARTICULAR	CONSOLIDATED				
		THREE MONTHS ENDED			YEAR ENDED	YEAR ENDED
		March 31, 2022	Dec 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Revenue					
	(a) Revenue from Operations	-	-	36.18	425.66	350.22
	(b) Other Income	(0.13)	0.06	(20.41)	1.49	75.77
	<b>Total Income from operations</b>	<b>(0.13)</b>	<b>0.06</b>	<b>15.77</b>	<b>427.15</b>	<b>425.99</b>
2	Expenses					
	(a) Cost of materials consumed/ Sold	-	-	42.29	323.66	248.59
	(b) Change in Inventories of finished goods, work-in-progress and stock-in-trade	24.68	24.76	46.42	145.28	281.07
	(c) Employee benefits expenses	14.13	13.51	17.97	54.32	56.86
	(d) Finance costs - (Refer Note No. 4(b))	13.83	13.81	11.92	55.24	56.21
	(e) Depreciation and amortisation expenses	11.74	11.78	10.40	44.56	41.61
	(f) Other expenses	43.63	10.07	(32.48)	76.86	684.80
	<b>Total Expenses</b>	<b>108.01</b>	<b>73.93</b>	<b>96.51</b>	<b>699.92</b>	<b>1,369.13</b>
3	<b>Profit / (Loss) before tax and exceptional items (1-2)</b>	<b>(108.14)</b>	<b>(73.87)</b>	<b>(80.74)</b>	<b>(272.77)</b>	<b>(943.14)</b>
4	Exceptional items	-	-	(75.30)	-	(753.47)
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>(108.14)</b>	<b>(73.87)</b>	<b>(5.45)</b>	<b>(272.77)</b>	<b>(189.67)</b>
6	Tax Expenses					
	Current Tax	-	-	-	-	-
	Deferred Tax	(0.27)	0.48	12.94	1.63	17.54
	<b>Total tax expenses</b>	<b>(0.27)</b>	<b>0.48</b>	<b>12.94</b>	<b>1.63</b>	<b>17.54</b>
7	<b>Net Profit / (Loss) after tax (5-6)</b>	<b>(107.86)</b>	<b>(74.35)</b>	<b>(18.38)</b>	<b>(274.40)</b>	<b>(207.21)</b>
8	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	7.50	-	1.63	7.50	1.63
	(b) Income tax relating to items that will not be reclassified to profit or loss	(1.95)	-	(0.42)	(1.95)	(0.42)
	(c) Items that will be reclassified to profit or loss	13.54	3.68	(17.50)	9.46	(21.96)
	(d) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	<b>Total Other Comprehensive Income/ (loss)</b>	<b>19.09</b>	<b>3.68</b>	<b>(16.30)</b>	<b>15.01</b>	<b>(20.76)</b>
9	<b>Total Comprehensive Income / (loss) for the period (7-8)</b>	<b>(88.77)</b>	<b>(70.66)</b>	<b>(34.68)</b>	<b>(259.39)</b>	<b>(227.97)</b>
10	<b>Income / (Loss) for the year attributable to:</b>					
	a) Owners of the parent	(107.84)	(73.69)	(18.37)	(274.35)	(207.21)
	b) Non-controlling interests	(0.02)	(2.56)	(0.02)	(0.05)	(0.01)
11	<b>Other comprehensive income attributable to:</b>					
	a) Owners of the parent	19.09	3.68	(16.30)	15.01	(20.76)
	b) Non-controlling interests	-	-	-	-	-
12	<b>Paid-up Equity Share Capital ( Face Value per Share of ₹. 1/-)</b>	<b>3,170.00</b>	<b>3,170.00</b>	<b>3,170.00</b>	<b>3,170.00</b>	<b>3,170.00</b>
13	<b>Other Equity ( Excluding Revaluation Reserve )</b>				20,952.40	21,211.74
14	<b>Earning Per Shares in ₹ 1. ( Not Annualized )</b>					
	Basic	(0.03)	(0.02)	(0.01)	(0.09)	(0.07)
	Diluted	(0.03)	(0.02)	(0.01)	(0.09)	(0.07)

