



June 30, 2020

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
Scrip Code: 533189	Symbol: GOENKA

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

**Sub: Outcome of Board Meeting held on June 30, 2020**

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 (June 30, 2020) 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, 2020 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, 2020 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.

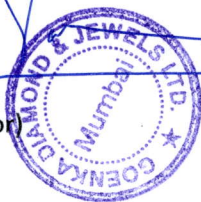
Thanking you.

Regards,

For **GOENKA DIAMOND & JEWELS LIMITED**

Navneet Goenka  
(Managing Director)

DIN : 00164428



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



**UMMED JAIN & CO**

Chartered Accountants

51, Snehdhara, Jeevan Vikas Kendra Marg  
Andheri (E), Mumbai - 400 069  
Tel : 022-26827498 Fax : 022-39167227  
Mob.: 9323600966, 8890033333  
E-mail : ujc1981@gmail.com

**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

**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, 2020 ('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), Investments and interest thereon, 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-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result and ability of the company to continue as a going concern.

Because of the significance of the matters described in the *Basis of 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 financial results. Accordingly, we do not express an opinion on the financial statements.

**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. 69,806.99 lacs
- ii. Trade payables and other payable amounting to Rs. 29,717.66 lacs
- iii. Loans and Advances to subsidiaries (including accrued interest) amounting to Rs.1,943.49 lacs





The company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 8,108.12 lacs including exchange gain amounting to Rs. 2,676.90 Lacs and Rs. 4,100.49 pertaining to the quarter and year ended March 31, 2020 respectively. Accordingly, exchange gain for the quarter and year ended March 31, 2020 is understated by Rs. 2,676.90 and Rs. 4,100.49 Lacs respectively.

- (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. 13,311.46 Lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs.716.29 Lacs and Rs. 2,911.29 Lacs pertaining to the quarter and year ended March 31, 2020. Accordingly, finance cost for the quarter and year ended March 31, 2020 is understated by Rs.716.29 Lacs and Rs. 2,911.29 lacs respectively.

Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the quarter and year ended would have been decreased by Rs. 1,960.61 Lacs and decreased by Rs. 1,189.20 Lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under: -

Head of Assets/ Liabilities	Assets		Liabilities	
	Understatement	Overstatement	Understatement	Overstatement
Trade Receivables	12,123.53	-	-	-
Trade Payables	-	-	4,307.83	-
Non-Current financial assets	201.83	-	-	-
Current Financial Assets	91.52	-	-	-
Current financial liabilities	-	-	13,312.38	-
Deferred Tax Liability	-	-	429.36	-
Other Equity	-	-	-	5,632.69
<b>Total</b>	<b>12,416.87</b>	<b>-</b>	<b>18,049.57</b>	<b>5,632.69</b>

- (c) 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.





- (d) We draw attention to Note No. 2 and 4(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 SARFESI 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 loan balances due to banks (including ARC) amounting to Rs. 15,688.07 lacs and deposit/advance to an asset reconstruction company amounting to Rs.1,005.98 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. 69,806.99 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.
- (f) No provision for the expected credit loss/ impairment on loan to a subsidiary amounting to Rs. 1943.49 Lacs (including accrued interest) and investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 621.91Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above subsidiary and entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of these entities, there has been significant increase in credit risk and there could be delay/default in recovery of these amounts. Considering the above, we are unable to comment on the amount of expected credit loss/ impairment and its consequential impact, on the financial results.
- (g) 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.
- (h) The company has made investment of Rs. 2.03 lacs and has given advance of Rs.59.78 lacs to its subsidiary namely M.B. Diamonds LLC and has made investment of Rs. 7.44 lacs in its subsidiary namely Goenka Diamond and Jewels DMCC, the net-worth of these subsidiaries is negative. The Company has not made any provision for Impairment against these investments and advance.





- (i) Balances with Banks amounting to Rs. 39.14 lacs (debit balances) and Rs. 2471.64 lacs (credit balance) at the year end, Trade Payables and Other Current Assets and Liabilities are subject to confirmations and consequential adjustment thereof.
- (j) We draw attention to the Note No.8 of the standalone financial results, which describes management's assessment of the impact of the COVID-19 pandemic on the standalone financial results of the Company.

#### **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 of banks in favor of an asset reconstruction company (ARC), pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, non realization of loan and interest thereon from a subsidiary etc. 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.

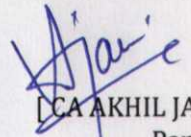
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial results and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **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, 2020, 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  
FRN : 119250W



  
[CA AKHIL JAIN]  
Partner  
M.No.137970

ICAI UDIN : 20137970AAAABB1813

Place : Mumbai  
Dated : 30/06/2020





**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

**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 year ended March 31, 2020, 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, Investments and interest thereon, 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 Holding Company's properties, transfer of banks dues in favor of ARC, other factors such as non-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated 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 nine month 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. 7,795.11 lacs including exchange gain amounting to Rs. 2,557.67 lacs and Rs. 3,917.85 Lacs pertaining to the quarter and year ended March 31, 2020. Accordingly, exchange gain for the quarter and year ended March 31, 2020 is understated by Rs. 2,557.67 Lacs and Rs. 3,917.85 lacs respectively.

(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 loans and consequently based on the calculation done by the management total interest amounting to Rs. 13,311.46 Lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs. 716.29 lacs and Rs. 2,911.29 lacs pertaining to the quarter and year ended March 31, 2020. Accordingly, finance cost for the quarter and year ended March 31, 2020 is understated by Rs. 716.29 lacs and Rs. 2,911.29 lacs respectively.

Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the quarter and year ended would have been decreased by Rs. 1,841.38 Lacs and decreased by Rs. 1,006.56 Lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under: -

Head of Assets/ Liabilities	Assets		Liabilities	
	Understatement	Overstatement	Understatement	Overstatement
Trade Receivables	12,103.86	-	-	-
Trade Payables	-	-	4,307.83	-
Current financial liabilities	-	-	13,312.38	-
Deferred Tax Liability	-	-	427.80	-
Other Equity	-	-	-	5,944.15
<b>Total</b>	<b>12,103.86</b>	<b>-</b>	<b>18,048.01</b>	<b>5,944.15</b>

(c) 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.





