

**FORM B**


Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Goenka Diamond & Jewels Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3	Type of Audit qualification	<p><b><u>STANDALONE FINANCIAL STATEMENT</u></b></p> <p><b><u>Qualification:</u></b></p> <p>1. The auditor's qualification is set out in para "Basis of Qualified Opinion" of Auditors Report (refer page no. 39 of annual report). The same is further explained in note no. 16 of annual financial statement (refer page 56 of annual report). Management response is given on page 14 of annual report.</p> <p><b><u>Emphasis of Matter</u></b></p> <p>2. The matter of emphasis is set out in point no. i, ii, iii and iv of the para "Emphasis of Matter" given in Auditors Report (refer page 39 and 40 of annual report). The corresponding notes to accounts as referred therein are 1(F), 37(a), 37(b) and 37(c). Management response is given on page 14 of annual report.</p> <p><b><u>CONSOLIDATED FINANCIAL STATEMENTS</u></b></p> <p><b><u>Qualification:</u></b></p> <p>3. The auditor's qualification is set out in para "Basis of Qualified Opinion" of Auditors Report (refer page no. 69 of annual report). The same is further explained in note no. 15 of annual financial statement (refer page 88 of annual report). Management response is given on page 14 of annual report.</p> <p><b><u>Emphasis of Matter</u></b></p> <p>4. The matter of emphasis is set out in point no. i, ii, iii and iv of the para "Emphasis of Matter" given in Auditors Report (refer page 69 and 70 of annual report). The corresponding notes to accounts as referred therein are 1a(G), 33(a), 33(b) and 33(c). Management response is given on page 14 of annual report.</p>

**GOENKA DIAMOND AND JEWELS LIMITED**

Corp. Off.: 1305, Panchratna, Opera House, Mumbai 400 004, India Tel.: (022) 2361 3102, 2362 0222 Fax : (022) 2367 6020  
Regd. Off.: 401, Panchratna, M.S.B. Ka Rasta, Johari Bazar, Jaipur 302 003, India Tel.: (0141) 2574175 Fax : (0141) 2573305  
e-mail : accounts@goenkadiamonds.com Website : www.goenkadiamonds.com CIN : L36911RJ1990PLC005651



4	Frequency of qualification	<p><b><u>STANDALONE FINANCIAL STATEMENT</u></b></p> <p>Audit Qualification as referred above and Emphasis of Matter at point no. i and ii of the para "Emphasis of Matter" given in Auditors Report are repetitive since the financial year ended March 31, 2014.</p> <p><b><u>CONSOLIDATED FINANCIAL STATEMENT S</u></b></p> <p>Audit Qualification as referred above and Emphasis of Matter at point no. i and ii of the para "Emphasis of Matter" given in Auditors Report are repetitive since the financial year ended March 31, 2014.</p>
5	To be signed by- CEO / Managing Director	 <hr style="width: 200px; margin: 0 auto;"/> <p style="text-align: center;"><b>Navneet Goenka</b> Vice Chairman &amp; Managing Director</p>

Place: Mumbai

Date: September 04, 2015

# **GOENKA DIAMOND AND JEWELS LIMITED**

Corp. Off.: 1305, Panchratna, Opera House, Mumbai 400 004, India Tel.: (022) 2361 3102, 2362 0222 Fax : (022) 2367 6020  
 Regd. Off.: 401, Panchratna, M.S.B. Ka Rasta, Johari Bazar, Jaipur 302 003, India Tel.: (0141) 2574175 Fax : (0141) 2573305  
 e-mail : accounts@goenkadiamonds.com Website : www.goenkadiamonds.com CIN : L36911RJ1990PLC005651



**GOENKA**  
DIAMOND & JEWELS LIMITED



MANUFACTURER OF  
**LARGE DIAMONDS**  
& FINE JEWELLERY

**ANNUAL REPORT**  
2014 - 2015



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

Index	Page No.
Notice of Annual General Meeting along with Annexure	5
Director's Report	9
Secretarial Audit Report	18
Management Discussion Analysis	20
Report on Corporate Governance	22
Extract of Annual Return (Form MGT-9)	31
Compliance Certificate of Corporate Governance	37
Statement of Disclosure by Audit Committee	37
CEO & CFO Certification	38
Auditors' Report	39
Balance Sheet	44
Statement of Profit & Loss	45
Cash Flow Statement	46
Notes on Financial Statements	47
Consolidated Auditors' Report	69
Consolidated Balance Sheet	74
Consolidated Statement of Profit & Loss	75
Consolidated Cash Flow Statement	76
Consolidated Notes on Financial Statements	77
Financial Information of Subsidiary Companies	96

## 25<sup>th</sup> Annual Report 2014 -2015

---

### Board of Directors

**Mr. Nandlal Goenka** (DIN:00125281)  
*Chairman*

**Mr. Navneet Goenka** (DIN:00164428)  
*Vice Chairman and Managing Director*

**Mr. Nitin Goenka** (DIN:00126592)  
*Managing Director*

**Mr. Anant Upadhyay** (DIN:02467122)  
*Independent Director*

**Ms. Neetam Singh** (DIN:07006403)  
*Independent Director*

**Mr. Kevin Shah** (DIN:07027089)  
*Independent Director*

**Company Secretary & Compliance Officer**  
**Kundan Tanawade**

### Registered Office

401, Panchratana, M. S. B. Ka Rasta,  
Johari Bazar, Jaipur-302003

**Telephone:** + 91 141 2574175;

**Facsimile:** +91 141 2573305

### Corporate Office

1305, Panchratna Building, Mama Parmanand Marg,  
Opera House, Girgaon Division, Street No. 184,  
Mumbai - 400 004

CIN: L36911RJ1990PLC005651

**Telephone:** + 91 22 43667000;

**Facsimile:** + 91 2243669000;

**Email:** cs@goenkadiamonds.com

**Website:** [www.goenkadiamonds.com](http://www.goenkadiamonds.com)

### Joint Auditors

**M/s. B. Khosla & Co.** (Regn. No. 000205C)  
Chartered Accountants

**M/s. RSVA & Co.** (Regn. No. 110504W)  
Chartered Accountants

### Registrar and Transfer agents

Karvy Computershare Pvt. Ltd.  
Karvy Selenium, Tower B,  
Plot No. 31 & 31, Gachibowli,  
Financial District  
Hyderabad- 500 032  
Tel.: 040 67161700  
Fax: 040 67161680  
Website: [www.karvy.com](http://www.karvy.com)

### Bankers

- a) Punjab National Bank
- b) Punjab & Sind Bank
- c) State Bank of India
- d) Axis Bank
- e) Corporation Bank
- f) UCO Bank
- g) Central Bank of India
- h) Karnataka Bank

### Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

**25<sup>th</sup> Annual General Meeting**  
**Wednesday, September 30, 2015 at 11.00 a.m. at**  
**Bungalow No. C -114, Shivaji Marg, Vijaypath,**  
**Tilak Nagar, Jaipur – 302 004.**



## Brief Profile of our Directors



**Mr. Nandlal Goenka**, is the Chairman of our Company. He is the founder member of our Company and has been with our Company as a Director since incorporation. On October 28, 2002, he was appointed as a Whole-Time Director and on April 15, 2008, he was appointed as the Chairman of our Company till March 31, 2013. At the Annual General Meeting held on September 27, 2013, he was re-appointed as the Chairman of our Company w.e.f. April 01, 2013 for a period of five years. He holds a graduate degree in chemicals from Rajasthan University, Jaipur. Mr. Nand Lal Goenka has over 40 years of experience in the jewellery export, retail and designing business. Mr. Nand Lal Goenka was honoured with 'National Unity Award' by the Governor of Rajasthan on June 26, 1993 for outstanding services, achievements and contributions at the 34<sup>th</sup> All India National Unity Conference in Jaipur. He was also the first jeweler whose achievements in the gems and jewellery sector were featured in national television in 1992, in a programme titled – "The Face in the Crowd". Mr. Nand Lal Goenka was the Vice-President of Federation of Rajasthan Trade and Industry, which consists of 160 trade associations as its members. As the founder member of our Company, Mr. Nand Lal Goenka is in charge of planning and executing the growth strategy of our Company. He also looks after the general administration of our Company and is in charge of procuring raw materials required by our Company.



**Mr. Navneet Goenka**, is the Vice-Chairman and Managing Director of our Company. He was appointed as an Additional Director of our Company on December 09, 1994 and appointed as Director of our Company in the AGM of our Company dated September 29, 1995. On October 28, 2002 he was appointed as a Whole-Time Director of our Company and on April 15, 2008, he was appointed as the Vice-Chairman and Managing Director of our Company till March 31, 2013. At the Annual General Meeting held on September 27, 2013, he was re-appointed as the Vice-Chairman and Managing Director of our Company w.e.f. April 01, 2013 for a period of five years. He is a commerce graduate from the Mumbai University and has a graduate diamonds diploma from the Gemological Institute of America, New York. Mr. Navneet Goenka has around 20 years of experience in the jewellery export, retail and designing business. He had joined our Company at a very young age and has been contributing to its growth since then. He is the Chief Financial Officer of our Company and also heads the export-import department and the production activities of our Company. Further, Mr. Navneet Goenka also takes care of all the matters relating to the subsidiaries of our Company.



**Mr. Nitin Goenka**, is the Managing Director of our Company. He was appointed as an Additional Director of our Company on April 01, 2002 and appointed as Director of our Company in the AGM dated September 30, 2002. On October 28, 2002 he was appointed as a Whole time Director and on April 15, 2008, he was appointed as the Managing Director of our Company till March 31, 2013. At the Annual General Meeting held on September 27, 2013, he was re-appointed as the Managing Director of our Company w.e.f. April 01, 2013 for a period of five years. He holds Bachelor's in Business Administration from Pace University, New York with majors in Management Information System and Retail Marketing. He also holds a diploma in diamond grading and jewellery designing from Gemological Institute of America, New York.