**Notes:**

- Lead Bank Punjab National Bank, on behalf of all consortium banks, had issued fresh notice u/s 13(2) of the SARFAESI Act (after withdrawing its earlier notice) on October 22, 2018 for an amount of Rs. 216.62 crores owed by holding company to the consortium banks (excluding dues of one bank) and Asset Reconstruction Company up to March 31, 2018 and subsequently issued possession notices for company's properties and thereafter for sale of secured assets of the holding company which was stayed by DRT-1, Mumbai vide its order dated December 30, 2019. Further, Punjab & Sind Bank (one of the consortium bank) has issued separate notice u/s 13(2) of the SARFAESI Act on January 07, 2020 for recovery of an amount of Rs. 77.26 Crores (including interest upto December 31, 2019) within 60 days of the receipt of notice, which as per the management is already covered under the above stay order by DRT. Further, Mumbai DRT has also issued summons dated June 3, 2019 on application made by Punjab & Sind Bank (one of the consortium bank) under section 19(4) of The Recovery of Debts due to Banks and Financial Institution Act, 1993 for recovery of an amount of Rs. 56.92 crores owed by holding company to the bank, against which holding company has filed appeal. The Corporation Bank (one of the consortium bank) has filed petition with National Company Law Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiating corporate insolvency resolution process which are still pending for hearing. Further on application by the Corporation Bank, DRT- Mumbai has also issued summons dated September 16, 2020 under The Recovery of Debts due to Banks and Financial Institution Act, 1993 for recovery of Rs.30.41 crs, the proceeding for which is still pending. PNB has also issued notice for classifying the holding company and its directors & guarantors as "wilful defaulter" against which the holding Company has filed its reply. Four lender banks up to the reporting date have already transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. In previous year State Bank of India has accepted the One Time Settlement (OTS) proposal submitted by the holding Company and the holding company during the period has paid full amount as per settlement terms. However, OTS proposal submitted to other banks has been rejected by the banks and they have requested to improve the OTS proposal.





**Statement of Audited Consolidated Financial Results for the Year ended March 31, 2022 prepared in compliance with the Indian Accounting Standard (Ind-AS)**

The holding company and its managing director have also received enquiry and summon notices from Enforcement Directorate in respect of non-recovery of dues from overseas trade receivables against which the holding company has submitted its reply and managing directors have attended the personal hearing proceedings. The Holding company has also received show cause notice from Reserve Bank of India (RBI) for non-realisation of export bills within the period prescribed under the Foreign Exchange Management Act, 1999, to which the holding company has replied. The Holding Company has also received show cause notice from Office of the Development Commissioner, Surat SEZ regarding certain non-compliances and non-realisation of export proceeds, to which holding company has replied suitably.

- 2 The auditors in their report on financial statement for the year ended March 31, 2022 have given disclaimer of opinion on the basis of observations that the Holding 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 including initiating corporate insolvency resolution process with NCLT under Insolvency and Bankruptcy Code and for attachment of holding company's properties, assignment and transfer of dues of three banks in favor of an asset reconstruction company, pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on occasional 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, confirmation of various balances etc, which cast doubts on the ability of the Holding Company to continue as going concern. The management is of the view that due to certain unfavourable developments and sluggish 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 holding company management is hopeful that these trade receivables shall be recovered as the holding company has initiated legal action by way of sending legal notices and filing court cases. The holding company has filed legal suits in Mumbai High Court against majority of debtors. Further, the management of holding company is taking all possible steps to revive the business operations. The Holding Company has approached consortium bankers and ARC for settlement of loan dues and assumes that Holding 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, Holding company 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 Holding Company are prepared on going concern basis.
- 3 (a) Trade Receivables, Trade payables/other payables denominated in foreign currency have not been restated based on exchange rate as at the period end and consequential tax impact on above has also not been accounted for. These Trade Receivables 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. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The Holding company shall account for the actual exchange difference and their consequential tax impact at the time of realization of these trade receivables and at the time of payment to trade creditors/ other payables.
- (b) As the promoters of the Holding Company have approached consortium banks and ARC 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 Holding Company. Accordingly, no interest liability has been provided for the financial year ended March 31, 2017, March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022. Further, no confirmations and/or statements have been received from lender banks having outstanding dues amounting to Rs. 17,695.78 lacs, deposit/advance given to an assets reconstruction company amounting to Rs. 1405.61 lacs and various banks having debit balance of Rs. 2.81 Lacs at the year ended March 31, 2022. These balances are subject to reconciliation and subsequent adjustments. However, the holding company management to the best of its knowledge and belief have recorded all the transactions.
- (c) The Holding Company has recognized loss of Rs. 49.00 lakhs on current investment designated through FVTPL on which no deferred tax assets amounting to Rs. 12.33 lacs has been recognized.
- (d) Had the exchange gains/loss and interest as stated above been accounted for, loss before tax for the quarter ended would have been decreased by Rs. 120.79 Lacs and for the year ended would have been increased by Rs. 1155.70 Lacs
- 4 The auditors have made observation regarding non recognition of expected credit loss on trade receivables. The management of holding company is of the opinion that in view of court cases initiated against the trade receivables and looking to the uncertainty 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.
- 5 The Holding Company has given Rs. 1405.61 lacs to Alchemist Asset Reconstruction Company Ltd (ARC) as adhoc advance payment/ security Deposit to show its intent of settlement of its dues with four lender banks assigned to ARC. The terms and conditions of the
- 6 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary.