- (d) We draw attention to Note No. 2 and 4(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 SARFESI 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 balances due to banks (including ARC) amounting to Rs. 15,688.07 lacs and deposit/advance to an asset reconstruction company amounting to Rs.1,005.98 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. 75,657.57 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 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) No provision for investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 621.91 Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of the entity, 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 impairment and its consequential impact, on the consolidated financial results.
- (g) 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.
- (h) Balances with Banks amounting to Rs 39.14 lacs (debit balances) and Rs. 2,471.64 lacs (credit balance) at the year end, Trade Payables and Other Current Assets and Liabilities of group are subject to confirmations and consequential adjustment thereof.
- (i) We draw attention to the Note No. 7 of the consolidated financial results, which describes management's assessment of the impact of the COVID-19 pandemic on the consolidated financial results of the Group.





### **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 cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, etc. 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. 244.67 lacs and other comprehensive income of Rs. NIL lacs, for the year ended March 31, 2020, as considered in the audited consolidated financial results. These interim financial information / financial results have been reviewed 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.
- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the 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  
FRN : 119250W



[ CA AKHIL JAIN ]  
Partner  
M.No.137970

ICAI UDIN : 20137970AAAABC5418

Place : Mumbai  
Dated : 30/06/2020





**GOENKA DIAMOND AND JEWELS LIMITED**  
Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur : 302003, Rajasthan  
CIN No. L36911RJ1990PLC006451  
Statement of Audited Standalone and Consolidated Assets and Liabilities as on March 31, 2020

Particulars		Amount in Lakhs Except Share Data		Amount in Lakhs Except Share Data	
		STANDALONE		CONSOLIDATED	
		As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
		Audited	Audited	Audited	Audited
<b>I ASSETS</b>					
<b>1 Non-Current Assets</b>					
(a) Property, Plant and Equipment		759.41	803.47	766.18	811.28
(b) Intangible Assets		-	-	-	-
(c) Investment Property		-	-	-	-
(d) Financial Assets					
(i) Investments		448.76	448.76	429.29	429.29
(ii) Loans		1,249.95	1,249.95	-	-
(iii) Others financial assets		205.06	141.75	206.34	142.22
(e) Deferred tax assets		52.65	58.04	52.65	58.04
<b>2 Current assets</b>					
(a) Inventories		1,490.47	2,529.69	2,058.05	3,190.65
(b) Financial Assets					
(i) Trade receivables		69,833.98	70,358.62	75,684.04	75,731.42
(ii) Cash and cash equivalents		83.42	43.80	87.21	49.60
(iii) Bank Balance other than cash and cash equivalent		0.10	0.10	0.10	0.10
(iv) Others current financial assets		1,699.54	641.14	1,006.98	50.20
(c) Other current assets		38.55	40.80	53.24	48.88
<b>TOTAL ASSETS</b>		<b>75,862.69</b>	<b>76,316.12</b>	<b>80,344.10</b>	<b>80,511.68</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		22,965.59	22,975.25	21,439.71	21,661.87
(c) Non Controlling Interest		-	-	6.78	6.86
<b>2 Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings		-	-	-	-
(b) Provisions		10.52	8.13	10.52	8.13
<b>3 Current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings		-	-	252.78	251.78
(ii) Trade payables					
A. Dues to Micro enterprise and small enterprise		-	-	-	-
B. Dues other than Micro enterprise and small enterprise		29,821.31	30,251.19	35,999.57	35,939.29
(iii) Other financial liabilities		19,305.24	19,376.14	18,871.41	18,937.34
(b) Other current liabilities		130.36	118.75	130.42	118.81
(c) Provisions		3.74	3.56	3.74	3.56
(d) Current Tax Liabilities (Net)		455.91	413.10	459.15	414.04
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>75,862.69</b>	<b>76,316.12</b>	<b>80,344.10</b>	<b>80,511.68</b>







**GOENKA DIAMOND AND JEWELS LIMITED**

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

CIN No.L36911RJ1990PLC005651

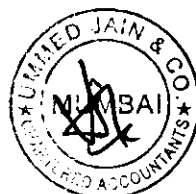
Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2020 prepared in compliance with the Indian Accounting Standard (Ind-AS)

Amount in Lakhs Except Share Data

SR. NO.	PARTICULAR	STANDALONE				
		THREE MONTHS ENDED			YEAR ENDED	
		March 31, 2020	Dec 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Revenue					
	(a) Revenue from Operations	146.13	400.45	525.28	1,271.25	651.72
	(b) Other Income	47.65	47.52	37.99	178.53	157.17
	Total Income from operations	193.78	447.97	563.27	1,449.78	808.89
2	Expenses					
	(a) Cost of materials consumed/ Sold	57.58	372.29	400.06	1,167.50	505.95
	(b) Change in Inventories of finished goods, work-in-progress and stock-in-trade	80.17	-	97.96	(6.84)	105.18
	(c) Employee benefits expenses	18.43	16.51	16.18	67.11	69.36
	(d) Finance costs - (Refer Note No. 4(b))	13.80	13.81	18.44	57.69	59.95
	(e) Depreciation and amortisation expenses	11.31	10.96	12.48	44.55	49.92
	(f) Other expenses	77.70	12.38	18.01	123.95	80.16
	Total Expenses	258.99	425.95	563.13	1,453.96	870.52
3	Profit / (Loss) before tax and exceptional items (1-2)	(65.21)	22.02	0.14	(4.18)	(61.63)
4	Exceptional items	-	-	-	-	-
5	Profit / (Loss) before tax (3-4)	(65.21)	22.02	0.14	(4.18)	(61.63)
6	Tax Expenses					
	Current Tax	-	-	-	-	-
	Deferred Tax	0.78	1.53	1.00	5.42	13.37
	Total tax expenses	0.78	1.53	1.00	5.42	13.37
7	Net Profit / (Loss) after tax (5-6)	(65.98)	20.49	(0.86)	(9.58)	(75.00)
8	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	(0.09)	-	0.92	(0.09)	0.92
	(b) Income tax relating to items that will not be reclassified to profit or loss	0.02	-	(0.24)	0.02	(0.24)
	(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	-	-	-	-	-
	Total Other Comprehensive Income / (Loss)	(0.07)	-	0.68	(0.07)	0.68
9	Total Comprehensive Income / (loss) for the period (7-8)	(66.05)	20.49	(0.18)	(9.65)	(74.32)
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 )	22,965.59	-	-	22,965.59	22,975.25
12	Earning Per Shares in ₹ 1. ( Not Annualized )					
	Basic	(0.02)	0.01	(0.00)	(0.00)	(0.02)
	Diluted	(0.02)	0.01	(0.00)	(0.00)	(0.02)