**Mr. Anant Upadhyay**, is a Non-Executive Independent Director of our Company. He was appointed as an Additional Director of our Company on August 21, 2014 and appointed as Director in the AGM of our Company dated December 30, 2014. He is a renowned advocate. His core expertise is in contentious area like Writ Petitions, PILs, Civil Suits, Trade Mark Suits, Summary Suits, Arbitration Petitions, Company Petitions, Consumer complaints, Criminal Cases initiated under Indian Penal Code, Negotiable Instruments Act, Environmental Protection Act, Proceedings pertaining to Securities and Exchange Board of India Act before High Court, Securities Appellate Tribunal, Sessions Court, Metropolitan Magistrates Courts, Small Causes Court etc. and SEBI, and Non- Contentious area such as Drafting legal documents including Media Agreements, Shareholders Agreement, Term Sheet, Service Provider Agreement, Indemnity Bond, Short Code Agreement, Franchise Agreement, Sponsorship Agreement, Sale Deed, Power of Attorney, Leave & License Agreement, Development Agreement, Agreement for Sale, Deed of Confirmation, Will, Power Purchase Agreement and other allied instruments, Due Diligence of land and properties, Sale, Purchase/Acquisition of properties, Search Report, Title Certificates, Assessment of Stamp Duty, Registration of Conveyance, Power of Attorneys and related documents.



**Ms. Neetam Singh** is a Non-Executive Independent Director of our Company. She was appointed as an Additional Director of our Company on September 19, 2014 and appointed as Director in the AGM of our Company dated December 30, 2014. She is MBA in Finance from reputed college of Mumbai. She has vast experience in Bank Finance, Equity research analysis, financial analysis, Raising fund through Private equity, Management reporting, Cost reduction measures, joint ventures , mergers, divestments, carve out of businesses and restructuring, budgeting and management reporting, with organizations having different cultures and Statutory Compliances.



**Mr. Kevin Shah**, is a Non-Executive Independent Director of our Company. He was appointed as an Additional Director of our Company on November 25, 2014 and appointed as Director in the AGM of our Company dated December 30, 2014. He is a member of the Institute of Chartered Accountants of India. He is a Chartered Accountant practicing mainly in the field of Service Tax, Central Excise and Customs. He is Committee member of "Maharashtra VAT and GST Task Force" constituted by Indirect Tax Committee of ICAI. He writes editorials for forums like Taxindiaonline.com, Service Tax Review etc and provides training programs He has more than six year of experience working with the renowned people in the field of Indirect taxes.



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTICE

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the Members of **GOENKA DIAMOND AND JEWELS LIMITED ("the Company")** will be held on Wednesday, September 30, 2015 at 11.00 a.m. at Bungalow No. C - 114, Shivaji Marg, Vijaypath, Tilak Nagar, Jaipur – 302 004 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2015, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To re-appoint M/s. B. Khosla & Co. (**Regn. No. 000205C**) and M/s RSVA & Co., (**Regn. No. 110504W**) Chartered Accountants, as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors ("the Board") to fix their remuneration.

### SPECIAL BUSINESS:

3. To adopt Articles of Association of the Company Containing Regulations in Conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulation contained in the existing Article of Association of the Company."

**"RESOLVED FURTHER THAT** the Mr. Nandlal Goenka, Chairman or Mr. Navneet Goenka, Vice-Chairman and Managing Director or Company Secretary of the Company be and is hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place: Mumbai

Date: August 14, 2015

**By Order of the Board of Directors**

Registered office:

401, Panchratana,

M. S. B. Ka Rasta,

Johari Bazar,

Jaipur-302003

CIN: L36911RJ1990PLC005651

E-mail: cs@goenkadiamonds.com

Kundan Tanawade

**Company Secretary & Compliance Officer**



### NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in. Attendance slip is separately sent to Shareholders along with this Annual Report.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Shareholders are requested to bring their copy of Annual Report to the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. In case of joint holders attending the Annual General Meeting, member present or in case both members are present the person whose name is appearing as first holder will be entitled to vote.
7. Pursuant to clause 16 of listing agreement, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2015 to Wednesday, September 30, 2015 (both days inclusive).
8. While members holding shares in physical form may write to the Registrar and Transfer Agents, (M/s Karvy Computershare Private Limited) for any changes in their addresses and bank mandates, members holding shares in electronic form may inform the same to their Depository Participants.
9. Members who hold their shares in dematerialized form are requested to write their client ID and DP ID number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
11. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
12. Electronic Copy of this Annual Report along with the attendance slip carrying e-voting procedure & instructions is sent to the members whose e-mail ids are registered with the RTA of the Company. In case of members who have not registered email ids, the Company has sent physical copy of this Annual Report, along with the attendance slip carrying e-voting procedure & instructions. However, the member who has not received the electronic copy or the physical copy may write to the Company, and the Annual Report will be sent to them. Kindly also note that the Copy of this Annual Report is also available on the website of the Company. The Attendance slip carrying e-voting procedure & instructions is separately attached with this Annual Report.
13. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. In this regard, the shareholders may also send requests to the Company’s designated email id: [cs@goenkadiamonds.com](mailto:cs@goenkadiamonds.com)



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

14. Pursuant to provisions of Section 108 of Companies Act, 2013, and rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote for the resolutions to be passed at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited (Karvy). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). The procedures and instructions for e-voting along with the user id and password are mentioned in the attendance slip which is separately attached to this Annual Report.
15. The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility, then the vote cast through ballot paper at the meeting will not be recognized. However, members who have cast their votes through e-voting prior to the meeting may also attend the meeting.
16. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. 23rd September 2015 .
17. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 23, 2015, may write to the Karvy on the email Id varghese1@karvy.com or to Mr P A Varghese, Contact No. 040-33215424 at Karvy Computershare Private Limited, Unit- Goenka Diamond & Jewels Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, requesting for the User ID and Password. The email / letter sent to Karvy should mention basic details including PAN Number and 'DP ID & Client ID' or 'Folio Number' in case the shares are held in physical form. After receipt of the above credentials from Karvy, please follow the procedures and instructions for e-voting as mentioned in the attendance slip which is separately attached to this Annual Report.

Place: Mumbai

Date: August 14, 2015

**By Order of the Board of Directors**

**Registered office:**

401, Panchratana,

M. S. B. Ka Rasta,

Johari Bazar,

Jaipur-302003

CIN: L36911RJ1990PLC005651

E-mail: cs@goenkadiamonds.com

Kundan Tanawade

**Company Secretary & Compliance Officer**

In order to improve the corporate contribution to the environment, the Ministry of Corporate Affairs has undertaken a '**Green Initiative in Corporate Governance**' by allowing paperless compliances by Companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively. Accordingly, your Company proposes to henceforth effect electronic delivery of communication / documents including the Annual Reports and such other necessary communication / documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP)/ Company as the case may be. Members who wish to inform any changes of their e-mail addresses, are requested to promptly update / change the same with their DP, from time to time. Members holding shares in physical form and who are desirous of receiving the communication / documents in electronic form, are requested to please promptly inform their e-mail address to the Company. A separate communication to this effect has already been issued earlier.

**ANNEXURE TO NOTICE**

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item 3:**

When the Company was incorporated in 1990 the existing Articles of Association (“AoA”) were based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013. The Companies Act, 2013 is now largely in force with the notification of most of the Sections of the Act by the Ministry of Corporate Affairs (MCA) effective from 1st April 2014. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to modify / replace / alter the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table ‘F’ of the Act which sets out the model articles of association for a company limited by shares. The proposed new draft AoA is being uploaded on the Company’s website for perusal by the shareholders.

The draft AoA will be available at the venue of the meeting.

None of the Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 3 of the Notice.



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Fifth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2015.

### Financial Highlights

(Rs. In lacs)

	31.03.2015	31.03.2014
Sales and Other Income	11467.13	38331.97
Less: Expenses	11244.22	38172.03
Profit before tax and depreciation	222.91	159.93
Less: Depreciation	114.63	100.75
Net Profit/(Loss) before Tax	108.28	59.18
Less: Income tax provision	35.00	23.00
Less: Deferred Tax	(18.54)	(35.63)
Less: Earlier Years' Income Tax	0.00	33.68
Less: MAT Credit Entitlement	(5.00)	(23.00)
Profit/(Loss) after tax	96.82	61.13
Balance brought forward from previous year	15897.40	15836.27
Profit available for appropriation	15994.22	15897.40
<b>Appropriation</b>		
Issue of Bonus shares	----	----
Transfer to General Reserve	----	----
Proposed Dividend on Equity shares	----	----
Tax on Proposed Dividend	----	----
Profit carried over to Balance Sheet	15994.22	15897.40
Earnings per share	0.03	0.02

### State of Company's Affairs

Your Directors wish to inform you that during the current financial year ended March 31, 2015, the sales and other income of the Company were Rs. 11,467.13 lacs and during the previous year it was Rs. 38,331.97 lacs. The Net Profit before tax stood at Rs. 108.28 lacs as against Rs. 59.18 lacs in the previous year. The Net Profit after tax stood at Rs. 96.82 lacs as against Rs. 61.13 lacs in the previous year. The decline in the performance was partially due to promoters' dispute and partially due to volatile economical environment. However, the management expects that the performance will improve from the current financial year onwards.

### Dividend

Due to reduced profits and in order to conserve the financial resources for future growth plans of the Company, the Directors do not recommend any dividend.

