

June 30, 2020

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

Company Name: Goenka Diamond and Jewels Limited

Sub: Outcome of Board Meeting held on 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



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/	Ass	ets	Liabil	ities
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
Total	12,416.87		18,049.57	5,632.69

(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, nonavailability 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

> Partner M.No.137970

ICAI UDIN: 20137970AAAABB1813

Place: Mumbai Dated: 30/06/2020



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 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, 31st March 2016, and / or 31st March 2017, which is not in accordance with Ind-AS -21 "The Effect of changes in Foreign Exchange Rates" and accounting policy followed by the group.
  - i. Trade receivable amounting to Rs. 69,703.18 lacs
  - ii. Trade payables and other payable amounting to Rs. 29,717.66 lacs

The 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	Ass	ets	Liabil	ities
	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			TAX IN THE SEAL OF	5,944.15
Total	12,103.86		18,048.01	5,944.15

(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 nonrealization of Trade receivables, defaults in repayment of loans and interest to banks, nonavailability 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

> AKHIL JAIN ] Partner M.No.137970

ICAI UDIN: 20137970AAAABC5418

Place: Mumbai Dated: 30/06/2020



### Registered Office: 401, Pancharata, MSB & Rasta, Johani Bezar, Jaipur : 302003, Rajasthau CIN No.1.36911Ej1990Pl.C005651

Statement of Audited Standalone and Consolidated Assets and Liabilities as on March 31, 2020

Amount in Lakhs Except Share Data Amount in Lakhs Except Share Data

		STANDA	IF Except Share Data	CONSOLI	F Except Share Data
Partic	ulars .	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
		Audited	Audited	Audited	Audited
		ABILITA	***************************************	7,000,000	- Admired
i	ASSETS				
1	Non-Current Assets		Į		
(a)	Property, Plant and Equipment	759.41	803.47	766.18	811.28
(p)	intengible Assets	•	-	•	•
• •	Investment Property	-	-		•
<b>(4)</b>	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
2	Corrent assets				
(a)	Inventories	1,490.47	2,529.69	2,058.05	3,190.65
(b)	Figuratial Assets				
	(i) Trade receivables	69,833.98	70,358.62	75,684.04 87.21	75,731.42 49.60
	(ii) Cash and cash equivalents (iii) Bank Balance other than cash and cash equivalent	83.42 0.10	43.80 0.10	0.10	0.10
	(iv) Others current financial assets	1,699.54	641.14	1,006.98	50.20
(c)	Other current essets TOTAL ASSETS	38.55 75,862.69	40.80 76,316.12	53.24 80,344.10	48.88 <b>90,</b> 311.68
	, , , , , , , , , , , , , , , , , , , ,				
15	EQUITY AND LIABILITIES				
1	Equity				
(a) (b)	Equity Share capital Other Equity	3,170.00 22,965.59	3,170.00 22.975.25	3,170.00 21,439.71	3,170.00 21,661.87
(c)	Non Controlling Interest	32,70	-	6.78	6.86
(-)		•		1	
2	Non-current liabilities			1	
(a)	Financial Liabilities				
	(i) Borrowings	_			-
(b)	Provisions	10.52	8.13	10.52	8.13
		1 1			
3	Current Habilities	1			
(a)	Pinancial Liabilities				
	(i) Borrowings	-	-	252.78	251.78
	(ii) Trade payables				
	A. Dues to Micro enterprise and small enterprise	•	•	-	
	8. 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
(ь)	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
(u)	content tow regridings (nes)			459.15	714.04
	TOTAL - BQUITY AND LIABILITIES	75,862,69	76,316.12	\$0,344.10	90,511.68
	· -	/5,004,07	10,314.14	77.14	44,4.4.00