**Notes:**

- Adoption of Ind AS 116 - Leases**  
Effective from 1st April, 2019, the Company adopted Ind AS 116, "Leases", using the modified retrospective method. The Company does not have any significant impact on adoption of this standard.
- 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, which is pending for hearing. 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 is adjourned for next hearing date. Three lender banks up to the reporting date and further one lender bank after reporting date have already transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. One Time Settlement (OTS) Proposals submitted by company to other banks has been rejected by the banks and has requested to improve the OTS proposal. 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, which is pending for final hearing.**







**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 Quarter and Year ended March 31, 2020 prepared in compliance with the Indian Accounting Standard (Ind-AS)

- 3 The auditors in their report on financial statement for the year ended March 31, 2019 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 two banks in favor of an asset reconstruction company, pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, defaults in repayment of loans and interest to banks, non realization of interest on loans to subsidiary etc. which cast doubts on the ability of the Company to continue as going concern. The management is of the view that due to certain unfavourable developments and 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.
- 4 (a) Trade Receivables, Trade payables/other payables and Loans and advance given to a subsidiary denominated in foreign currency have not been restated based on exchange rate as at the period end and consequential tax impact on above has also not been accounted for. These Trade Receivables and Advances have been carried forward based on exchange rate as at the end of March 31, 2015, March 31, 2016 and / or as at end of March 31, 2017, as it is deemed prudent not to take cognizance of unrealised exchange difference on notional basis due to uncertainties with regard to expected time frame for realisation of Trade Receivables and loans and advances to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange difference and their 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 and March 31, 2020. Further, no confirmations and/or statements have been received from lender banks having outstanding dues amounting to Rs. 15688.07 lacs, deposit/advance given to an assets reconstruction company amounting to Rs. 1006 lacs and various banks having debit balance of Rs. 39.14 Lacs & credit balance of Rs. 2471.64 at the year ended March 31, 2020. 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) Had the exchange gains/loss as referred in para 4(a) above and interest in para 4(b) above been accounted for, the loss after tax in the standalone financials results for the quarter and year ended March 31, 2020 would have been decreased by Rs.1960.61 lacs and decreased by Rs. 1189.20 Lacs respectively.
- 5 The auditors have made observation regarding non recognition of expected credit loss on trade receivables, loan and advances (including accrued interest) given to subsidiary and investment in Optionally Convertible Debentures (including accrued interest). The management is of the 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 (including accrued interest) due from subsidiary, the same is in the nature of long term loan for set up of business of the subsidiary and is part of net investment in the subsidiary. The operation of the subsidiary shall soon be revived and these loans will be recovered in near future. In respect of investment in OCD, the company assumes that the amount shall be recovered as per the terms of repayment.
- 6 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.
- 7 The Company has deposited Rs. 1006 lacs to Alchemist Asset Reconstruction Company Ltd (ARC) as adhoc advance payment/ security Deposit to show its intent of settlement of its dues with three lender banks assigned to ARC. The terms and conditions of the settlement are yet to be finalised.
- 8 **Impact of COVID-19:**  
In view of the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020. The Company's operations which were already materially affected due to reasons as stated in Note 3 above, the impact of the COVID-19 pandemic is not material to the current business operations of the Company. As per the management, the Company's future operations are dependent on the recoveries from trade receivables and settlement of its dues with banks/ARC which might not get delayed significantly due to pandemic.  
The Company has considered internal and external information up to the date of approval of these financial statements including economic forecast, expected recoveries from trade receivables and settlement of its dues with banks/ARC and expects to recover the carrying value of property, plant & equipment, investments, inventories and other current assets appearing in the financial statements of the Company. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.
- 9 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary.

Place: Mumbai  
Date : June 30, 2020

For Goenka Diamond and 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 Quarter and Year ended March 31, 2020**