### IPO Fund Utilization

The details of IPO proceeds which have been utilized by the Company are as given under. The Company has utilized major portion of IPO proceeds for expansion as and when the correct opportunity and favorable market conditions were available. However, insignificant portion of the proceeds allocated for the expansion is left unutilized and the management of your Company has infused those funds in to financial instruments for the investment purpose. The management has taken this step considering the fact that as and when the Company will require funds for expansion the requisite funds will be transferred from investment to expansion and till the time the shareholders money will fetch good returns which will be further helpful in future expansion and new projects of the Company.

## 25<sup>th</sup> Annual Report 2014 -2015

	<b>Amount received from IPO</b>	<b>12650.85</b>
<b>Sr. No.</b>	<b>Particulars of proposed reallocated expenditure amount</b>	<b>Amount in Lacs (as on 31.3.2015)</b>
1.	For expansion and establishment of new retails stores either by way of lease or outright purchase and increase in production capacity of Diamond and Jewellery manufacturing facilities & other general capex required for expansion.	1143.84
2.	Funding to subsidiaries and such entities by way of equity, capital, loans and advances or in any other manner	1845.02
3.	Working Capital Requirement for business	8459.96
4.	General Corporate Purposes	218.37
5.	Issue Expenses	828.68
	Total	12495.87
	Unutilized Amount Represented by	
	Bank Balance/Time Deposit	154.98

### Directors and Key Managerial Personnel

Your Board comprises of 6 Directors including 3 Independent Directors. Definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors under section 149(7) of the Companies Act 2013 and on evaluation of the relationships disclosed, the Non-Executive Directors – Mr. Anant Upadhyay, Ms. Neetam Singh and Mr. Kevin Shah are considered as Independent Directors, who are not liable to retire by rotation.

#### APPOINTMENT

Mr. Anant Upadhyay was appointed as an Additional Director of the Company on August 21, 2014 and appointed as an Independent Director in the Annual General Meeting held on December 30, 2014.

Ms. Neetam Singh was appointed as an Additional Director of the Company on September 19, 2014 and appointed as an Independent Director in the Annual General Meeting held on December 30, 2014.

Mr. Kevin Shah was appointed as an Additional Director of the Company on November 25, 2014 and appointed as an Independent Director in the Annual General Meeting held on December 30, 2014.

The above referred appointments as Independent Directors made in the Annual General Meeting held on December 30, 2014 was for a specific tenure in accordance with Section 149 of the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement.

Mr. Kundan Tanawade was appointed as Company Secretary and Compliance Officer of the Company w.e.f. October 27, 2014.

#### CESSATION

Mr. Naresh Manchanda, Independent Director was appointed on September 19, 2014 and had resigned from the Company w.e.f. November 15, 2014. The Board placed on record its deep appreciation for the valuable guidance and advice given by Mr. Naresh Manchanda, during his tenure as an Independent Director of the Company.

Ms. Rajni Ahuja, the Company Secretary and Compliance Officer of the Company had resigned w.e.f August 15, 2014.

Mr. Navneet Goenka is Chief Financial Officer of the Company. As per provisions of the Companies Act, 2013 requisite forms have been filed with RoC.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Nandlal Goenka, Chairman, Mr. Navneet Goenka, Managing Director & CFO, Mr. Nitin Goenka, Managing Director and Mr. Kundan Tanawade, Company Secretary & Compliance Officer of the Company were nominated as Key Managerial personnel.

### Directors' Responsibility Statement

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;





- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **Subsidiary Company and Consolidated Financials**

In compliance with Section 129 of the Act, a statement containing requisite details including performance and financial position of each of the subsidiary company is annexed to this report.

In accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

## **Board Evaluation**

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Grievance committee.

The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

## **Remuneration Policy**

The Nomination & Remuneration Committee framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

The salient features of the Remuneration Policy are stated in the Corporate Governance Report.

## **Deposits and Unclaimed Dividend**

During the year under review, your company has not accepted any public deposit under Chapter V of the Companies Act, 2013. There were no funds required to be transferred to Investor Education and Protection fund, in respect of unclaimed dividend.

## **Number of Meetings of the Board**

The Board met eight times in financial year 2014-2015, on May 19, 2014, August 21, 2014, September 19, 2014, October 31, 2014, November 14, 2014, November 25, 2014, November 29, 2014 and February 13, 2015. The maximum interval between any two meetings did not exceed 120 days.

## **Details of Committees of the Board**

The Company has following Committee of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Grievance Committee

### **1. Audit Committee**

The Audit Committee comprises independent directors namely Mr. Kevin Shah, Mr. Anant Upadhyay and Ms. Neetam Singh.

Mr. Kevin Shah – Chairman.

Mr. Anant Upadhyay – Member.

Ms. Neetam Singh – Member.

All the recommendations made by the committee were accepted by the Board.

### 2. **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises independent directors namely Ms. Neetam Singh, Mr. Kevin Shah and Mr. Anant Upadhyay.

Ms. Neetam Singh – Chairperson

Mr. Kevin Shah – Member.

Mr. Anant Upadhyay – Member.

All the recommendations made by the committee were accepted by the Board.

### 3. **Stakeholders Grievance Committee**

The Stakeholders Grievance Committee comprises independent directors namely Mr. Anant Upadhyay, Mr. Kevin Shah and Ms. Neetam Singh.

Mr. Anant Upadhyay – Chairman.

Mr. Kevin Shah – Member.

Ms. Neetam Singh – Member.

All the recommendations made by the committee were accepted by the Board.

The details of the meetings held and attendance of the members of the above committees of the Board are provided in the Corporate Governance report.

### **Statutory Auditors**

M/s. B. Khosla & Co., Chartered Accountants and M/s. RSVA & Co., Chartered Accountants, Joint Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

### **Auditors' Report**

In respect of the observations made by Auditors in their report, your Directors wish to state that the replies in that respect have been given in the Directors Report in a separate section.

### **Secretarial Auditor**

The Board has appointed Mr. Vishal N. Manseta, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed to this Report.

### **Secretarial Audit Report**

In respect of the observations made by Secretarial Auditor in his report, your Directors wish to state that the replies in that respect have been given in the Directors Report in a separate section.

### **Contracts and Arrangements with Related Parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material.

Members are requested to refer Note 32 to the financial statement which sets out related party disclosures.

### **Extract of Annual Return**

The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as on March 31, 2015.

**Sexual Harassment**

Your Directors further state that during the year under review, there were no cases filed pursuant to the sexual harassment at workplace.

**Material Changes and Commitments, affecting the financial position of the Company**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

**Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future**

There are no significant material orders passed by the Regulators/ Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

**Corporate Social Responsibility**

The provisions related to Corporate Social Responsibility as mentioned in the Act are not applicable to the company.

**Risk Management Policy**

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors govern how the company conducts the business and manages associated risks. The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

**Internal Financial Controls**

The Company has in place adequate internal financial controls and internal audit procedures with regard to financial statements, to commensurate with the size of the business. During the year, no reportable material weakness or cases of fraud were observed.

**Share Capital**

The paid up equity share capital of the Company as on March 31, 2015 was Rs. 31,70,00,000/- During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

**Vigil Mechanism**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes intimation to the senior executives of the Company in case any threat or misconduct or unethical behavior or violation of company's code of conduct or ethics policy is observed. Protected disclosures can be made by a whistle blower through an e-mail or dedicated telephone line or a letter to the senior executives or to the Chairman of the Audit Committee.

**Corporate Governance**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by your Company, together with a certificate from Mr. Vishal N. Manseta, Practising Company Secretary on compliance with Clause 49 of the Listing Agreement with Stock Exchanges is given in this annual report.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The prescribed particulars of employees required under section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached and form part of this report.

**Green Initiatives**

Electronic copies of the Annual Report 2014-15 and Notice of the 25<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses are requested to register their email ids with their DPs in order to co-operate with the company in implementation of green initiative; and help to protect the environment.

## STATUTORY AUDITORS REMARKS AND MANagements REPLIES THEREUPON

- 1) Regarding Auditors Observation on recoverability of long outstanding Trade Receivables,

There have been defaults in payment obligations by the trade receivables on due date and recoveries from them are not significant, due to economic slowdown especially in diamond sector and also on account of dispute amongst promoters. However, a settlement agreement was executed between the promoters with help of court mediation on 18th March 2014, post which the management has started taking all the initiatives to revive Company's operations. Nonetheless, the Trade receivables amounting to Rs.3,61,66,47,379/- have confirmed the balances by way of confirmations directly sent to auditors and/or Company. Looking at the past record regarding recovery from Trade receivables, the management is of the opinion that trade receivables outstanding for more than 6 months from the date they are due for payments are good and recoverable and therefore no provision is required to be made against these Trade Receivables
- 2) Regarding auditors observation on Inventory valuation wherein the determination of estimated net realizable value and specification identification which involves technical judgment of the management has been relied upon by auditors:

The management is of the opinion that the inventories are properly valued.
- 3) Regarding auditors' observation wherein they have referred to Note No. 37(a) of notes on Financial statements wherein the management has confirmed that no financial adjustment is required to be made in the financial statements for the terms & conditions of the settlement agreement executed and on account of various disputes, allegations and legal actions.

The above note is self explanatory and the management is of the view that no financial adjustment is required to be made in the financial statements since the promoters have already arrived at the settlement with the help of court mediation vide settlement agreement executed on March 18, 2014; the terms & conditions of which have been partially executed.
- 4) Regarding auditors' observation wherein they have referred to Note No. 37(b) of notes on Financial statements; and have mentioned that factors such as non-realization of debtors, decrease in sales, non-payment of statutory dues and taxes, overdue creditors, defaults in repayment of loans and interest etc, indicate the liquidity crunch faced by the company.