For Goenka Diamond &amp; Jewels Ltd

*Nandlal Goenka*  
Nandlal Goenka  
Chairman



Place : Mumbai  
Date : May 26, 2022







GOENKA DIAMOND AND JEWELS LIMITED

Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan  
CIN No.L36911RJ1990PLC005651

Audited Segment wise Consolidated Revenue, Results and Capital Employed for the Year ended March 31, 2022

Amount in Lakhs Except Share Data

Particulars	CONSOLIDATED				
	THREE MONTHS ENDED			YEAR ENDED	
	March 31, 2022	Dec 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1. Segment Revenue</b>					
(a) Diamond	-	-	36.18	425.66	345.95
(b) Jewellery	-	-	-	-	4.27
(c) Unallocable	-	-	-	-	-
<b>Total</b>	-	-	36.18	425.66	350.22
<b>2. Segment Results</b>					
(a) Diamond	(35.23)	(26.91)	(1,227.78)	270.09	(984.14)
(b) Jewellery	20.99	(8.93)	(56.69)	(313.73)	(622.33)
(c) Unallocable	-	-	-	-	-
<b>Total</b>	(14.24)	(35.85)	(1,284.47)	(43.64)	(1,606.47)
<b>Less: (i) Interest</b>	(13.83)	(13.81)	(11.92)	(55.24)	(56.21)
(ii) Other Income	0.37	0.37	16.82	1.48	849.86
(iii) Unallocable Expenses / Income	(80.44)	(24.59)	1,274.13	(175.37)	623.15
<b>Total Profit / (Loss) Before Tax</b>	(108.14)	(73.87)	(5.45)	(272.77)	(189.67)
<b>3. Segment Assets</b>					
(a) Diamond	70,167.19	70,075.96	70,015.72	70,167.19	70,015.72
(b) Jewellery	5,783.23	5,823.79	6,274.00	5,783.23	6,274.00
(c) Unallocable	3,174.62	3,200.92	3,045.55	3,174.62	3,045.55
<b>Total</b>	79,125.04	79,100.66	79,335.27	79,125.04	79,335.27
<b>4. Segment Liabilities</b>					
(a) Diamond	35,765.78	35,676.39	35,614.15	35,765.78	35,614.15
(b) Jewellery	248.31	238.89	238.25	248.31	238.25
(c) Unallocable	43,110.94	43,185.38	43,482.86	43,110.94	43,482.86
<b>Total</b>	79,125.04	79,100.66	79,335.27	79,125.04	79,335.27





**GOENKA DIAMOND AND JEWELS LIMITED**  
Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan  
CIN No. L36911RJ1990PLC005651  
**Audited Consolidated Statement of Cash Flows for the Year ended March 31, 2022**