Amount in Lakhs Except Share Data

Particulars	STANDALONE				
	THREE MONTHS ENDED			YEAR ENDED	
	March 31, 2020	Dec 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1. Segment Revenue</b>					
(a) Diamond	146.13	400.45	525.28	1,062.09	651.72
(b) Jewellery	(0.00)	-	-	209.16	-
(c) Unallocable	-	-	-	-	-
<b>Total</b>	<b>146.13</b>	<b>400.45</b>	<b>525.28</b>	<b>1,271.25</b>	<b>651.72</b>
<b>2. Segment Results</b>					
(a) Diamond	60.26	406.35	578.24	940.01	651.19
(b) Jewellery	(64.66)	(379.56)	(576.08)	(881.49)	(702.18)
(c) Unallocable	-	-	-	-	-
<b>Total</b>	<b>(4.40)</b>	<b>26.79</b>	<b>2.16</b>	<b>58.52</b>	<b>(50.98)</b>
<b>Less: (i) Interest</b>	<b>(13.80)</b>	<b>(13.81)</b>	<b>(18.44)</b>	<b>(57.69)</b>	<b>(59.95)</b>
(ii) Other Income	47.65	47.52	37.99	178.53	157.17
(iii) Unallocable Expenses / Income	(94.65)	(38.48)	(21.57)	(183.53)	(107.87)
<b>Total Profit / (Loss) Before Tax</b>	<b>(65.21)</b>	<b>22.02</b>	<b>0.14</b>	<b>(4.18)</b>	<b>(61.63)</b>
<b>3. Segment Assets</b>					
(a) Diamond	64,349.60	64,434.19	65,987.06	64,349.60	65,987.06
(b) Jewellery	8,224.49	8,334.35	7,663.40	8,224.49	7,663.40
(c) Unallocable	3,288.59	3,223.76	2,665.66	3,288.59	2,665.66
<b>Total</b>	<b>75,862.69</b>	<b>75,992.31</b>	<b>76,316.12</b>	<b>75,862.69</b>	<b>76,316.12</b>
<b>4. Segment Liabilities</b>					
(a) Diamond	29,666.03	29,751.57	30,091.28	29,666.03	30,091.28
(b) Jewellery	191.22	192.30	193.93	191.22	193.93
(c) Unallocable	46,005.43	46,048.44	46,030.91	46,005.43	46,030.91
<b>Total</b>	<b>75,862.69</b>	<b>75,992.31</b>	<b>76,316.12</b>	<b>75,862.69</b>	<b>76,316.12</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, 2020**

	Amount in Lakhs Except Share Data	
	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Audited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(4.18)	(61.63)
Adjustment for		
Depreciation	44.55	49.92
Gratuity & Leave Liabilities (OCI)	(0.09)	0.92
Finance Charges Paid	57.69	59.95
Interest Income	(170.41)	(154.85)
<b>Operating Profit before Working Capital Changes</b>	<b>(72.43)</b>	<b>(105.70)</b>
Adjustment for		
Trade and other receivables(financial and non financial)	(424.50)	(494.14)
Inventories	1,039.22	156.72
Trade payable	(429.88)	463.93
Other liabilities and provision (financial and non financial)	(71.61)	(21.96)
<b>Cash generated from operations</b>	<b>40.80</b>	<b>(1.14)</b>
Income Tax Paid (Net)	-	-
<b>Net cash inflow from Operating Activities</b>	<b>40.80</b>	<b>(1.14)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of Property, Plant and Equipment	(0.49)	-
Bank deposits matured during the year	-	0.55
Interest Income	-	-
<b>Net cash (outflow) from Investing activities</b>	<b>(0.49)</b>	<b>0.55</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>40.31</b>	<b>(0.59)</b>
Cash and Cash equivalent in the Opening balance	5.67	6.26
<b>Cash and Cash equivalent in the Closing balance</b>	<b>45.98</b>	<b>5.67</b>
<b>Note :</b>		
<b>Reconciliation of component of cash and cash equivalent:</b>		
Closing Cash and Cash Equivalents as per books		
Cash & Cash Equivalents	45.98	5.67
<b>Cash and Cash equivalent as per statement of cash flows</b>	<b>45.98</b>	<b>5.67</b>
Cash in hand	43.63	5.67
Current Accounts*	2.35	-
<b>Total</b>	<b>45.98</b>	<b>5.67</b>

\*the above balance in current account does not include balance amounting to Rs. 36.52 lacs ( Rs. 38.13 lacs ) attached with Income Tax Department and liened by lender banks.







## GOENKA DIAMOND AND JEWELS LIMITED

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

CIN No. L36911RJ1990PLC005651

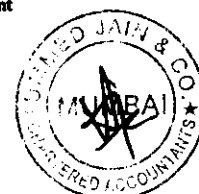
Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2020 prepared in compliance with the Indian Accounting Standard (Ind-AS)

Amount in Lakhs Except Share Data

SR. NO.	PARTICULAR	CONSOLIDATED				
		THREE MONTHS ENDED			YEAR ENDED	
		March 31, 2020	Dec 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Unaudited	Unaudited	Unreviewed	Audited	Audited
1	Revenue					
	(a) Revenue from Operations	150.70	401.92	524.67	1,279.53	658.69
	(b) Other Income	19.57	22.67	15.65	78.05	63.77
	Total Income from operations	170.27	424.59	540.32	1,357.58	722.46
2	Expenses					
	(a) Cost of materials consumed/ Sold	57.58	372.29	400.06	1,167.50	505.95
	(b) Change in inventories of finished goods, work-in-progress and stock-in-trade	65.25	(2.57)	172.02	86.53	323.47
	(c) Employee benefits expenses	18.76	16.85	21.31	68.43	70.34
	(d) Finance costs - (Refer Note No. 4(b))	13.80	13.81	18.44	57.69	59.95
	(e) Depreciation and amortisation expenses	11.56	11.49	12.73	45.58	50.95
	(f) Other expenses	134.42	4.33	37.69	172.40	150.11
	Total Expenses	301.39	416.20	662.25	1,598.15	1,160.77
3	Profit / (Loss) before tax and exceptional items (1-2)	(131.11)	8.39	(121.93)	(240.56)	(438.31)
4	Exceptional items	-	-	-	-	-
5	Profit / (Loss) before tax (3-4)	(131.11)	8.39	(121.93)	(240.56)	(438.31)
6	Tax Expenses					
	Current Tax	-	-	-	-	-
	Deferred Tax	0.78	1.53	0.45	5.42	13.37
	Total tax expenses	0.78	1.53	0.45	5.42	13.37
7	Net Profit / (Loss) after tax (5-6)	(131.89)	6.85	(122.38)	(245.98)	(451.68)
8	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	(0.09)	-	(30.42)	(0.09)	0.92
	(b) Income tax relating to items that will not be reclassified to profit or loss	0.02	-	-	0.02	(0.24)
	(c) Items that will be reclassified to profit or loss	43.81	(13.97)	17.12	23.81	48.46
	(d) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income / (loss)	43.74	(13.97)	(13.30)	23.74	49.14
9	Total Comprehensive Income / (loss) for the period (7-8)	(88.15)	(7.11)	(135.68)	(222.24)	(402.54)
10	Income / (Loss) for the year attributable to:					
	a) Owners of the parent	(131.85)	6.89	(122.39)	(245.90)	(451.61)
	b) Non-controlling interests	(0.04)	(0.04)	0.01	(0.08)	(0.07)
11	Other comprehensive income attributable to:					
	a) Owners of the parent	43.74	(13.97)	(13.30)	23.74	49.14
	b) Non-controlling interests	-	-	-	-	-
12	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
13	Other Equity ( Excluding Revaluation Reserve )	-	-	-	21,439.71	21,661.87
14	Earning Per Shares in ₹ 1. ( Not Annualized )					
	Basic	(0.04)	0.00	(0.04)	(0.08)	(0.14)
	Diluted	(0.04)	0.00	(0.04)	(0.08)	(0.14)