The company expects faster debtors realization in near future. Moreover, with the formation of Joint Lenders Forum (JLF) by consortium of bankers in accordance with RBI guidelines, additional credit facilities are sanctioned / to be sanctioned by the consortium bankers, in order to enable the company to meet its working capital requirements and revive its operations.
- 5) Regarding auditors' observation wherein they have referred to Note No. 37(C) of notes on Financial statements, wherein the management has confirmed that it has provided interest wherever banks have not applied or have reversed the interest on loan. Any difference on account of interest and penal interest shall be accounted for as and when the interest is charged or settled by the banks. In case of one bank, interest to the tune of Rs. 1,49,61,987 has been charged in excess against which company has made representation to the bank. The management is very much confident that the same will be decided in the favour of the Company and therefore no provision for the same has been made in the financial statements for the year ended March 31, 2015.

The above note is self explanatory; and the management is of the view that it has in its best judgment accounted for all probable interest liability; and difference, if any, will be accounted for as and when the interest is charged or settled by the bank.
- 6) Observations by the auditors made in point no. vii (a) & (b) of the Annexure to Auditors Report:

The management states that the company is committed to pay all its outstanding undisputed statutory dues. Regarding the disputed outstanding taxes, the Company is confident that it will be able to get favorable orders.
- 7) Regarding observation made by the Auditors at Point No. (ix) of the Annexure to Auditors Report:

Certain factors such as promoters dispute, slow debtors realization, inadequate inventory levels, global economic slow down, highly volatile foreign exchange rates and significant weakening of rupee against the dollar had material impact on the liquidity position of the Company, due to which there was default in payment of a few bank debts obligations. Some of the overdue outstanding debts had already been repaid during FY 2014-15 and in case of continuing defaults; some of the debts have been repaid during the FY 2015-16. The company is committed towards honoring all its debt obligations.

**SECRETARIAL AUDITORS REMARKS AND MANagements REPLIES THEREUPON**

- 1) Auditors Observation made on delay in payment of statutory dues  
Though there is a delay in payment of statutory dues, the management states that the company is committed to pay all its outstanding statutory dues.
- 2) Regarding auditors observation that the composition of the Board of the company was not in compliance with the provisions of listing agreement and the Companies Act, 2013 till September 19, 2014.  
The Board states that the non-compliance was for a particular period of time owing to certain external factors. Since September 19, 2014, the Board and its Committees are duly constituted.
- 3) Regarding auditors' observation made on non-compliance of clause 41 of the Listing Agreement.  
Due to resignation of the statutory auditors at the beginning of the financial year; and also in absence of the audit committee, the company could not submit to stock exchanges financial results for the quarters ended March 31, 2014 and June 30, 2014 in time. The non-compliances were regularized subsequently on appointment of statutory auditors and constitution of audit committee in the month of September 2014. As on date the company is compliant with the respective provisions of the Listing Agreement.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo****Conservation of Energy:**

The Company has taken adequate measures to conserve energy. The company is into diamond and jewellery business where the operations are not energy intensive. We regularly evaluate and use new energy efficient technologies and make necessary investment in these equipments to make our infrastructure more energy efficient, whenever required.

**Technology Absorption, Adoption and Innovation**

Since the company's products are designed and not mechanically developed, technology absorption or innovations are not of material significance.

**Research and Development**

The nature of the business of the company is categorically end user business of large size diamonds and high end jewellery wherein research and development expense are more in the nature of designing rather than development of new technology.

**Foreign Exchange Earnings and Outgo**

The information regarding foreign exchange earnings and outgo is contained in note no. 29 & 30 of notes on Financial Statements.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Re-appointment of an independent director for a second term of five years.
2. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.
3. There were no companies which have become or ceased to be Subsidiaries, Joint Ventures or associate companies during the year
4. There was no change in nature of business.
5. There were no loans, guarantees or investments by the Company under Section 186 of the Act.

**Acknowledgement**

Your Directors place on record their gratitude to Central Government, State Governments, Financial Institutions and Company's Bankers for assistance, co-operation and encouragement they extended to the Company. The Directors are also grateful to the valued customers, esteemed shareholders, dedicated employees and public at large for their patronage and confidence reposed in the company.

On behalf of the Board of Directors  
For **Goenka Diamond and Jewels Limited**

**NANDLAL GOENKA**  
CHAIRMAN

**NAVNEET GOENKA**  
VICE CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai

Date: August 14, 2015



## 25<sup>th</sup> Annual Report 2014 -2015

### Particulars of Employees pursuant to section 197 of the Companies Act, 2013 read with Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

	Requirement of Rule 5(1)	Details
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	<div>Directors</div> <div><div><div>1. Mr. Nandlal Goenka</div><div>:</div><div>2.96</div></div><div><div>2. Mr. Navneet Goenka</div><div>:</div><div>2.37</div></div><div><div>3. Mr. Nitin Goenka</div><div>:</div><div>2.37</div></div><div><div>4. Mr. Anant Upadhyay</div><div>:</div><div>#</div></div><div><div>5. Mr. Kevin Shah</div><div>:</div><div>\$</div></div><div><div>6. Ms. Neetam Singh</div><div>:</div><div>@</div></div><div># Details not given as Mr. Anant Upadhyay was a director only for a part of the F.Y. 2014-15 i.e. w.e.f. August 21, 2014</div><div>\$ Details not given as Mr. Kevin Shah was a director only for a part of the F.Y. 2014-15 i.e. w.e.f. November 25, 2014</div><div>@ Details not given as Ms. Neetam Singh was a director only for a part of the F.Y. 2014-15 i.e. w.e.f. September 19, 2014</div></div>
(ii)	the percentage increase / (decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<div>Directors</div> <div><div><div>1. Mr. Nandlal Goenka</div><div>:</div><div>N.A.</div></div><div><div>2. Mr. Navneet Goenka</div><div>:</div><div>N.A.</div></div><div><div>3. Mr. Nitin Goenka</div><div>:</div><div>(90%)</div></div><div><div>4. Mr. Anant Upadhyay</div><div>:</div><div>N.A.</div></div><div><div>5. Mr. Kevin Shah</div><div>:</div><div>N.A.</div></div><div><div>6. Ms. Neetam Singh</div><div>:</div><div>N.A.</div></div></div> <div><div>Company Secretary</div><div>7. Mr. Kundan Tanawade, CS</div><div>:</div><div>N.A.</div></div>
(iii)	the percentage increase in the median remuneration of employees in the financial year;	0.34%
(iv)	the number of permanent employees on the rolls of company;	65 Employees as on 31.03.2015
(v)	the explanation on the relationship between average increase in remuneration and company performance;	Average increase in remuneration of all employee was 0.34% for the year 2014-15, whereas the Profit before Tax increased by 82.97%. The increase in remuneration is nominal, which is based partly on the result of the company for the year ended 2014 and partly on the individuals employee's performance.
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	There is decrease in remuneration of key managerial personnel by 68.87%, whereas the Profit before Tax increased by 82.97%.
(vii)	variations in the market capitalisation of the company, and previous financial year;	<div>Market capitalization (Rs. / Crore):</div> <div><div><div>As on</div><div>As on</div><div>%</div></div><div><div>31.03.2014</div><div>31.03.2015</div><div>Increase/ decrease</div></div><div><div>73.86</div><div>45.65</div><div>(38.19%)</div></div></div>
(Viii)	Price earnings ratio as at the closing date of the current financial year and previous financial year	<div><div><div>As on</div><div>As on</div></div><div><div>31.03.2014</div><div>31.03.2015</div></div><div><div>116.50</div><div>48.00</div></div></div>



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

(ix)	Percentage increase over / decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	89.33% decline in the market quotation of the company's share in comparison to the last public offer.
(x)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration	Average increase of Non Managerial Remuneration : 2.26% Average decrease in Managerial Remuneration : (52.38%)
(xi)	the key parameters for any variable component of remuneration availed by the directors;	Not applicable, since there is no variable component forming part of remuneration availed by directors.
(xii)	the ratio of remuneration of the highest paid director to average remuneration of the employees who are not directors but receive remuneration in excess of the highest paid director	The ratio is 0.80.
(xiii)	affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid during the year ended March 31, 2015 is as per the Remuneration Policy of the Company.

Particulars of Employees pursuant to section 197 of the Companies Act, 2013 read with Rules 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 : Not Applicable.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED March 31, 2015  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Goenka Diamond and Jewels Limited

I have conducted the secretarial audit of the compliances of the applicable statutory provisions and the adherence to good corporate practices by **Goenka Diamond and Jewels Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and if not complied remarks or disclosure in that regard has been provided by me, and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;  
As per information and explanation given to me and documents provided for inspection, the company has maintained minutes book, statutory registers as required by the Act. The Company has filed various E-Forms during the year.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;  
As per information provided the Company has complied with the stated rules.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;  
As the shares of the Company are listed on BSE and NSE as per compliance requirement majority of the shares of the company are in demat form and the company complies with the Depositories Act. The RTA of the Company is M/s. Karvy Computershare Private Limited.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
The Company is involved in export of diamond and diamond studded Jewellery outside India and as per information and explanations given, the company is compliant with the FEMA provisions, subject to procedural delays at some occasions.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 :  
Requisite disclosures were given to exchanges, whenever required.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;  
The said regulations are complied with as the insider trading intimation is given to the persons identified to be possessing price sensitive information before every Board or Members meeting and in case of any Corporate Action or announcements made to Stock Exchanges as the case may be.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 : Not Applicable
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 : Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : Not Applicable
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;  
M/s. Karvy Computershare Private Limited is Registrar and Transfer Agent (RTA) of the Company and is compliant with the said regulations.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 : Not Applicable  
and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 : Not Applicable



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

(vi) The list of other acts applicable is as under:

- Provident Fund and other Employee Benefit related Statutes  
The Company has EPF Account and also ESIC wherein remittance was made for the Month of April, 2014 and May 2014 post which no remittance has been made. In certain cases EPF is pending for the entire Financial Year.
  - TDS and Service Tax related statutes  
The Company is not regular in depositing TDS and Service Tax to the respective departments and payments in respect of these dues are still not made.
  - The Maharashtra Shops and Establishment Act, 1948.
  - Prevention of Money Laundering Act.
  - The Information Technology Act, 2000.
  - The Indian Stamp Act, 1899/Bombay Stamp Act.
  - Negotiable Instruments Act, 1881.
  - Registration of any property purchase/sale/long lease.
  - Wealth Tax Act, 1957
  - Factories Act, 1948
  - Indian Contract Act, 1872
  - Maharashtra Profession Tax and other state level legislations.
- a) Professional tax has been remitted for the month of April and May 2014, post which no remittance has been made.
- b) The company is not regular in depositing MVAT and payment in respect of this is still not made.