### 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

				STANDALONE		
SIR.		TRRE	MONTHS EN	DED	YEAR E	NDED
NO.	PARTICULAR	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 (b) Other Income Total Income from operations	146.13 47.65 <b>193.78</b>	400.45 47.52 <b>447.97</b>	525.28 37.99 <b>563.27</b>	1,271.25 178.53 1,449.78	651.72 157.17 <b>808.89</b>
	Total income from operations					
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-	80.17	•	97.96	(6.84)	105.18
	progress and stock-in-trade (c) Employee benefits expenses (d) Finance costs - (Refer Note No. 4(b)) (e) Depreciation and amortisation expenses (f) Other expenses	18.43 13.80 11.31 77.70	16.51 13.81 10.96 12.38	16.18 18.44 12.48 18.01	67.11 57.69 44.55 123.95	69.36 59.95 49.92 80.16
		258.99	425.95	563.13	1,453.96	870.52
3	Total Expenses  Profit / (Loss) before tax and exceptional items (1-2)	(65.21)	22.02	0.14	(4.18)	(61.63)
4	Exceptional items	(65.21)	22.02	0.14	(4.18)	(61.63)
5	Profit / (Lost) before tax (3-4)	(65,21)	22.02		(11.25)	
6	Tax Expenses Current Tax Deferred Tax	0.78	1.53	1.00	5.42 5.42	13.37 13.37
7	Total tax expenses Net Profit / (Loss) after tax (5-6)	0.78 (65.98)	1.53 20.49	1.00 (0.86)	(9.58)	(75.00)
8	Other Comprehensive Income	40.00	<del></del>	0.92	(0.09)	0.92
	(a) Items that will not be reclassified to profit or loss	(0.09)	<del>-</del>	0.72	10.037	
	(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	<u> </u>	<del></del>	<u> </u>		
İ	(d) income tax relating to items that will not be reclassified to profit or loss	-			(0.07)	0,68
一	Total Other Comprehensive Income/ (loss)	(0,07)	<u> </u>	0.68	(0.07)	0.00
9	Total Comprehensive Income / (loss) for the period	(66,05)	20.49	(0.18)	(9.65)	[74.32]
10	Paid-up Equity Share Capital (Face Value per Share of ₹ . 1/-) Other Equity (Excluding Revaluation Reserve) Earning Per Shares in ₹ 1. (Not Annualized)	3,170.00 22,965.59	3,170.00	3,170.00	3,170.00 22,965.59	<b>3,170.00</b> 22,975.25
12	Basic Diluted	(0.02) (0.02)		1 2		

### Notes:

- 1 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.
- 2 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 nonrecovery 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 nonrealisation 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.





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

### CIN No.1.36911RI1990PLC005651

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 sługgish 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 phasod 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.
- 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.
- 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 pandamic 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 Diameter Schools and Mandial Goenka



# 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

	····		STANDALONE	Amount in Lakhs I	
Donat ou land	THI	REE MONTHS END	ED	YEAR I	NDED
Particulars .	March 31, 2020	Dec 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
1. Segment Revenue					
(a) Diamond	146.13	400.45	525.28	1,062.09	651.72
(b) Jewellery	(0.00)	•	-	209.16	-
(c) Unallocable					<u> </u>
Total	146.13	400.45	525.28	1,271.25	651.72
2. Segment Results					
(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	` . '			•	
Total	(4.40)	26.79	2.16	58.52	(50.98)
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	(94.65)	(38.48)	(21.57)	(183.53)	(107.87
Total Profit / (Loss) Before Tax	(65.21)		0.14	(4.18)	(61.63
3. Segment Assets					
(a) Diamond	64,349.60	64,434.19	65.987.06	64,349.60	65,987.06
(b) lewellery	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
Total	75,862.69	75,992.31	76,316.12	75,862.69	76,316.12
4. Segment Liabilties					
(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
Total	75,862.69	75,992.31	76,316.12	75,862.69	76,316.12







### 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, 2019 March 31, 2020 Audited Audited CASH FLOW FROM OPERATING ACTIVITIES (61.63)(4.18)Net profit before tax Adjustment for 49.92 44.55 Depreciation 0.92 (0.09)Gratuity & Leave Liabilities (OCI) 59.95 57.69 **Finance Charges Paid** (154.85) (170.41)Interest Income (105.70)Operating Profit before Working Capital Changes (72.43)Adjustment for (494.14) (424.50)Trade and other receivables (financial and non financial) 156.72 1.039.22 Inventories 463.93  $\{429.88\}$ Trade payable (21.96)(71.61)Other liabilities and provison (financial and non financial) (1.14)40.80 Cash generated from operations Income Tax Paid (Net) (1.14)40.80 Net cash inflow from Operating Activities CASH FLOW FROM INVESTING ACTIVITIES Payment for purchase of Property, Plant and Equipment (0.49)0.55 Bank deposits matured during the year Interest Income 0.55 (0.49)Net cash (outflow) from investing activities CASH FLOW FROM FINANCING ACTIVITIES Finance cost paid Net cash (outflow) from financing activities (0.59)40.31 Net increase in Cash and Cash equivalent (A+B+C) 6.26 5.67 Cash and Cash equivalent in the Opening balance 45.98 5.67 Cash and Cash equivalent in the Closing balance Note: Reconciliation of componenet of cash and cash equivalent: Closing Cash and Cash Equivalents as per books 5.67 45.98 Cash & Cash Equivalents 5.67 45.98 Cash and Cash equivalent as per statement of cash flows 5.67 43.63 Cash in hand 2.35 Current Accounts\* 5.67 45.98 Total

\*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.