## Notes:

- Adoption of Ind AS 116 - Leases**  
Effective from 1st April, 2019, the Group adopted Ind AS 116, "Leases", using the modified retrospective method. The Group does not have any significant impact on adoption of this standard.
- 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 holding 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 of holding company 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 to the bank, which is pending for hearing. 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 is adjourned for next hearing date. Three lender banks up to the reporting date and further one lender bank after reporting date have already transferred and assigned its outstanding dues against company to an Asset Reconstruction Company. One Time Settlement (OTS) Proposals submitted by company to other banks has been rejected by the banks and has requested to improve the OTS proposal.  
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, which is pending for hearing.





**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 Quarter and Year ended March 31, 2020 prepared in compliance with the Indian Accounting Standard (Ind-AS)

- 3 The auditors in their report on financial statement for the year ended March 31, 2019 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 two banks in favor of an asset reconstruction company, pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, defaults in repayment of loans and interest to banks 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.
- 4 (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 and March 31, 2020. Further, no confirmations and/or statements have been received from lender banks having outstanding dues amounting to Rs. 15688.07 lacs, deposit/advance given to an assets reconstruction company amounting to Rs. 1006 lacs and various banks having debit balance of Rs. 39.14 Lacs & credit balance of Rs. 2471.64 at the year ended March 31, 2020. 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) Had the exchange gains/loss as referred in para 4(a) above and interest in para 4(b) above been accounted for, the loss after tax in the standalone financials results for the quarter and year ended March 31, 2020 would have been decreased by Rs.1841.38 lacs and decreased by Rs. 1006.56 lacs respectively.
- 5 The auditors have made observation regarding non recognition of expected credit loss on trade receivables, and investment in Optionally Convertible Debentures (including accrued interest). 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. In respect of investment in OCD, the company assumes that the amount shall be recovered as per the terms of repayment.
- 6 The Holding Company has deposited Rs. 1006 lacs to Alchemist Asset Reconstruction Company Ltd (ARC) as adhoc advance payment/ security Deposit to show its intent of settlement of its dues with three lender banks assigned to ARC. The terms and conditions of the settlement are yet to be finalised.
- 7 **Impact of COVID-19:**  
In view of the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020. The Company's operations which were already materially affected due to reasons as stated in Note 3 above, the impact of the COVID-19 pandemic is not material to the current business operations of the Company. As per the management, the Company's future operations are dependent on the recoveries from trade receivables and settlement of its dues with banks/ARC which might not get delayed significantly due to pandemic.  
The Company has considered internal and external information up to the date of approval of these financial statements including economic forecast, expected recoveries from trade receivables and settlement of its dues with banks/ARC and expects to recover the carrying value of property, plant & equipment, investments, inventories and other current assets appearing in the financial statements of the Company. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.
- 8 Figures for the previous periods are re-classified/ re-arranged/ re-grouped wherever necessary.

Place: Mumbai  
Date: June 30, 2020

For Goenka Diamond and 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 Consolidated Revenue, Results and Capital Employed for the Quarter and Year ended March 31, 2020**

**Amount in Lakhs Except Share Data**

Particulars	CONSOLIDATED				
	THREE MONTHS ENDED			YEAR ENDED	
	March 31, 2020	Dec 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Unaudited	Unaudited	Unreviewed	Audited	Audited
<b>1. Segment Revenue</b>					
(a) Diamond	150.71	401.92	524.67	1,070.38	658.69
(b) Jewellery	(0.00)	-	-	209.16	-
(c) Unallocable	-	-	-	-	-
<b>Total</b>	<b>150.70</b>	<b>401.92</b>	<b>524.67</b>	<b>1,279.53</b>	<b>658.69</b>
<b>2. Segment Results</b>					
(a) Diamond	3.81	415.21	565.71	924.11	606.58
(b) Jewellery	50.91	(385.82)	(688.28)	(909.93)	(902.33)
(c) Unallocable	-	-	-	-	-
<b>Total</b>	<b>54.72</b>	<b>29.39</b>	<b>(122.57)</b>	<b>14.18</b>	<b>(295.75)</b>
Less: (i) Interest	(13.80)	(13.81)	(18.44)	(57.69)	(59.95)
(ii) Other Income	47.65	47.52	37.99	178.53	157.17
(iii) Unallocable Expenses / Income	(219.68)	(54.70)	(18.91)	(375.59)	(239.77)
<b>Total Profit / (Loss) Before Tax</b>	<b>(131.11)</b>	<b>8.39</b>	<b>(121.93)</b>	<b>(240.56)</b>	<b>(438.31)</b>
<b>3. Segment Assets</b>					
(a) Diamond	70,215.49	70,002.01	71,372.04	70,215.49	71,372.04
(b) Jewellery	6,840.00	6,951.12	6,473.97	6,840.00	6,473.97
(c) Unallocable	3,288.60	3,223.77	2,665.67	3,288.60	2,665.67
<b>Total</b>	<b>80,344.10</b>	<b>80,176.91</b>	<b>80,511.68</b>	<b>80,344.10</b>	<b>80,511.68</b>
<b>4. Segment Liabilities</b>					
(a) Diamond	35,623.86	35,396.12	35,564.76	35,623.86	35,564.76
(b) Jewellery	233.90	229.35	222.53	233.90	222.53
(c) Unallocable	44,486.34	44,551.44	44,724.39	44,486.34	44,724.39
<b>Total</b>	<b>80,344.10</b>	<b>80,176.91</b>	<b>80,511.68</b>	<b>80,344.10</b>	<b>80,511.68</b>