As per the information and explanation given the company has obtained various licenses as required for the purpose of factories and offices as stipulated under various acts.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

The Secretarial Standards were not applicable for the period under review as the same were not notified.

## **I further report that**

The Annual General Meeting of the company for the year ended March 31, 2014 was held on December 30, 2014, in respect of which ROC approval was obtained by the company.

The composition of the Board of the company was not in compliance with the provisions of listing agreement and the Companies Act, 2013 till September 19, 2014. There was no independent director on the Board of the company since April 1, 2014 till August 21, 2014.

Mr. Anant Upadhyay was appointed as an Additional Director (Independent Director) on August 21, 2014. Ms. Neetam Singh was appointed as an Additional Director (Independent Director) on September 19, 2014 and Mr. Kevin Shah was appointed as an Additional Director (Independent Director) on November 25, 2014. The appointment of these directors was then regularised in the Annual General Meeting of the company held on December 30, 2014.

Mr. Naresh Manchanda was appointed as an additional Director (Independent Director) on September 19, 2014. Subsequently he resigned on November 15, 2014.

Due to non-compliance of clause 41 of the Listing Agreement, the stock exchanges had levied penalty. The company paid a part of the penalty and the part is still unpaid. As per information and explanation given by the company officials, the company is processing for the waiver of remaining portion of the penalty.

As per information given, adequate notices were given to all directors for the Board and Committee Meetings held from time to time.

There were dissenting views by the Managing Director Mr. Nitin Goenka at certain occasions which were recorded in the Minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there is persisting promoters dispute in the Company, which is pending with the regulatory authorities. However, the management is of the opinion that the dispute will be settled in the due course as settlement agreement has already been executed with the help of court mediation in March 2014.

Place : Mumbai

Date : August 14, 2015

Vishal N. Manseta  
Practising Company Secretary  
ACS/FCS No. A25183  
C P No.: 8981

### CORPORATE GOVERNANCE

A Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

The company has been practicing the principles of good corporate governance over the years. The Company does not view Corporate Governance principles as a set of binding obligations, but believes in using it as a framework to be followed in spirit. The company is committed to maintaining a high standard of corporate governance in order to maintain the trust of the company shareholders, customers, business partners, suppliers, employees and the society at large. In order to sustain this trust, the company has placed corporate governance on a high priority.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The company is promoted by Mr. Nandlal Goenka who has over 40 years of experience in the gems and jewellery business and his two sons, Mr. Navneet Goenka and Mr. Nitin Goenka. Mr. Navneet Goenka and Mr. Nitin Goenka are supremely qualified and have acquired professional qualifications in grading and jewellery designing from Gemological Institute of America, New York.

### OVERVIEW

The company is in the business of cutting and polishing of diamonds and manufacturing and retailing of diamond jewellery. The company was initially in the business of export of coloured stones and has since then expanded into diamond trade in 1994 and manufacturing of diamond studded jewellery in 2003. The cutting and polishing activity was boosted in 2006 by having establishing its own diamond processing unit at SEZ in Surat for processing of rough diamonds. In 2007, the company set up another facility for processing of rough diamonds in Mumbai to cater to the local market and for the jewellery making operations. The company scaled up the diamond jewellery making operations by establishing a dedicated manufacturing facility in Mumbai and launched the first jewellery retail store in July 2008.

Consistent supply of rough diamonds of desired quality, at a competitive price is one of the critical success factors of the company's business. The company sources rough diamonds from a variety of suppliers in Hong Kong, Malaysia, USA, Russia and the local Indian market. The company has acquired 95% stake in M. B. Diamonds, a LLC registered in Russia in March 2008 to enable it to import high quality and competitively priced rough and semi-processed diamonds from Russia. The company supplies the polished diamonds primarily to wholesalers, jewellery manufacturers, traders and retailers based in India and other countries such as Hong Kong, South East Asia and USA.

The company retails the diamond studded jewellery under two brands viz. CERES and G WILD catering to specific segments. It retails high end diamond jewellery under the CERES brand targeting the top-end segment of the society while G WILD focuses on internationally designed diamond jewellery targeting the youth. The product profile includes rings, earrings, pendants, bracelets, necklaces, etc. which are manufactured using polished diamonds, precious and other semi precious stones which are set in gold. The in-house team along with some select freelance designers undertakes the designing of jewellery for the company's brands. The company currently has presence in retail arena through several stores under franchisee.

### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

- **Highly Volatile Foreign Exchange**

The recent past has witnessed a high volatility in the foreign exchange market. The company's almost two third revenue being from the export activities, this factor sometimes adversely affects the performance of the company, more particularly in view of the fact that diamond companies have to generally extend a long credit period to its international customers.

- **High Working Capital Intensive Industry vis-à-vis Low Priority Sector for Bankers**

In the diamond industry, there is a norm of longer credit period and high inventory levels, considering which it becomes high working capital intensive industry, whereas it is a low priority sector from the perspective of bankers.

- **Developing Brand Equity**

The company has established its two brands CERES and G WILD. The in-house team along with some select freelance designers undertake the designing of jewellery for the brands.

- **Competition**

Since the company deals in larger size diamonds; and most of the diamond players deal in smaller size diamonds, this reduces the level of competition in the market.





- **Global Economic Scenario**

There is uncertainty in the Global Economy for Diamond Industry which affects the business operations of the Company. Our Diamond Business revenues are primarily derived from export to major diamond markets in the Far East, South East and Middle East Asian Countries.

- **Human Capital**

Company recognizes their employees to be a significant part of its accomplishments. The Company helps employee's foster ambitions and see them improve through their learning and skill development. The Company's employees are well motivated through the performance rewarding programme.

- **Internal Controls**

The company adheres to the internal control and procedures laid down in respective policies of the company. The system supervises the internal business processes across departments to ensure cost reduction, operational efficiency, accountability, compliance with internal policies, applicable laws and regulations, optimum resource and asset utilization, and accurate reporting of financial transactions. These transactions are well authorized, recorded and reported to the management. The company follows all the Accounting Standards for accurately maintaining the books of accounts and reporting of financial statements.

### **Cautionary Statement**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in the government regulations, tax laws, statutes and other incidental factors.

### **Acknowledgement**

Your Directors take this opportunity to express their deep sense of gratitude to the vendors, business associates, employees, investors and banks for their continued support and co-operation during the year under review. Your Directors also wish to place on record their appreciation for the sincere and dedicated services rendered by the employees of the Company at all levels.

On behalf of the Board of Directors  
For **Goenka Diamond and Jewels Limited**

**Place: Mumbai**  
**Date: August 14, 2015**

**NANDLAL GOENKA**  
Chairman

**NAVNEET GOENKA**  
Vice Chairman & Managing Director

## Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

The report of Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and forms a part of the report of the Board of Directors.

### I) Company's Philosophy on Corporate Governance:

Your Company's Corporate Governance system is based on certain key principles, including fairness and integrity, transparency and disclosure, accountability, equal treatment to all the shareholders and social responsibility.

The Board of Directors of your company sets the overall policy and provides guidance and inputs in areas relating to planning, performance measurement, resource allocations, standards of conduct and communication.

Your Company's policies and practices relating to the Corporate Governance are discussed in the following sections:

### II) Board of Directors

The Board of Directors of the company comprises of six directors; three directors namely Mr. Nandlal Goenka, Mr. Navneet Goenka and Mr. Nitin Goenka are promoter and executive directors and other three directors namely Mr. Anant Upadhyay, Ms. Neetam Singh and Mr. Kevin Shah are non-executive independent directors.

The Board retains full and effective control over the organisation; and decisions on material matters are reserved by the Board. Each member of the Board of Directors of your Company is expected to use his/her professional judgement to maintain both the substance and appearance of independence and objectivity. The Board meets at least four times annually and more frequently if circumstances or decisions require.

The Company has obtained the requisite disclosures from the Directors except Mr. Nitin Goenka in respect of their directorship in other companies. Composition and category of the Board of Directors, their attendance at the Board meetings during the year and at the last Annual General Meeting as also their directorship in other companies and membership and chairmanship on the committees of other companies are as under:

Name of Directors	Category	Attendance Particulars		Number of other Directorships and Committee Memberships / Chairpersonships			Remarks
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairpersonships	
Mr. Nandlal Goenka <b>Chairman</b>	C	6	Yes	1	Nil	Nil	-
Mr. Navneet Goenka <b>Vice Chairman and Managing Director</b>	ED	8	Yes	1	Nil	Nil	-
Mr. Nitin Goenka <b>Managing Director</b>	ED	5	No	Disclosure not received	Disclosure not received	Disclosure not received	-
Mr. Anant Upadhyay <b>Independent Director</b>	INED	7	No	Nil	Nil	Nil	-
Ms. Neetam Singh <b>Independent Director</b>	INED	6	No	Nil	Nil	Nil	-
Mr. Kevin Shah <b>Independent Director</b>	INED	3	No	Nil	Nil	Nil	-
Mr. Naresh Manchanda <b>Independent Director (upto 15/11/2014)</b>	INED	2	No	Nil	Nil	Nil	-

C : Chairman

ED : Executive Director

INED : Independent Non Executive Director

#### Notes:

- The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Private Limited Companies and Section 8 Companies.
- In accordance with Clause 49 of the Listing Agreement, Membership/ Chairmanship of only the Audit Committees and Stakeholders Grievance Committees of all Public Limited Companies have been considered.