Registered Office: 401, Panckaretna, MSB Ka Rakta, Johan Bazar, Jaipur : 302003, Rajasthan CIN No.136911R11990PLC005651

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

Amount in Lakhs Except Share Data

_	· <del>-</del>			CONSOLIDATED	DE IN LAKUS EXC	promis Date
SR.		THR	E MONTHS EN		YEAR E	NDED
NO.	PARTICULAR	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	63.77 722.46
	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-	65.25	(2.57)	172.02	86.53	323.47
	progress and stock-in-trade	•	•			
	(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 50.95
	(e) Depreciation and amortisation expenses	11.56	11.49	12.73	45.58 172.40	150.11
	(f) Other expenses	134.42	4.33	37.69		1
	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	ì		<u> </u>		
	Current Tax			1	5.42	13.37
	Deferred Tax	0.78	1.53	0.45 0.45	5.42 5.42	13.37
	Total tax expenses	0.78	1.53 6.85	(122.38)	(245.98)	(451.68)
7	Net Profit / (Loss) after tax (S-6)	(131.89)	9.55	[122-30]	[243,30]	1,02001
8_	Other Comprehensive Income		ł	(20.00)	(0.00)	0.92
	(a) Items that will not be reclassified to profit or loss	(0.09)	<u> </u>	(30,42)	(0.09)	0.72
	(b) Income tax relating to items that will not be	1		,	0.02	(0.24)
	reclassified to profit or loss	0.02		1910	23.81	48.46
	(c) Items that will be reclassified to profit or loss	43.81	[13.97]	17.12	23.01	70.70
	(d) Income tax relating to items that will not be	ļ				
	reclassified to profit or loss		(13.97)	(13.30)	23.74	49.14
	Total Other Comprehensive Income/ (loss)	43.74				(402.54)
9	Total Comprehensive Income / (loss) for the period (7-8)	(88.15)	(7.11)	(133.00)	(222.27)	(100.01)
10	income / (Loss) for the year attributable to:		T			1000
<u> </u>	a) Owners of the parent	(131.85		(122.39)		(451.61)
	b) Non-controlling interests	(0.04	(0.04)	0.01	(0.08)	(0.07)
11	Other comprehensive income attributable to:	<u> </u>			72 *4	49,14
	a) Owners of the parent	43.74	(13.97)	(13.30)	23.74	49.14
l	b) Non-controlling interests		1 .			'
12	Paid-up Equity Share Capital (Face Value per Share of			9.450.00	3.170.00	3,170.00
1	₹. 1/-)	3,170.00	3,170.00	3,170.00	21,439.71	21,661,87
13		1		1 -	41,439./1	£1,001.87
14			.]	(0.04)	(0.08)	(0.14)
1	Basic	(0.04			, , ,	
1	Diluted	(0.04	<u>)  0.00</u>	[0.04]	וסאטן	[0.17]

### Notes:

- 1 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 per the proceedings.



### Registered Office: 401, Pancharatne, MSE Ka Rasta; Johan Bazza, Jaipur : 302003, Rajasthan CIN No.136911R11990PLC005651

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.
- 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 pandamic 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: Mumbal Date: June 30, 2020 Nandial Goenka

MAN BAI



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

Audited Segment wise Consolidated Ravenue, Results and Capital Employed for the Quarter and Year ended March 31, 2020

Amount in Lakhs Except Share Data

			CONSOLIDATED	<del></del>	
	TB	REE MONTHS ENDE	D C	YEAR E	NDED
Particulars .	March 31, 2020	Dec 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Unaudited	Unaudited	Unreviewed	Audited	Audited
1. Segment Revenue					
(a) Diamond	150.71	401.92	524.67	1,070.38	658.69
(b) Jewellery	(0.00)	-		209.16	-
(c) Unallocable		-	-		•
Total	150.70	401.92	524.67	1,279.53	658.69
2. Segment Results	• ]	•	-	-	
(a) Diamond	201	415.21	565.71	924.11	606.56
(b) Jewellery	3.81 50.91	(385.82)	(688.28)	(909.93)	(902.33
(c) Unallocable	50.91	(363.82)	(000.20)	(507.73)	(902.3.
Total	54.72	29.39	(122.57)	14.18	(295.7
•	J.,,,,	47.07	(122:01)		(234.1
Less: (i) Interest	(13.80)	(13.81)	(18.44)	(57.69)	(59.9
(ii) Other Income	47.65	47.52	37.99	178.53	157.1
(iii) Unallocable Expenses / Income	(219.68)	(54.70)	(18.91)	(375.59)	(239.7
Total Profit / (Loss) Sefore Tax	(131.11)	8.39	(121.93)	(240.56)	(438.3
	<del>                                     </del>				
3. Segment Assets					
(a) Diamond	70,215.49	70,002.01	71,372.04	70,215.49	71,372.0-
(b) Jewellery	6,840.00	6,951.12	6,473.97	6,840.00	6,473.9
(c) Unaliocable	3,288.60	3,223.77	2,665.67	3,288.60	2,665.6
Total	80,344.10	80,176.91	80,511.68	80,344.10	80,511.6
4. Segment Liabilities					
(a) Diamond	35,623.86	35,396.12	35,564.76	35,623.86	35,564.7
(b) jewellery	233.90	229.35	222.53	233.90	222.5
(c) Unallocable	44,486.34	44,551.44	44,724.39	44,486.34	44,724.3
Total	80,344.10	80,176.91	80,511.68	80,344.10	80,511.6