**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, 2020**

	Amount in Lakhs Except Share Data	
	Period ended March 31, 2020 Audited	Period ended March 31, 2019 Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(240.56)	(438.31)
Adjustment for		
Depreciation	45.58	50.95
Finance Charges Paid	57.69	59.95
Interest Income	(68.79)	(61.45)
Unrealised Exchange Difference	23.81	48.46
Gratuity & Leave Liabilities (OCI)	(0.09)	0.92
Operating Profit before Working Capital Changes	(182.37)	(339.48)
Adjustment for		
Trade and other receivables(financial and non financial)	(968.75)	(887.97)
Inventories	1,132.60	375.00
Trade payable	60.28	812.47
Other liabilities and provision (financial and non financial)	(60.71)	(14.72)
Cash generated from operations	(18.95)	(54.70)
Income Tax Paid (Net)	(3.61)	-
Net cash inflow from Operating Activities	(22.56)	(54.70)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and Equipment	(0.49)	-
Interest Income	59.08	59.08
Net cash (outflow) from investing activities	58.59	59.08
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt of borrowing	1.00	-
Finance cost paid	-	-
Net cash (outflow) from financing activities	1.00	-
Net increase in Cash and Cash equivalent (A+B+C)	37.04	4.39
Cash and Cash equivalent in the Opening balance	11.47	7.08
Cash and Cash equivalent in the Closing balance	48.51	11.47
<b>Note :</b>		
Reconciliation of componenet of cash and cash equivalent:		
Closing Cash and Cash Equivalents as per books		
Cash & Cash Equivalents	48.51	11.47
Cash and Cash equivalent as per statement of cash flows	48.51	11.47
Cash in hand	43.87	5.94
Current Accounts*	4.65	5.53
Total	48.51	11.47

\*the above balance in current account does not include balance amounting to Rs. 36.52 lacs ( Rs. 38.13 lacs ) attached with Income Tax Department and liened 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, 2020 of Goenka Diamond & Jewels Limited [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2017 (Rs. In Lakh)]			
1. Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total Income	1449.78	5550.27
2.	Total Expenditure	1453.96	4365.25
3.	Net Profit/(Loss)	(4.18)	1185.02
4.	Earnings Per Share	0.00	0.37
5.	Total Assets	75862.69	88279.56
6.	Total Liabilities	49727.10	67776.67
7.	Net Worth	26135.59	20502.89
8.	Any other financial item(s) (as felt appropriate by the management)	0.07	0.07
Type of Audit Qualification		Management Reply	
Basis of Qualified Conclusions		Comments in Auditors Report	
Frequency of Qualification: Appearing for Fifth 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 and advances to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange difference at the time of actual exchange of these trade receivables.	



	<p>(a) Trade receivable amounting to Rs.69806.99 lacs</p> <p>(b) Trade payables and other payable amounting to Rs.29717.66 lacs</p> <p>(c) Loans and Advances to subsidiaries (including accrued interest) amounting to Rs.1943.49 lacs</p> <p>The company has not provided for cumulative exchange gain (net) on the above items amounting to Rs.8108.12 lacs including exchange gain amounting to Rs. 2676.90 Lacs and Rs. 4100.49 pertaining to the quarter and year ended March 31, 2020 respectively. Accordingly, exchange gain for the quarter and year ended March 31, 2020 is understated by Rs. 2676.90 and Rs. 4100.49 Lacs respectively.</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 &amp; deferred tax liability at the time of actual occurrence of.</p>
<p>Frequency of Qualification: Appearing for the Fourth 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. 13311.46</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, three lender banks</p>





	<p>Lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs.716.29 Lacs and Rs. 2911.29 Lacs pertaining to the quarter and year ended March 31, 2020. Accordingly, finance cost for the quarter and year ended March 31, 2020 is understated by Rs.716.29 Lacs and Rs. 2911.29 lacs respectively</p> <p>Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the quarter and year ended would have been decreased by Rs. 1,960.61 Lacs and decreased by Rs. 1,189.20 Lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under:</p> <p>1.Trade Receivables Rs. 12,123.53 lacs (Understatement)  2. Trade Payables Rs. 4307.83 lacs (Understatement)  3. Non-Current financial assets Rs. 201.83 lacs (Understatement)  4. Current Financial Assets Rs. 91.52 lacs (Understatement)  5. Current financial liabilities Rs. 13312.38 lacs (Understatement)</p>	<p>have transferred and assigned its outstanding dues against company to an Asset Reconstruction Company and OTS proposals submitted by the company to some banks are still under consideration. Also the Board have decided not to provide Interest on working capital borrowings availed by the Company. However, the Management to the best of its knowledge and belief has recorded all the transactions.</p>
--	---	---



	<p>6. Deferred Tax Liability Rs. 429.36 lacs (Understatement)</p> <p>7. Other Equity Rs. 5632.69 (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: Earlier appeared in Basis of Disclaimer of opinion, from previous year shown in separate point - Fifth time</p>	<p>We draw attention to Note No. 2 and 4(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 SARFESI 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 loan balances due to banks (including ARC) amounting to Rs. 15,688.07 lacs and deposit/advance to an asset reconstruction company amounting to Rs.1,005.98 lacs for which no confirmation/ statements have been</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>





	obtained and are subject to reconciliation and subsequent adjustments	
Frequency of Qualification: Fifth time	<p>No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 69,806.99 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</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.</p>