## Board Meetings held during the year 2014-2015

The day to day matters concerning the business is conducted by the executives of the Company under the direction of Executive Directors with the supervision of the Board. During the year under review, Eight meetings of the Board were held on 19.05.2014, 21.08.2014, 19.09.2014, 31.10.2014, 14.11.2014, 25.11.2014, 29.11.2014 and 13.02.2015. The agenda along with notice and supporting documents/papers was circulated to Directors in advance. The draft minutes of the Board and Committee meetings were circulated to all the Directors after meeting. The minutes of the previous meeting were confirmed and signed by the Chairman in the next meeting held thereafter.

### Audit Committee\*

The Audit Committee comprised of the following Independent Non-Executive Directors:

**Chairman:** Mr. Kevin Shah (Chairman)

**Members:** Mr. Anant Upadhyay  
Ms. Neetam Singh

The members of the Committee were well versed with the accounting and financial management. The Committee reviewed the quarterly financial results, half yearly financial results, annual financial results and internal control system of the Company. Valuable suggestions and guidance received from the members of the Committee add strength to its operations. The role and terms of reference stipulated by the members of the Audit Committee covers area mentioned under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Statutory Auditors of the Company have attended the meetings of the Committee. The Company Secretary was the Secretary of the Audit Committee.

During the year under review, the Audit Committee met for five times viz.,

Date of the Meeting	Quorum
19.09.2014	3
31.10.2014	3
14.11.2014	2
29.11.2014	3
13.02.2015	3

The Chairman of the Audit Committee was not present at the 24<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> December, 2014.

Note : Mr. Naresh Manchanda was appointed as chairman of the audit committee on September 19, 2014. Subsequently, he resigned on November 15, 2014 and Mr. Kevin Shah was appointed as chairman of the audit committee on November 25, 2014.

The terms of the reference of the Audit Committee are as per the guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013 and inter alia it briefly includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible ;
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing with the management, the annual financial statement before submission to the Board for approval, with particular reference to :
  - Matters required to be included in the Directors' Responsibility Statement which forms part of the Directors' Report pursuant to section 134(3)(c) and (5) of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with the listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.

- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- h) Reviewing the adequacy on internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- i) Discussion with internal auditors on any significant findings and follow up thereon;
- j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the, matter to the Board;
- k) Discussion with the statutory auditors before audit commences, about the nature and scope of audit as well a post audit discussion to ascertain any area of concern;
- l) To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of default in payment of declared dividend) and creditors;
- m) To review the functioning of the Whistle Blower Policy mechanism, if any, adopted and framed from time to time;
- n) Carrying out any other function as may be mentioned in the terms of reference of the committee from time to time ; and
- o) Any other area of activities as may be covered within the gamut of scope of Audit Committee by any Statutory Enactment(s) from time to time.

### **Nomination and Remuneration Committee**

The Company has a Nomination and Remuneration Committee. The Remuneration Committee recommends the remuneration payable to the Executive Directors and any increments thereof within the maximum limits as approved by the shareholders from time to time.

### **EXTRACT OF REMUNERATION POLICY**

#### **1. OBJECTIVE**

This Policy aims to attract, retain and motivate the Members of the Board of Directors, Senior Managers viz: CEO, and other employees who are at one level below the Key Managerial Personnel or Functional Heads of the Company, by remunerating them reasonably and sufficiently so as to run the operations of the Company smoothly. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

#### **2. GUIDING PRINCIPLES**

The guiding principle of this Policy is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company. While designing the remuneration package, efforts are made to ensure that the remuneration matches the level in comparable companies, whilst also taking into consideration requisite competencies, qualifications, industry experience, efforts required and the scope of the work.

The Nomination and Remuneration Committee while considering a remuneration package shall ensure balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee believes that a successful remuneration policy must ensure that a significant part of the remuneration package should be linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

#### **2.1. Remuneration of Executive Members on the Board:**

Any Executive Member(s) on the Board shall be paid remuneration which may comprise of fixed monthly basic salary, perquisites such as House Rent Allowance or furnished /unfurnished housing accommodation in lieu thereof, car with or without chauffeur, telephone for office as well as personal use, stock options, statutory and non-statutory allowances such as education allowances, travel allowances, subscription allowances etc. as may be recommended by the Nomination and Remuneration Committee / Board of Directors and approved by the Members of the Company from time to time.

However, the overall remuneration of executive member(s) on the Board shall not exceed the applicable limits prescribed under the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.



Executive members of the Board shall not be eligible to receive any sitting fees for attending any meeting of the Board of Directors or Committee thereof.

The performance of the executive members of the Board shall be evaluated by the Independent Directors on an annual basis.

## **2.2. Remuneration of Non-Executive Members of the Board:**

Non-Executive member(s) of the Board shall be entitled to receive such amount as may be decided by the Board but not limited to sitting fees. Such amount may be prescribed as reimbursement of legitimate expenses to attend the Board and Committee meeting or to perform the functions incidental and ancillary thereto or in performing such other duties cast upon them by the Board.

However, the overall remuneration of Non-Executive member(s) on the Board shall not exceed the applicable limits prescribed under the Companies Act, 2013 and Rules framed there under, as amended from time to time.

Independent Director(s) of the Company may be entitled to any stock option issued or proposed to be issued by the company, subject to compliance with the provisions of the Act and Rules & Regulations made there under and as amended from time to time.

The performance of the non - executive members of the Board shall be evaluated by the Board on an annual basis.

### **Remuneration of Executive Management comprising of Senior Management & Key Managerial Personnel:**

The Company believes that a combination of fixed and performance-linked pay to the Executive Management shall ensure that the company can attract and retain key employees. The performance-linked incentive based on Company performance and performance of the employee concerned each year shall be considered and approved by the Nomination & Remuneration Committee, annually inter-alia for the Executive Management. Additionally subject to appropriate approval of shareholders, the Company may consider issuance of stock options to Senior Management.

The Nomination & Remuneration Committee will from time to time consider proposals concerning the appointment and remuneration of the Key Managerial Personnel and ensure that the proposed remuneration is in line with industry standards in comparable companies. Such proposals then shall be submitted to the Board for approval. The remuneration of the members of the Executive Management may consist of the following components:

1. Basic salary and Allowances
2. Performance linked incentive / bonus
3. Stock options
4. Perquisites as per rules of the Company including Company car, telephone etc.

Executive Management shall not be eligible to receive any remuneration, including sitting fees, for directorships in the Company.

The Remuneration Committee comprises of the following Independent Non-Executive Directors:

**Chairperson:** Ms. Neetam Singh

**Members:** Mr. Anant Upadhyay  
Mr. Kevin Shah

The Company Secretary of the Company acts as the Secretary of the Committee.

During the year under review, the Nomination and Remuneration Committee met twice.

Date of the Meeting	Quorum
31.10.2014	3
14.11.2014	2

Note : Mr. Naresh Manchanda was appointed as member of the Nomination and Remuneration committee on September 19, 2014. Subsequently, he resigned on November 15, 2014 and Mr. Kevin Shah was appointed as member of the Nomination and Remuneration committee on November 25, 2014.

The details of the Remuneration paid to the Executive Directors for the year ended 31st March 2015 and sitting fees to the Non-Executive Independent Directors for meetings of Directors and Committees of Directors are as follows:



Name	Designation	Remuneration for 2014-15 (in Rs.)				No. of shares held
		Salary	Sitting fees	Employer contribution to provident fund	Total	
Mr. Nandlal Goenka	Chairman	600000	-	43200	643200	26088750
Mr. Navneet Goenka	Vice-Chairman & Managing Director	480000	-	34560	514560	111615000
Mr. Nitin Goenka	Managing Director	480000	-	34560	514560	40976250#
Mr. Anant Upadhyay	Independent, Non Executive	-	135000	-	135000	Nil
Ms. Neetam Singh	Independent, Non Executive	-	120000	-	120000	Nil
Mr. Kevin Shah	Independent, Non Executive	-	55000	-	55000	Nil

Apart from the sitting fees that are paid to the Non-Executive Independent Directors for attending the Board / Committee Meetings, no other fees/commission were paid during the year. No significant material transactions have been made with the Non-Executive Independent Directors vis-à-vis the Company.

- All decisions relating to the remuneration of Directors are taken by the Nomination and Remuneration Committee in accordance with the approval received from Board as well as the members of the Company.
- The Directors' remuneration as mentioned above consists of fixed salary component payable to them. There is no performance linked incentives payable to Directors for achievement of targets.
- During 2014–2015, the Company did not issue any stock options neither did it advance any loans to any of its Directors.

**# All the shares were transferred by Mr. Nitin Goenka to Mrs. Nirmala Goenka during the year 2013-2014. The shares are lying in the D'Mat account of the latter; and the same are frozen on account of promoters dispute. These shares carry no voting rights.**

#### **Stakeholders Grievance Committee**

##### **Terms of Reference**

The Stakeholders Grievance Committee comprising the following Directors to approve/reject the transfer/transmission/rematerialisation of equity shares, issue of duplicate certificates, to supervise all the operations of the Registrar and Share Transfer Agents and to look into the Investors' complaints, if any, and to redress the same expeditiously.