### Registered Office: 401, Pancharatna, MSB Ka Rasta, Johari Bazar, Jaipur: 302003, Rajasthan CIN No. L36911RI2990PLC005651

Audited Consolidated Statement of Cash Flows for the year ended March 31, 2020

Amount in Lakhs Except Share Data Period ended Period ended March 31, 2019 March 31, 2020 Audited Audited **CASH FLOW FROM OPERATING ACTIVITIES** Net profit before tax (240.56)(438.31) Adjustment for 45.58 Depreciation 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)375.00 Inventories 1,132.60 812.47 Trade payable 60.28 Other liabilities and provison (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 (54.70) (22.56)**CASH FLOW FROM INVESTING ACTIVITIES** Purchase of Property Plant and Equipment (0.49)59.08 Interest Income 59.08 Net cash (outflow) from investing activities 58.59 59.08 **CASH FLOW FROM FINANCING ACTIVITIES** 1.00 Receipt of borrowing 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 7.08 11.47 Cash and Cash equivalent in the Closing balance 48.51 11.47 Note: 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

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								Ş	Fe	Bag	Y	L				_	L	L	L	L	L		=			
								Fifth	quen	sis of	e of		œ	7.	6.	'n	4.	ω	2	Ë		N O	S			
							•	for Fifth time	Frequency of Qualification: Appearing	Basis of Qualified Conclusions	Type of Audit Qualification	appropriate by the management)	Any other financial item(s) (as felt	Net Worth	Total Liabilities	Total Assets	Earnings Per Share	Net Profit/(Loss)	Total Expenditure	Turnover / Total Income			Particulars	[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2017 (Rs.in Lakh)		Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 of
accounting Company.	in Forei	with Ind-	March 20	2015, 319	forward a	closing r	in foreign	following	The con		Comi		ן יי											the SEBL	Goenka	dit Oualif
		with Ind-AS -21 "The Effect of changes	March 2017, which is not in accordance	2015, 31st March 2016, and / or 31st	forward at the rate as at 31st March	closing rate and has been carried	in foreign currency as at year ended	following monetary items denominated	company has		Comments in Auditors Report											adjusting	Audited Fi	(LODR) (An	Goenka Diamond & Iewels Limited	ications for
policy followed by the	nge Rates	Effect of o	not in acco	16, and /	as at 31st	ias been	as at year	tems denor	not		ditors Rep				:							adjusting for qualifications)	Audited Figures (as reported before	nendment)	lewels Lir	the Financ
	and				March	carried	ended	ninated	translated		ort		,	2	4	7						ations)	eported	Regulati	nited	dal Year
	The com	recovery	to credi	subsidiar	Receivabl	time fra	difference	cognizance of	It was deemed				0.07	26135.59	49727.10	75862.69	0.00	(4.18)	1453.96	1449.78			before	ons. 201;		ended Ma
on of these trade receivables,	The company shall account for the	recovery from these Trade receivables.	tors is also dependent on	y. Consequently, the payment	Receivables and loans and advances to	time frame for realisation of Trade	difference on notional basis due to	ce of unrealised exchange			Management Reply		0.07	20502.89	67776.67	88279.56	0.37	1185.02	4365.25	5550.27	qualifications)	figures after adjusting for	Audited Figures (audited	7 (Rs.in Lakh)		urch 31. 2020 of

	Frequency of Qualification: Appearing for the Fourth time		
N. S. Marian	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. 1331146.	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.	(a) Trade receivable amounting to Rs.69806.99 lacs (b) Trade payables and other payable amounting to Rs.29717.66 lacs (c) Loans and Advances to subsidiaries (including accrued interest) amounting to Rs.1943.49 lacs
and the series balins	e Ma pps to d h nkers entir mpan mpan		Loans and advances and at the time of payment to trade creditors/ other payables. The company shall account for the actual exchange difference & deferred tax liability at the time of actual occurrence of.