	Amount in Lakhs Except Share Data	
	Year ended March 31, 2022 Audited	Year ended March 31, 2021 Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(272.77)	(189.67)
<b>Adjustment for</b>		
Depreciation	44.56	41.61
Finance Charges Paid	55.24	56.21
Interest Income	(0.29)	(38.65)
Unrealised Exchange Difference	9.46	(21.96)
Gain on Extinguishment of liabilities	-	(753.47)
Bad debts written off	-	558.08
Loss on instruments designated at FVTPL	-	49.00
Gratuity & Leave Liabilities (OCI)	7.50	1.63
<b>Operating Profit before Working Capital Changes</b>	<b>(156.29)</b>	<b>(297.22)</b>
<b>Adjustment for</b>		
Trade and other receivables(financial and non financial)	(193.63)	(212.07)
Inventories	464.06	529.66
Trade payable	148.05	(89.64)
Other liabilities and provision (financial and non financial)	8.20	(89.34)
<b>Cash generated from operations</b>	<b>270.39</b>	<b>(158.61)</b>
Income Tax Paid (Net)	-	-
<b>Net cash inflow from Operating Activities</b>	<b>270.39</b>	<b>(158.61)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and Equipment	(28.53)	-
Interest Income	-	-
<b>Net cash (outflow) from investing activities</b>	<b>(28.53)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment/ (receipt) of borrowing	(162.34)	148.25
Finance cost paid	-	-
<b>Net cash (outflow) from financing activities</b>	<b>(162.34)</b>	<b>148.25</b>
<b>Net increase in Cash and Cash equivalent (A+B+C)</b>	<b>79.53</b>	<b>(10.36)</b>
Cash and Cash equivalent in the Opening balance	38.15	48.51
<b>Cash and Cash equivalent in the Closing balance</b>	<b>117.68</b>	<b>38.15</b>
<b>Note :</b>		
<b>Reconciliation of componenet of cash and cash equivalent:</b>		
<b>Closing Cash and Cash Equivalents as per books</b>		
Cash & Cash Equivalents	117.68	38.15
<b>Cash and Cash equivalent as per statement of cash flows</b>	<b>117.68</b>	<b>38.15</b>
Cash in hand	32.79	4.61
Current Accounts*	84.89	33.55
<b>Total</b>	<b>117.68</b>	<b>38.15</b>

\*the above balance in current account does not include balance amounting to Rs. 2.81 lacs ( Rs. 7.50 lacs ) attached with Income Tax Department and lienied by lender banks.





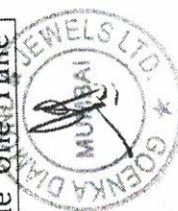
**Consolidated Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-**  
**with Annual Audited Financial Results**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 of</b> <b>Goenka Diamond &amp; Jewels Limited</b> <b>[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2017 (Rs in Lakh)]</b>			
<b>I. Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Audited Figures (audited figures after adjusting for qualifications)</b>
1.	Turnover / Total Income (including exceptional item)	427.15	2034.64
2.	Total Expenditure	699.92	3463.11
3.	Net Profit/(Loss) before tax	(272.77)	(1428.47)
4.	Earnings Per Share	(0.09)	(0.45)
5.	Total Assets	79125.03	91800.27
6.	Total Liabilities	54995.90	78187.78
7.	Net Worth	24129.13	13612.49
8.	Any other financial item(s) (as felt appropriate by the management)	0.00	0.00
<b>Type of Audit Qualification</b>		<b>Comments in Auditors Report</b>	<b>Management Reply</b>
<b>Basis of Qualified Conclusions</b>			
Frequency of Qualification: Appearing for Seventh time		<p>The holding 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, 31<sup>st</sup> 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.</p>	<p>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, 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.</p>