The Stakeholders Grievance Committee comprises of the following Independent Non-Executive Independent Directors:

**Chairman:** Mr. Anant Upadhyay

**Members:** Ms. Neetam Singh  
Mr. Kevin Shah

The Company Secretary is the Compliance Officer of the Company for matters relating to Shareholders, Stock Exchanges, the Securities and Exchange Board of India (SEBI) and other related regulatory authorities.

During the year under review, the Stakeholders Grievance Committee met once.

<b>Date of the Meeting</b>	<b>Quorum</b>
31.10.2014	3

Note : Mr. Naresh Manchanda was appointed as member of the Stakeholders Grievance Committee on September 19, 2014. Subsequently, he resigned on November 15, 2014 and Mr. Kevin Shah was appointed as member of the Stakeholders Grievance Committee on November 25, 2014.

#### **Status of Shareholders'/Investors' Complaints**

##### **Particulars**

##### **No. of Complaints**

Complaints pending as on April 1, 2014	NIL
Complaints received during the period April 1, 2014 to March 31, 2015	18
Complaints resolved during the period April 1, 2014 to March 31, 2015	18
Complaints outstanding as on March 31, 2015	NIL



During the year under review, all requests/ complaints were attended to promptly and resolved to the satisfaction of the shareholders.

No request of transfer and no request for dematerialization were pending for approval as on 31<sup>st</sup> March 2015.

## **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out by Independent Directors to evaluate the performance of Non-Independent Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement, contribution and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholders Grievance Committee. The Directors expressed their satisfaction with the annual evaluation process.

### **1. General Body Meetings**

#### **Location and time of last three Annual General Meetings:**

Year	Location	Date	Time	Special Resolutions	Postal Ballot
2011-2012	Royal Court, Country Inn & Suites by Carlson, M.I.Road, KhasaKothi Circle, Jaipur 302001	27.09.2012	11.00 a.m	-	N.A.
2012-2013	Hotel Country Inn & Suites by Carlson, Khasa Kothi Circle, M.I. Road, Jaipur – 302 001	27.09.2013	11.00 a.m.	3	N.A.
2013-2014	Bunglaow No. C – 114, Shivaji Marg, Vijaypath, Tilak Nagar, Jaipur – 302004	30.12.2014	11.00 a.m.	-	N.A.

No resolution was passed through postal ballot during last year.

### **2. Disclosures**

#### **a) Related parties transactions**

None of the Company's transactions for the related parties were in conflict with the interest of the Company. The transactions with the related parties are disclosed in Note No. 32 of Notes on Financial Statements of the year.

#### **b) Compliances by the Company**

During the financial year 2014-15, there were some occasions on which the Company was unable to meet the Compliance on due dates under clause 41 and other provisions of the listing agreement as mentioned in the secretarial audit report forming part of this annual report. During the year the Company had applied for and got the extension of the Annual General Meeting which was held on December 30, 2014. However, the Company complied with all the requirements before the end of the Financial Year 2014-15. After April 01, 2015 all the Compliances were done within time prescribed.

The company has paid part of penalty(ies) imposed by the stock exchange(s) for delayed submission of financial results for the quarters ended March 31, 2014 and June 30, 2014. For the balance of the penalty, the company has applied for waiver of the same.

### **3. Means of Communication**

The Company believes that all stakeholders should have access to adequate information, regarding the Company's position to enable them to accurately assess its future potential. Pursuant to the Listing Agreement with the Stock Exchanges, all information which could have a material bearing on the Company's share price is released at the earliest.

The quarterly, half-yearly and yearly results are submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in The Financial Express, National Newspaper (English), Apla Mahanagar (Marathi) and Jaipur Mahanagar Times Regional Newspaper (Rajasthan). The financial results and official news releases were displayed on the Company's web site [www.goenkadiamonds.com](http://www.goenkadiamonds.com).

Official news/ press release are sent to the Bombay Stock Exchange and National Stock Exchange, where the equity shares of the Company are listed.

The Management Discussion and Analysis Report forms part of the Annual Report. There were no presentations made to the institutional investors or analysts separately.

### **A) Compliance with other mandatory requirements**

#### **a) Management Discussion and Analysis**

A management discussion and analysis report forms part of the Annual Report and includes discussion on various matters specified under clause 49(IV) (F) of the Listing Agreement.

**b) Subsidiaries**

All the Subsidiary Companies are managed with their Boards having the rights and obligations to manage the Company in the best interest of the stakeholders. As a majority stakeholder, the Company monitors the performance of such companies.

**c) Secretarial Audit for reconciliation of capital**

A qualified Practicing Company Secretary has carried out secretarial audit for every quarter to reconcile the total admitted capital with both the depositories; viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL. The Company had submitted the secretarial audit report to BSE and NSE within 30 days from the end of each quarter in accordance with the SEBI requirements.

**d) Code for prevention of Insider Trading**

The Company has adopted a code on prevention of Insider Trading in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

**e) CEO/CFO Certification**

A certificate as required under clause 49(IX) of Listing Agreement from Chief Executive Officer and Chief Financial Officer was placed before the Board.

**f) Risk Management**

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors govern how the company conducts the business and manages associated risks. The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

**g) Code of Conduct**

The Company has laid down a code of conduct for the Directors and its senior management. The code has been posted on the Company's website. A declaration to the effect that the Directors and senior managerial personnel have adhered to the same, signed by the Vice Chairman of the Company, forms a part of this Report, which along with the Auditor's Certificate on the compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report.

**B) Compliance with non- mandatory requirements**

**a) Board**

The Board has an Executive Chairman.

**b) Shareholder's Right**

A half yearly declaration of financial performance including summary of the significant events is presently not being sent to each household of shareholders. However, the Company publishes its results on its website at [www.gdjl.co.in](http://www.gdjl.co.in), which is accessible to the public at large.

**a) Audit Qualification**

In respect of the observations made by Auditors in their report, your Directors wish to state that the replies to the material observations have been given in the Directors Report. For the other observations, respective notes on financial statements are self-explanatory and do not call for further comments.

**b) Separate Post of Chairman and CEO**

The chairman of the company Mr. Nandlal Goenka is the acting CEO.

**c) Reporting of internal auditor**

The internal audit reports are reviewed independently by the audit committee every quarter.

**4. General Shareholder Information**

**a) Annual General Meeting:**

Date and Time : Wednesday, 30<sup>th</sup> September, 2015 at 11.00 a.m.

Venue : Bungalow No. C – 114, Shivaji Marg, Vijaypath, Tilak Nagar, Jaipur – 302 004

Financial year : 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

**b) Financial Calendar : 2015-2016 (Tentative)**

Annual General Meeting – Next Year Board Meetings:	September 2015
- Results for the quarter ending 30 <sup>th</sup> June 2015	Held on August 14, 2015
- Results for the quarter ending 30 <sup>th</sup> September 2015	By November 14, 2015
- Results for the quarter ending 31 <sup>st</sup> December 2015	By February 14, 2016
- Results for the year ending 31 <sup>st</sup> March 2016	By May 30, 2016

- c) **Book Closure Date** : 23<sup>rd</sup> September, 2015 to 30<sup>th</sup> September, 2015  
(both days inclusive)
- d) **Cut Off Date for E-voting** : 23<sup>rd</sup> September 2015 (For AGM to be held on 30<sup>th</sup> September 2015)
- e) **Listing on Stock Exchanges** : The Equity Shares of the Company got listed on April 16, 2010  
at the following Stock Exchanges:-  
Bombay Stock Exchange Limited  
The National Stock Exchange of India Ltd

**f) Stock Code**

- (1) Trading Symbol at : Bombay Stock Exchange - 533189  
National Stock Exchange – GOENKA
- (2) Demat ISIN Number : INE516K01024  
(NSDL & CDSL)

(Note: Annual listing fees for the year 2014-2015 have been paid to all the above Stock Exchanges)

**g) Stock Market Data**

The shares of the company got listed with Bombay Stock Exchange Limited and National Stock Exchange of India Ltd on April 16, 2010.

Month	Bombay Stock Exchange (BSE) In (Rs.)		National Stock Exchange (NSE) In (Rs.)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2014	4.56	2.29	4.25	2.30
May, 2014	5.52	3.86	5.05	3.85
June, 2014	4.50	3.36	4.50	3.40
July, 2014	4.42	3.08	4.40	3.05
August, 2014	4.37	2.62	4.30	2.60
September, 2014	4.26	2.71	4.30	2.90
October, 2014	2.82	2.23	2.80	2.20
November, 2014	2.70	2.20	2.65	2.15
December, 2014	2.60	1.56	2.55	1.75
January, 2015	2.68	1.50	2.50	1.60
February, 2015	2.33	1.72	2.30	1.75
March, 2015	1.90	1.33	1.90	1.35

**h) Registrar and Share Transfer Agents:** Karvy Computershare Pvt. Ltd.

(Unit: Goenka Diamond and Jewels Limited)  
Karvy Selenium, Tower – B, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad, 500032  
Phone No. 040 – 67161565

**i) Share Transfer System:**

Shares sent for the physical transfer are registered and returned within one month from the date of receipt, if the documents are clear in all respects. The Stakeholders Grievance Committee meets as often as required. There were no share transfers in physical form during 2014-15 and no share transfer was pending as on March 31, 2015.

## 25<sup>th</sup> Annual Report 2014 -2015

### j) Dematerialization of Equity Shares

The Company's shares are traded in dematerialized form only. To facilitate trading in dematerialized form there are two depositories, i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has entered into an agreement with both these depositories. The shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2015 only 30 Equity Shares out of 31,70,00,000 equity shares of the Company are in physical form and 31,69,99,970 equity shares of the Company are in dematerialized form.