Frequency of Qualification: Fourth time	No provision for the expected credit loss/impairment on loan to a subsidiary amounting to Rs. 1943.49 Lacs (including accrued interest) and investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 621.91Lacs (including accrued interest) has been recognized as per the requirement of Ind- AS 109 "Financial Instruments". The net worth of above subsidiary and entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of these entities, there has been significant increase in credit risk and there could be delay/default in recovery of these amounts. Considering the above, we are unable to comment on the amount of expected credit loss/impairment and its consequential impact, on the financial 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. In respect of investment in Optionally Convertible Debentures (OCD), the company assumes that the amount shall be recovered as per the terms of repayment.
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 which involves technical	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





	Judgment of management. We have relied upon by the physical verification and valuation of the Inventory as certified and determined by the management	
Frequency of Qualification: Earlier appearing in Emphasis of matter - Fifth time	The company has made investment of Rs. 2.03 lacs and has given advance of Rs. 59,78 lacs to its subsidiary namely M.B. Diamonds LLC and has made investment of Rs. 7.44 lacs in its subsidiary namely Goenka Diamond and Jewels DMCC, the net-worth of these subsidiaries 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 - Third time	Balances with Banks amounting to Rs. 39.14 lacs (debit balances) and Rs. 2471.64 lacs (credit balance) at the year end, Trade Payables and Other Current Assets and Liabilities 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 confirmations statements.
Material Uncertainty related to going concern - Sixth time	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,	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



	<p>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 of banks in favor of an asset reconstruction company (ARC), pending income tax demands and consequent attachment of bank accounts by Income tax department, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue creditors, non realization of loan and interest thereon from a subsidiary etc. We are also unable to determine the impact of actions and forthcoming actions that may be taken by various legal and statutory</p>	<p>to which banks have classified the account as NPA and recalled their loans. The management is hopeful that these trade receivables shall be recovered as the company has initiated legal action by way of sending legal notices and filing court cases. The company has filed legal suits in Mumbai High Court against majority of debtors and is in process of filing legal suits against other major debtors. Further, the management is taking all possible steps to revive the business operations and has approached consortium bankers for one time settlement of entire loan dues and assumes that Company will have adequate cash flow from export realisation to defray its entire debt obligation and payment to creditors in phased manner. At the same time, management is hopeful that it will be able to raise adequate finance from internal accruals and alternate means to meet its short term and long term obligations. Hence, the accounts of the Company are prepared on going concern basis.</p>
--	---	---



	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.	
Frequency of Qualification: First Time	We draw attention to the Note No.8 of the standalone financial results, which describes management's assessment of the impact of the COVID-19 pandemic on the standalone financial results of the Company.	In view of the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020 . The Company's operations which were already materially affected due to reasons as stated in Note 3 above, the impact of the COVID-19 pandemic is not material to the current business operations of the Company. As per the management, the Company's future








		<p>operations are dependent on the recoveries from trade receivables and settlement of its dues with banks/ARC which might not get delayed significantly due to pandemic.</p> <p>The Company has considered internal and external information up to the date of approval of these financial statements including economic forecast, expected recoveries from trade receivables and settlement of its dues with banks/ARC and expects to recover the carrying value of property, plant &amp; equipment, investments, inventories and other current assets appearing in the financial statements of the Company. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.</p>
<b>Basis of Disclaimer of Opinion</b>		
<b>Frequency of Qualification: Appearing for Fourth time</b>	<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), Investments and interest thereon, outcome of pending legal action</p>	<p>Auditors have not expressed an opinion on the financial statements due to the reasons has mentioned in the auditors comments</p>



	<p>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-payment of liabilities including statutory dues, non-availability of finance due to recalling of the bank finance and attachment of bank accounts by Income tax department against its dues, impact of actions and forthcoming actions that may be taken by various legal and statutory authorities due to various factors mentioned herein etc and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result and ability of the company to continue as a going concern.</p> <p>Because of the significance of the matters described in the <i>Basis of Disclaimer of Opinion</i> 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</p>	
--	--	--



	cumulative effect on the financial results. Accordingly, we do not express an opinion on the financial statements	
<p>To be signed by</p> <p>For Goenka Diamond &amp; Jewels Ltd.</p> <p><i>[Signature]</i></p> <p>Nandlal Goenka CEO / Chairman DIN : 00125281</p> 	<p>For Goenka Diamond &amp; Jewels Ltd.</p> <p><i>[Signature]</i></p> <p>Navneet Goenka MD &amp; CFO DIN : 00164428</p> 	<p>For Goenka Diamond &amp; Jewels Ltd.</p> <p><i>[Signature]</i></p> <p>Bhau Dhure Chairman Audit Committee DIN : 08067074</p>
<p>Place: Mumbai</p> <p>Date: June 30 2020</p>	<p>For Ummad Jain &amp; Co.</p> <p>ICAI Firm Regn. No. 119250W</p> <p><i>[Signature]</i></p> <p>Akhil Jain Partner</p> <p>Membership No.: 137970</p> 	



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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 of Goenka Diamond & Jewels Limited [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2012 (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	1357.58	5275.43
2.	Total Expenditure	1598.15	4509.44
3.	Net Profit/(Loss) before tax	(240.56)	765.99
4.	Earnings Per Share	(0.08)	0.24
5.	Total Assets	80350.79	92454.65
6.	Total Liabilities	55727.61	73776.42
7.	Net Worth	24616.56	18678.23
8.	Any other financial item(s) (as felt appropriate by the management)	23.74	23.74
Type of Audit Qualification		Comments in Auditors Report	Management Reply
Basis of Qualified Conclusions		The holding company has not translated following monetary items denominated in foreign currency as at the nine month 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.	It was deemed prudent not to take cognizance of unrealised exchange difference on notional basis due to uncertainties with regard to expected time frame for realisation of Trade Receivables and loans and advances to subsidiary. Consequently, the payment to creditors is also dependent on recovery from these Trade receivables. The company shall account for the actual exchange difference at the time of realization of these trade receivables.
Frequency of Qualification: Appearing for Fifth time			
		1. Trade receivable amounting to Rs. 69703.18 lacs	