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

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 respectively. Rs. 1,989.20 Lacs respectively. Consequently, the overstatement and understatement of assets and liabilities are as under:

1.Trade Receivables Rs. 12,123.53 lacs (Understatement)

2. Trade Payables Rs. 4307.83 lacs (Understatement)

Non-Current financial assets Rs. 201.83 lacs (Understatement)
 Current Financial Assets Rs. 91.52 lacs (Understatement)

5. Current financial liabilities R
L3312.38 lacs (Understatement)

mated rates, has have transferred and assigned its in the books of outstanding dues against company to an rest amounting Asset Reconstruction Company and OTS ts. 2911.29 Lacs proposals submitted by the company to arter and year decided not to provide Interest on understated by working capital borrowings availed by the Company. However, the Management to the best of its knowledge and belief has recorded all the transactions.





	I no commination, seasonicine mare peci-	
100 m	no confirmation/ statements have been	
	amounting to Rs.1.005.98 lacs for which	
	an asset reconstruction company	
	15,688.07 lacs and deposit/advance to	
	(including ARC) amounting to Rs.	
	outstanding loan balances due to banks	
	which are still pending for hearing. The	
	Insolvency and Bankruptcy Code, 2016,	,
	Financial Institution Act, 1993 and	-
	Recovery of Debts due to Banks and	-
	action initiated under SARFESI Act, The	
ופרטותפת פון חוכ מיוואמרמטווא	for recovery of its dues including legal	
Dest of its showledge and better has	and has initiated various legal actions	
hast of the brougledge and helief has	account as NPA and recalled its loans	
hanks Housewar the Management to the	to which the banks has classified the	
any operations are being issued by the	interest to banks (including ARC) owing	separate point - riidi dine
cases. Since, the banks are not allowing	default in repayment of loans and	opinion, from previous year shown in
Factual description of status of legal	We draw attention to Note No. 2 and 4(h) of financial results regarding	appeared in Basis of Disclaimer of
	the financial results	
	ascertain the tax impact and liability, on	
	on taxation thereof, we are unable to	
	payables and its consequential impact	
	adjustments of trade receivables and	
	settlement of bank dues and interest,	
	Due to uncertainties with respect to	
	(Overstatement)	
	7. Other Equity Rs. 5632.69	
	ı	
	6. Deferred Tax Liability Rs. 429.36 lacs	





Frequency of Qualification: Fifth time	
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, reconciliation from Trade receivables, initiation of legal action/ suits against Trade Receivables by 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 impact, on the financial results	obtained and are subject to reconciliation and subsequent adjustments
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.	





	The inventory has been taken on the	Frequency of Qualification: Earlier
•	impact, on the financial results.	
	impairment and its consequential	
	the amount of expected credit loss/	
	the above, we are unable to comment on	
	recovery of these amounts. Considering	
	and there could be delay/default in	
	been significant increase in credit risk	
	condition of these entities, there has	
	current financial status and business	
	supportable information regarding the	
and and a	negative and based on reasonable and	
renavment	of above subsidiary and entity is	
nat t	"Financial Instruments". The net worth	
	per the requirement of Ind- AS 109	
investment in Optionally	accrued interest) has been recognized as	
	amounting to Rs. 621.91Lacs (including	
soon be revived and these lo	Optionally Convertible Debentures	
The operation of the subs	investment in an entity by way of	
	(including accrued interest) and	
	amounting to Rs. 1943.49 Lacs	
	loss/impairment on loan to a subsidiary	
With regard to loan (i	No provision for the expected credit With regard to loan (includi	Frequency of Qualification: Fourth time

he subsidiary. bsidiary shall e company int shall be terms of loans will be In respect of idiary and is ry, the same ing accrued loan for set Convertible

by the management as at the year end and has and its valuation is based on determination of estimated net realizable value and and has realizable value and has identification