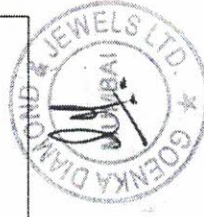


	<p>Trade receivable amounting to Rs. 69,703.18 lacs</p> <p>Trade payables and other payable amounting to Rs. 29,717.66 lacs</p> <p>The Holding Company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 8133.53 lacs including exchange gain amounting to Rs. 826.52 lacs for quarter and Rs. 1607.49 lacs for the year ended March 31, 2022. Accordingly, exchange gain for the quarter ended is understated by Rs. 826.52 Lacs and Rs. 1607.49 lacs for the year ended on March 31, 2022.</p>	<p>Loans and advances and at the time of payment to trade creditors/ other payables. The company shall account for the actual exchange difference and deferred tax liability at the time of actual occurrence.</p>
<p>Frequency of Qualification: Appearing for Seventh time</p>	<p>The Holding 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. The Holding Company's 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. 18248.38 Lacs determined at</p>	<p>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, four lender banks have transferred and assigned its outstanding dues against company to an Asset Reconstruction Company and State Bank of India accepted the One Time</p>

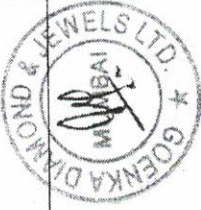




	<p>estimated rates, has not been provided for in the books of accounts including interest amounting to Rs. 705.74 lacs and Rs. 2763.19 lacs pertaining to the quarter and year ended March 31, 2022. Accordingly, finance cost for the quarter and year ended March 31, 2022 is understated by Rs. 705.74 lacs and Rs. 2763.190 lacs respectively.</p> <p>Had the exchange differences, interest and deferred tax as stated above been provided, the loss before tax for the quarter ended would have been decreased by Rs. 120.79 Lacs and for the year ended would have been increased by Rs. 1155.70 Lacs. Consequently, the overstatement and understatement of assets and liabilities are as under: -</p>	<p>Settlement (OTS) proposal submitted by the Company. However, OTS proposals submitted by the company to other banks are still under consideration.</p> <p>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.</p>
	<p>1. Trade Receivables Rs. 12675.24 lacs (Understatement)</p> <p>2. Trade Payables Rs. 4540.76 lacs (Understatement)</p> <p>3. Current financial liabilities Rs. 0.96 lacs (Understatement)</p> <p>4. Deferred Tax Liability Rs. 401.78 lacs (Understatement)</p> <p>5. Borrowing (Understatement) Rs.</p>	

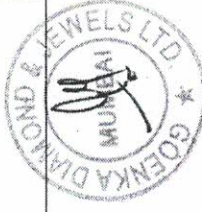


	<p>18248.39</p> <p>6. Other Equity Rs. 10516.64 (Overstatement)</p> <p>Due to uncertainties with respect to settlement of bank dues and interest, adjustments of trade receivables and payables and its consequential impact on taxation thereof, we are unable to ascertain the tax impact and liability, on the financial results.</p>	
<p>Frequency of Qualification: Appearing for Second time</p>	<p>The Holding Company has recognized loss of Rs. 49.00 lakhs on current investment designated through FVTPL. No deferred tax assets thereon amounting to Rs. 12.33 lacs has been recognized which is not in accordance with Ind AS-12 "Income Taxes"</p>	<p>The management has decided on basis of prudent not to recognize deferred tax asset.</p>
<p>Frequency of Qualification: Already in previous years report as emphasis of matter, now shown as separate point - Seventh time</p>	<p>We draw attention to Note No. 2 and 3(b) of consolidated financial results regarding default in repayment of loans and interest to banks (including ARC) owing to which the banks has classified the account as NPA and recalled its loans and has initiated various legal actions for recovery of its dues including legal action initiated under SARFAESI Act, The Recovery of Debts due to Banks and Financial Institution Act, 1993 and</p>	<p>Factual description of status of legal cases. Since, the banks are not allowing any operation and no statements/confirmations are being issued by the banks. However, the Management to the best of its knowledge and belief has recorded all the transactions.</p>





	<p>Insolvency and Bankruptcy Code, 2016 for which the proceedings are still going on. The outstanding loan and interest balances due to banks (including ARC) amounting to Rs. 17695.78 lacs and deposit/advance to an asset reconstruction company amounting to Rs. 1405.61 lacs for which no confirmation/ statements have been obtained and are subject to reconciliation and subsequent adjustments.</p>	
<p>Frequency of Qualification: Appearing for Eighth time</p>	<p>No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 75,729.84 lacs have 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 holding company, notices/ summon to the holding company/director(s) of holding company from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and in</p>	<p>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.</p>