	<p>2. Trade payables and other payable amounting to Rs. 29717.66 lacs</p> <p>The Holding Company has not provided for cumulative exchange gain (net) on the above items amounting to Rs. 7795.11 lacs including exchange gain amounting to Rs. 2557.62 lacs and Rs. 3917.85 lacs pertaining to the quarter and year ended March 31, 2020. Accordingly, exchange gain for the quarter and year ended March 31, 2020 is understated by Rs. 2557.62 lacs and Rs. 3917.85 lacs respectively.</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 Forth 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. 13311.46 lacs determined at estimated rates, has not been provided for in the books of accounts including interest amounting to Rs. 716.29 lacs</p>	<p>The Management is taking all possible steps to revive the business operations is trying for one time settlement (OTS) of entire loan dues with banks which envisage only part payment of principal and no interest payment. Accordingly, management has decided not to provide any interest liability. Any adjustment of interest shall be accounted for on final settlement of dues.</p>



and Rs. 2911.29 lacs pertaining to the quarter and year ended March 31, 2020. Accordingly, finance cost for the quarter and year ended March 31, 2020 is understated by Rs. 716.29 lacs and Rs. 2911.29 lacs respectively.

Had the exchange difference and deferred tax thereon as stated in para (a) above and interest on loans as stated in para (b) above been provided, the loss after tax for the quarter and year ended would have been decreased by Rs. 1841.38 Lacs and decreased by Rs. 1006.56 Lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under:

1. Trade Receivables Rs. 12103.86 lacs (Understatement)
  2. Trade Payables Rs. 4307.83 lacs (Understatement)
  3. Current financial liabilities Rs. 13312.38 lacs (Understatement)
  4. Deferred Tax Liability Rs. 429.36 lacs (Understatement)
  5. Deferred Tax Liability Rs. 427.80 lacs (Understatement)
  7. Other Equity Rs. 5944.15 (Overstatement)
- 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	
Frequency of Qualification: Already in previous years report as emphasis of matter, now shown as separate point - Fifth time	We draw attention to Note No. 2 and 4(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 SARFESI 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 balances due to banks (including ARC) amounting to Rs. 15688.07 Lacs and deposit/advance to an asset reconstruction company amounting to Rs.1005.98 lacs for which no confirmation/ statements have been obtained and are subject to reconciliation and subsequent adjustments.	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.



Frequency of Qualification: Appearing for Sixth time	No provision for the expected credit loss/ impairment relating to overdue Trade Receivables of Rs. 75,657.57 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 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	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.
Frequency of Qualification: Appeared for Fourth time	No provision for investment in an entity by way of Optionally Convertible Debentures amounting to Rs. 621.91 lacs (including accrued interest)	In respect of investment in Optionally Convertible Debentures (OCD), the company assumes that the amount shall be recovered as per the terms of



	been recognized as per the requirement of Ind-AS 109 "Financial Instruments". The net worth of above entity is negative and based on reasonable and supportable information regarding the current financial status and business condition of the entity, 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 impairment and its consequential impact, on the consolidated financial results	repayment.
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 -Third time	Balances with Banks amounting to Rs 39.14 lacs (debit balances) and Rs. 2471.64 lacs (credit balance) at the half year end, Trade Payables and Other Current Assets and Liabilities of 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		
	<p>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 cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, non-payment of statutory dues and taxes, overdue</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 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 financial accruals and alternate means to</p>





	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	meet its short term and long term obligations. Hence, the accounts of the Company are prepared on going concern basis
Frequency of Qualification: First Time	We draw attention to the Note No. 7 of the consolidated financial results, which describes management's assessment of the impact of the COVID-19 pandemic on the consolidated financial results of the Group.	In view of the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020 . The Company's operations which were already materially affected due to reasons as stated in Note 3 above, the impact of the COVID-19 pandemic is not material to the current business operations of the Company. As per the management, the Company's future





		<p>operations are dependent on the recoveries from trade receivables and settlement of its dues with banks/ARC which might not get delayed significantly due to pandemic.</p> <p>The Company has considered internal and external information up to the date of approval of these financial statements including economic forecast, expected recoveries from trade receivables and settlement of its dues with banks/ARC and expects to recover the carrying value of property, plant &amp; equipment, investments, inventories and other current assets appearing in the financial statements of the Company. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.</p>
<b>Basis of Disclaimer of Opinion</b>		
<b>Frequency of Qualification: Appearing for Fourth time</b>	In absence of any sufficient appropriate audit evidences regarding certainty, quantum and time frame for recovery from Trade receivable, Investments and interest thereon, outcome of pending legal action initiated against debtors and legal cases/ Insolvency proceedings	<p>Auditors have not expressed an opinion on the financial statements due to the reasons has mentioned in the auditors comments</p>



	<p>initiated by banks against 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-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.</p> <p>Because of the significance of the matters described in the <i>Basis of Disclaimer of Opinion</i> 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</p>	
--	--	--



	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><i>[Signature]</i></p> <p>Nandlal Goenka CEO / Chairman DIN : 00125281</p> 	<p>For Goenka Diamond &amp; Jewels Ltd.</p> <p><i>[Signature]</i></p> <p>Navneet Goenka MD &amp; CFO DIN : 00164428</p> 	<p>For Goenka Diamond &amp; Jewels Ltd.</p> <p><i>[Signature]</i></p> <p>Bhau Dhure Chairman Audit Committee DIN : 08067074</p>
<p>Place: Mumbai Date: June 30 2020</p>	<p>For Ummed Jain &amp; Co.</p> <p>ICAI Firm Regn. No. 119250W</p> <p><i>[Signature]</i></p> <p>Akhil Jain Partner</p> 