realizable value and specific identification which involves technical



<b>&gt;</b>	banks, non-availability of finance due to creditors, payment of recall of loans by banks in consortium.		che recovery from	factors including non-realization of and slugglish market in	been materially affected due to various to certain unfavourab	y related to going The Company's operating results have	adjustment thereof.	confirmations and consequential	Assets and Liabilities are subject to	made regularly		aring in Emphasis of matter-lihird 39.14 lacs (debit balances) and Rs.	Balances with Banks amounting to Rs.	and advance	Impairment against these investments	has not made any provision for advances.	-		subsidiary shall re	management is	is of temporar	Re 59.78 lace to the cube distance manufactor investment and the distance manufactor investment	Fifth Re 2.03 lace and has given advanced investment is in the	71	management	certified and determined by the	and valuation of the Inventory as	relied upon by the physical verification
Sillan evillan on conn Carting Main	tors, payment of statutory dues	flow resulting in default in navment to			ertain unfavourable developments	The management is of the view that due	-	•	manolis statellents.	regularly for obtaining	on the books properly. Efforts are being	all the transactions have been recorded	The management is of the opinion that			nces.	is required against such investment and	near future and therefore no provision	subsidiary shall revive its operations in	agement is confident that the	of temporary in nature. The	investment and the diminution in value	management is or the view that the stment is in the nature of long term		•			



subsidiary etc. We are also unable to determine the impact of actions and overdue creditors, non realization of volume of business and sales, nonforthcoming actions that may be taken loan and interest thereon from a payment of statutory dues and taxes, expenses, overall substantial decrease in reliance on cash sales for meeting out accounts by income tax department consequent attachment of bank pending income tax demands and asset reconstruction company (ARC), transfer of dues of banks in favor of an company's properties, assignment and recovery Recovery Tribunals and other courts for National Company Law Tribunal, Debt authorities, pending proceeding with Surat SEZ and from other regulatory of India, Development Commissioner of Enforcement Directorate, Reserve Bank possession/attachment/sale initiated by banks against company for recovery of its dues, notices/ summon legal actions/ insolvency proceedings various company/director(s) 웃 banks dues from and

concern basis. Company are obligations. Hence, the accounts of the meet its short term and long term internal accruals and alternate means to able to raise adequate finance from phased manner. At the same time, obligation and payment to creditors in realisation to defray its entire debt adequate cash flow from export assumes that Company will have settlement of entire loan dues and debtors. Further, the management is filing legal suits against other major majority of debtors and is in process of legal suits in Mumbai High Court against filing court cases. The company has filed account as NPA and recalled their loans. to which banks have classified the management is hopeful that it will be consortium bankers for one time business operations and has approached taking all possible steps to revive the trade receivables shall be recovered as The management is hopeful that these by way of sending legal notices and the company has initiated legal action prepared on going





continue as a going concern.	significant doubt on company's ability to	material uncertainty exist that cast	The above situation indicates that	establish consistent business operation.	and long term obligations as well as to	Trade Receivables to meet its short term	and ARC and recoveries from overseas	means, settlement of its due from banks	adequate finance from alternative	on the company's ability to raise	going concern assumption is dependent	concern. The appropriateness of the	the company to continue as a going	cause significant doubts on the ability of	mentioned herein above. These events	authorities due to various factors

Frequency of Qualification: First Time

Company.

the impact of the COVID-19 pandemic on the standalone financial results of the

already materially affected due to

The Company's operations which were

material to

reasons as stated in Note 3 above, the impact of the COVID-19 pandamic is not

the current business

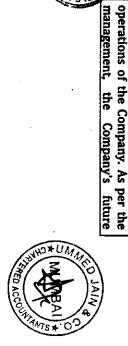
down effective from March 25, 2020 .

describes management's assessment of Government of India declared a lock

associated with COVID-19 pandemic, the

In view of the severe health hazard

We draw attention to the Note No.8 of the standalone financial results, which



D VICE T	partonic of behand regal action	
	۸.	
	(including	
Confinents	from Trade receivable, Loan to	
reasons has mentioned in the auditors	quantum and time frame for recovery	
on the financial statements due to the	audit evidences regarding certainty,	for Fourth time
Auditors have not expressed an opinion	In absence of any sufficient appropriate	Frequency of Qualification: Appearing
-		Basis of Disclaimer of Opinion
changes to future economic conditions.		
continue to closely monitor any material		
statements and the Company will		
different from that estimated as at the		
of the global health pandemic may be		
statements of the Company. The impact		
current assets appearing in the financial		
investments, inventories and other		
value of property, plant & equipment,		
and expects to recover the carrying		
settlement of its dues with banks/ARC		
recoveries from trade receivables and		
including economic forecast, expected		
of approval of these financial statements		
and external information up to the date		
The Company has considered internal		
due to pandemic.		
which might not get delayed signifcantly	-	
settlement of its dues with banks/ARC		
recoveries from trade receivables and		-
operations are dependent on the		



as a going concern. and ability of the company to continue above we are unable to determine the view of multiple uncertainties as stated of actions and forthcoming actions that attachment of bank accounts by Income dues, non-availability of finance due to of loans and possession of Company's possible effect on the financial result factors mentioned herein etc and in statutory authorities due to various may be taken by various legal and tax department against its dues, impact recalling of the bank finance and payment of liabilities including statutory favor of ARC, other factors such as nonproperties, transfer of banks dues in by banks against company for recovery cases/ insolvency proceedings initiated initiated against debtors and legal