	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 results	
Frequency of Qualification: Earlier appearing in Emphasis of matter Since 2011-12	The Inventory of holding company has been taken on the basis of physical verification carried out by the management as at the year end and its valuation is based on determination of estimated net realizable value and specific identification which involves technical judgment of management. We have relied upon by the physical verification and valuation of the Inventory as certified and determined by the management.	Management has physically verified the inventory as at year end and has properly valued the inventory based on determination of estimated net realizable value and specific identification
Frequency of Qualification: Earlier appearing in Emphasis of matter -Fifth time	Balances with Banks amounting to Rs 2.81 (debit balances), Other non-current deposits amounting to Rs. 13.71 lacs, Trade Payables and Other Current Assets and Liabilities of the group are subject to confirmations and consequential adjustment thereof.	The management is of the opinion that all the transactions have been recorded on the books properly. Efforts are being made regularly for obtaining confirmation statements.
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 actions/ insolvency proceedings initiated by banks against holding company for recovery of its dues, notices/ summon to the holding company/director(s) of holding company from Enforcement Directorate, Reserve Bank of India, Development Commissioner of Surat SEZ and from other regulatory authorities, pending cases with National Company Law Tribunal, Debt Recovery Tribunals and other courts for recovery of banks dues and possession/attachment/sale 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 occasional sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, etc. We are also unable to determine the impact of actions and

The management is of the view that due to certain unfavorable developments and sluggish 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 banks owing 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



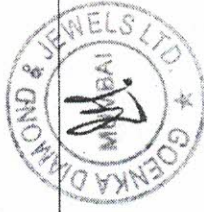
	<p>forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein above. These events cause significant doubts on the ability of the group to continue as a going concern. The appropriateness of the going concern assumption is dependent on the group's ability to raise adequate finance from alternative means, settlement of holding company's due from banks and ARC 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 exist that cast significant doubt on group's ability to continue as a going concern.</p>	<p>Company are prepared on going concern basis</p>
<p><b>Basis of Disclaimer of Opinion</b></p> <p>Frequency of Qualification: Appearing for Sixth time</p>	<p>In absence of any sufficient appropriate audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, outcome of pending legal action initiated against debtors and legal cases/ insolvency proceedings initiated by banks against holding company for recovery of loans and possession of Holding Company's properties, transfer of banks dues in favor of ARC, other factors such as non-</p>	<p>Auditors have not expressed an opinion on the financial statements due to the reasons has mentioned in the auditors comments</p>

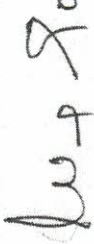

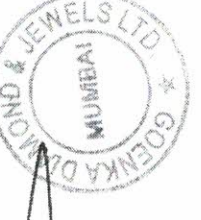






availability of confirmations of Trade Receivables, Trade payables, Borrowings and bank accounts, non-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of 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 below 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 Disclaimer of Opinion* section of our report, absence of sufficient appropriate audit evidences and Material uncertainty related to Going Concern paragraph below, it is not possible to form an opinion on the consolidated financial results due to the potential interaction of the uncertainties and their possible cumulative effect on the consolidated financial results. Accordingly, we do not express an opinion on the consolidated financial results



<p>To be signed by</p> <p>For Goenka Diamond &amp; Jewels Ltd.</p>   <p>Nandlal Goenka CEO / Chairman DIN : 00125281</p>	<p>For Goenka Diamond &amp; Jewels Ltd.</p>   <p>Navneet Goenka MD &amp; CFO DIN : 00164428</p>	<p>For Goenka Diamond &amp; Jewels Ltd.</p>   <p>Bhau Dhure Chairman Audit Committee DIN : 08067074</p>
 <p>Place: Mumbai Date: May 26 2022</p>	<p>For Ummed Jain &amp; Co.</p> <p>ICAI Firm Regn. No. 119250W</p>   <p>Akhil Jain Partner Membership No.: 137970</p>	