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





Place: Mumbai Date: June 30 2020	Nandlal Goenka CEO / Chairman DIN: 00125281	To be signed by For Goenka Diamond & Jewels Ltd.
For Ummed Jain & Co. ICAI Firm Regn. No. 119250W JAIN of JAIN	Navneet Goenka MD & CFO DIN: 00164428	results. Accordingly, we do not express an opinion on the financial statements  For Goenka/Diamond & Jewels Ltd.
	Bhau Dhure Chairman Audit Committee DIN: 08067074	For Goenka Diamond & lewels Ltd.

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



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.	2. Trade payables and other payable loans and advances and at the time of payment to trade creditors/ other payment to trade creditors/ other payables. The company shall account for cumulative exchange gain (net) on the above items amounting to Rs.
	Loans and advances and at the time o 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.

Frequency of Qualification: Appearing

for Forth time

estimated rates, has not been provided based on the calculation done by the management has decided not to provide recalled their loans and have initiated banks due to which the banks have Rs. 13311.46 Lacs determined at management total interest amounting to repayment of loans taken from the for in the books of accounts including interest on such loans and consequently legal actions. The Holding Company's interest amounting to Rs. 716.29 lacs The Holding Company has defaulted on

> settlement of dues. interest shall be accounted for on final any interest liability. Any adjustment of and no interest payment. Accordingly, envisage only part payment of principal of entire loan dues with banks which is trying for one time settlement (OTS) steps to revive the business operations management has decided not to provide The Management is taking all possible





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)

Trade Payables Rs. 4307.83 lacs
 (Understatement)

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





adju	reco	obta	no o	amo	. 8	Rs.	to b	on.	for	Inso	Fina	Reco	acti	for	and	acco	to v	riui dine	ow shown as separate point -		Frequency of Qualification: Already in We	the	asce	on	pay	adju	sett
adjustments.	reconciliation and subs	obtained and are subject	no confirmation/ statements have been	amounting to Rs.1005.98 lacs for which	to an asset reconstruction company	Rs. 15688.07 Lacs and deposit/advance	to banks (including ARC) amounting to	on. The outstanding loan balances due	for which the proceedings are still going	Insolvency and Bankruptcy Code, 2016	Financial Institution Act, 1993 and	Recovery of Debts due to Banks and	action initiated under SARFESI Act, The	for recovery of its dues including legal	and has initiated various legal actions	account as NPA and recalled its loans	to which the banks has classified the	interest to banks (including ARC) owing	default in repayment of loans and	4(b) of financial results regarding	We draw attention to Note No. 2 and	the financial results	ascertain the tax impact and liability, on	on taxation thereof, we are unable to	payables and its consequential impact	adjustments of trade receivables and	settlement of bank dues and interest,
	subsequent	8 8	ve been	r which	ompany	advance ·	nting to	ces due	ill going	e, 2016	93 and	uks and	Act, The	ng legal			best of its knowled	owing   confirmations are being issued by the	any operation and	cases. Since, the banks			ility, on	nable to	impact	les and   -	nterest,





Frequency of Qualification: Appeared for Frequency of Qualification: Appearing for Sixth time requirements of Ind-AS 109 "Financial Instruments" and its consequential credit loss/ impairment based on to determine the amount of expected absence of company/director(s) No provision for the expected credit these Trade receivables, we are unable frame and quantum of realisability of information regarding outcome of Commissioner of Surat SEZ and in Reserve Bank of India, Development company from Enforcement Directorate, by the holding company, notices, action/ suits against Trade Receivables confirmations/ has been recognized as per the impact, on the financial results provision pending legal actions initiated and time nommon Trade receivables, initiation of legal Receivables on due date, non-recoveries requirement of Ind- AS 109 "Financial loss/ impairment relating to overdue payment obligations by the Trade Instruments". In view of defaults in Trade Receivables of Rs. 75,657.57 lacs Trade Receivables, matrix clear forward looking reconciliation zs 윽 Þer holding holding from nonthe recovery from trade receivables is and sluggish market in earlier periods, to certain unfavorable developments company has filed legal suits in Mumbai notices and filing court cases. The these trade receivables shall be slow and there is a mismatch in the cash The Management is of the view that due High Court against majority of debtors. legal action by way of sending legal recovered as the company has initiated flow. The Management is hopeful that

No provision for investment in an entity In respect of investment in Optionally

Convertible Debentures (OCD), the company assumes that the amount shall

recovered as per the terms of

by way of Optionally Convertible

Debentures amounting to Rs. 621.91

acs (including accrued interest)

of Ind- AS 109 "Financial Instruments".  The net worth of above entity is negative and bassed 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  Frequency of Qualification: Earlier The inventory of holding company has mount of the basis of physical inventory as at year end and has consolidated financial results  Frequency of Qualification: Earlier laten on the basis of physical inventory as at year end and has perification is based on determination of realizable value and estimated net realizable value and its determination of estimated net valuation is based on determination of realizable value and papering in Emphasis of matter. Third 1914 lacs (debit balances) at the late inventory as criffication and valuation of the inventory as criffication.  Frequency of Qualification: Earlier Balances with Banks amounting to Rs appearing in Emphasis of matter. Third 1914 lacs (debit balances) at the late of the physical value and papearing in Emphasis of matter. Third 1914 lacs (debit balances) at the late of the physical value and consequential adjustment thereof and on the books properly Efforts are being consequential adjustment thereof and consequential adjustment thereof.
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  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 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 to the later of th
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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  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 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 to the later of th
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The Group's operating results have been $\mid$ The management is of the view that due	The
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cause significant doubts on the ability of authorities due to various factors creditors, etc. We are also unable to on the group's ability to raise adequate concern. The appropriateness of the forthcoming actions that may be taken determine the impact of actions and above situation indicates that material consistent business operation. The obligations as well as to establish settlement of holding company's due finance from alternative means, going concern assumption is dependent the group to continue as a going mentioned herein above. These events doubt on group's ability to continue as a uncertainty exist that cast significant meet its short term and long term from overseas Trade Receivables to from banks and ARC and or recoveries going concern and statutory concern basis Company are

obligations. Hence, the accounts of the meet its short term and long term prepared on going

We draw attention to the Note No. 7 of on the consolidated financial results of describes management's assessment of the consolidated financial results, which the impact of the COVID-19 pandemic

Frequency of Qualification: First Time

| The Company's operations which were already materially affected due to In view of the severe health hazard down effective from March 25, 2020. Government of India declared a lock associated with COVID-19 pandemic, the operations of the Company. As per the reasons as stated in Note 3 above, the material to the current business impact of the COVID-19 pandamic is not management, the Company's future



	interest thereon, outcome of pending legal action initiated against debtors and legal cases/ insolvency proceedings	
reasons has mentioned in the auditors comments	quantum and time frame for recovery from Trade receivable, investments and	
on the financial statements due to the	audit evidences regarding certainty,	for Fourth time
	In absonce of any sufficient	Frequency of Qualification: Annearing
		Basis of Disclaimer of Opinion
changes to future economic conditions.	10 10 10 10 10 10 10 10 10 10 10 10 10 1	
statements and the Company will		
date of approval of these financial		
different from that estimated as at the		
of the clohal health nandemic may be		
current assets appearing in the financial		
investments, inventories and other		
value of property, plant & equipment		
recoveries from trade receivables and		
including economic forecast, expected		
and external information up to the date		
The Company has considered internal		
due to pandemic.	•	
settlement of its dues with banks/ARC		
from trade receivables		
operations are dependent on the		

of the group to continue as a going effect on the financial result and ability we are unable to determine the possible multiple uncertainties as stated below authorities due to various factors forthcoming actions that may be taken against its dues, impact of actions and accounts by Income tax department the bank finance and attachment of bank availability of finance due to recalling of of banks dues in favor of ARC, other recovery of loans and possession of mentioned herein etc and in view of liabilities including statutory dues, nonfactors such as non-payment of Holding Company's properties, transfer initiated by banks against company for various legal and statutory

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





	Place: Mumbai Date: June 30 2020	Nandlal Goenka CEO / Chairman DIN: 00125281	To be signed by For Goenka Diamond & Jewels Ltd.	
	For Ummed Jain & Co. ICAI Rirm Regn. No. 119250W Akhir Jain Partner Membership No.: 137970	Navneet Goenka MD & CFO DIN:00164428	Jewels Ltd. For Goenka/Diamond & Jewels Ltd.	possible cumulative effections consolidated financial Accordingly, we do not opinion on the consolidate results.
	2250W RO JAIN ON THE REST ACCOUNTS	Bhau Dhure Chairman Audit Committee DIN: 08067074		ative effect on the financial results.  do not express an consolidated financial
•		ommittee	For Goenka Diamond & Jewels Ltd.	

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