### k) Distribution of Shareholdings as on March 31, 2015

Shareholding of nominal value	Shareholders		Share Amount	
In Rs.	Number	% to Total Nos.	In Rs.	% to Total Amt.
Upto - 5000	10194	85.71	11637728.00	3.67
5001 - 10000	753	6.33	5990079.00	1.89
10001 - 20000	450	3.78	6820773.00	2.15
20001 – 30000	156	1.31	3891640.00	1.23
30001 – 40000	80	0.67	2854402.00	0.90
40001 – 50000	48	0.40	2215851.00	0.70
50001 – 100000	103	0.88	7725476.00	2.44
100001 and above	110	0.92	275864051.00	87.02
<b>TOTAL</b>	<b>11894</b>	<b>100.00</b>	<b>317000000.00</b>	<b>100.00</b>

### l) Shareholding Pattern as on March 31, 2015

Category of Shareholders	Holding %
Promoters / Directors/Relatives – Indian	70.48
International Investors (FIIs/NRIs/OCBs)	1.36
Bodies Corporate	7.32
Resident Indians	18.40
Others	2.44
<b>Total</b>	<b>100.00</b>

### m) Address for Investors Correspondence:

(For transfer/dematerialisation of Shares and any other query)

Karvy Computershare Pvt. Ltd  
(Unit Goenka Diamond and Jewels Ltd.)  
Karvy Selenium, Tower- B, Plot No 31 & 32,  
Financial district, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad, 500032

### Email Id for investors correspondence:

[cs@goenkadiamonds.com](mailto:cs@goenkadiamonds.com)

### n) Any query on Annual Report

Registered Office of the Company

On behalf of the Board of Directors of  
**For Goenka Diamond and Jewels Limited**

Place: Mumbai

Date: August 14, 2015

Kundan Tanawade

Company Secretary & Compliance Officer



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1	CIN	L36911RJ1990PLC005651
2	Registration Date	November 05, 1990
3	Name of the Company	Goenka Diamond And Jewels Limited
4	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5	Address of the Registered office & contact details	401, Panchratana, M.S.B. Ka Rasta, Johari Bazar, Jaipur – 302003
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd. Karvy Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District Hyderabad- 500 032 Tel.: 040 67161700 Fax: 040 67161680 Website: www.karvy.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cutting and polishing of diamonds and manufacturing and retailing of diamond/ jewellery	321	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company	Applicable sections
A	Holding Company	NA	NA	NA
B	Subsidiary Companies – Indian	NA	NA	NA
C	Subsidiary Companies – Abroad			
1	M.B. Diamond LLC – Russia	321	100%	Section 2(87)
2	Goenka Diamond & Jewels DMCC – Dubai	321	100%	Section 2(87)



## 25<sup>th</sup> Annual Report 2014 -2015

### IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	223428000	-	223428000	70.48%	223428000	-	223428000	70.48%	0%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	223428000	-	223428000	70.48%	223428000	-	223428000	70.48%	0%
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	0%
b) Banks / FI	5993904	-	5993904	1.89%	6033904	-	6033904	1.90%	0.01%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	5027987	-	5027987	1.59%	1720000	-	1720000	0.54%	-1.05%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	11021891	-	11021891	3.48%	7753904	-	7753904	2.45%	-1.03%
2. Non-Institutions									
a) Bodies Corp.	33390335	-	33390335	10.53%	23212489	-	23212489	7.32%	-3.21%
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	22807539	30	22807569	7.19%	36679890	30	36679920	11.57%	4.38%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	23409390	-	23409390	7.38%	23230489	-	23230489	7.33%	-0.05%
c) Others (specify)									
Non Resident Indians	2010579	-	2010579	0.63%	2552759	-	2552759	0.81%	0.18%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	932236	-	932236	0.29%	142439	-	142439	0.04%	-0.25%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	82550079	30	82550109	26.04%	85818066	30	85818096	27.07%	1.03%
Total Public Shareholding (B)=(B)(1)+(B)(2)	93571970	30	93572000	29.52%	93571970	30	93572000	29.52%	0%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	316999970	30	317000000	100.00%	316999970	30	317000000	100.00%	0%



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## B) Shareholding of Promoters-

S N	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2014)			Shareholding at the end of the year (March 31, 2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	NAVNEET GOENKA	39153750	12.35%	0.00	111615000	35.21%	0.00	22.86%
2	#NIRMALA NANDLAL GOENKA	51326250	16.19%	0.00	51326250	16.19%	0.00	0%
3	NAND LAL GOENKA HUF	34200000	10.79%	0.00	34200000	10.79%	0.00	0%
4	NANDLAL SHUBHKARAN GOENKA	98550000	31.09%	0.00	26088750	8.23%	0.00	-22.86%
5	DHRITI SINGHVI	138000	0.04%	0.00	138000	0.04%	0.00	0%
6	BHAWNA NAVNEET GOENKA	22500	0.01%	0.00	22500	0.01%	0.00	0%
7	NAMITA JAIN	18750	0.01%	0.00	18750	0.01%	0.00	0%
8	NEETA SARAF	18750	0.01%	0.00	18750	0.01%	0.00	0%
	Total	223428000	70.48%	0.00	223428000	70.48%	0.00	0%

# Out of 51326250 Equity Shares, 40976250 shares were transferred by Mr. Nitin Goenka during Financial Year 2013-14 to Mrs. Nirmala Goenka, which are frozen on account of promoters dispute; and are lying in latter's demat account; and carry no voting rights.

## C) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	223428000	70.48%		
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
3	At the end of the year			223428000	70.48%

## D) Change in Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 01, 2014)		Shareholding at the End of the year (March 31, 2015)	
	No. of shares	% of Equity Capital	No. of shares	% of Equity Capital
GENERAL INSURANCE CORPORATION OF INDIA \$	5993904	1.89%	5993904	1.89%
SILVER STALLION LIMITED#	2957987	0.93%	--	0.00%
SALMAN KHAN \$	2900000	0.91%	2900000	0.91%
ANKIT JAIN \$	2754820	0.87%	2754820	0.87%
A. JAIN & CO. PVT LTD \$	2500000	0.79%	2500000	0.79%
B SUMANTHKUMAR REDDY \$	2294447	0.72%	2294447	0.72%
RITU JAIN \$	2284612	0.72%	2284612	0.72%
ANTARA INDIA EVERGREEN FUND LTD \$	1720000	0.54%	1720000	0.54%
TRACK HOLDINGS PRIVATE LIMITED \$	1696260	0.54%	1696260	0.54%
STENLY CREDIT CAPITAL LIMITED#	1489879	0.47%	--	0.00%
HARITHA BATHINA@	1097777	0.35%	1950136	0.62%
DECENT FINANCIAL SERVICES PVT LTD@	1012660	0.32%	1422660	0.45%

## 25<sup>th</sup> Annual Report 2014 -2015

Note:

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.
2. \$ denotes common top 10 shareholders as on April 1, 2014 and March 31, 2015.
3. # denotes shareholders who were in top 10 shareholders as on April 1, 2014, but not as on March 31, 2015
4. @ denotes shareholders who were in top 10 shareholders as on March 31, 2015, but not as on April 1, 2014.

### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (April 01, 2014)		Cumulative Shareholding during the Year (2014-15)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (April 01, 2014)	Refer Annexure I			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
3	At the end of the year (March 31, 2015)				

### Annexure I

SN	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2014)		Cumulative Shareholding during the Year (2014-15)		Change in %
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Navneet Goenka	39153750	12.35%	-	-	
	Date wise Increase / Decrease in Promoters Shareholding during the year	72461250 Shares were transferred via gift from his father Mr. Nandlal Goenka on December 11, 2014.				
	At the end of the year (March 31, 2015)	-	-	111615000	35.21%	22.86%
2	NANDLAL SHUBHKARAN GOENKA	98550000	31.09%	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	72461250 Shares were gifted to his son Mr. Navneet Goenka on December 11, 2014.				
	At the end of the year (March 31, 2015)	-	-	26088750	8.23%	-22.86%
3	NAND LAL GOENKA HUF	34200000	10.79%	34200000	10.79%	NIL
4	#NIRMALA NANDLAL GOENKA	51326250	16.19%	51326250	16.19%	NIL
5	DHRITI SINGHVI	138000	0.04%	138000	0.04%	NIL
6	BHAWNA NAVNEET GOENKA	22500	0.01%	22500	0.01%	NIL
7	NAMITA JAIN	18750	0.01%	18750	0.01%	NIL
8	NEETA SARAF	18750	0.01%	18750	0.01%	NIL

# Out of 51326250 Equity Shares, 40976250 shares were transferred by Mr. Nitin Goenka during Financial Year 2013-14 to Mrs. Nirmala Goenka, which are frozen on account of promoters dispute; and are lying in latter's demat account; and carry no voting rights.



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

Note : There was no change in the shareholding of the promoters at serial number 3 to 8.

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15665.56	-	-	15665.56
ii) Interest due but not paid	165.64	-	-	165.64
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	15831.20	-	-	15831.20
<b>Change in Indebtedness during the financial year</b>				
* Addition	12255.28	-	-	12255.28
* Reduction	12033.70	-	-	12033.71
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15887.14	-	-	15887.14
ii) Interest due but not paid	102.87	-	-	102.87
iii) Interest accrued but not due	12.25	-	-	12.25
<b>Total (i+ii+iii)</b>	1600.26	-	-	1600.26

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakh)

SN.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Nandlal Goenka (Chairman & WTD)	Navneet Goenka (Vice-Chairman & MD)	Nitin Goenka (Managing Director)	
1	Gross salary	6.43	5.15	5.15	16.73
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.00	4.80	4.80	15.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.43	0.35	0.35	1.13
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	6.43	5.15	5.15	16.73
	Ceiling as per the Act	The ceiling is Rs. 42 Lacs as per Section II of Schedule V of the Companies Act, 2013.			

**B. Remuneration to other directors**

(Rs. In Lakh)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Sitting Fees	Commission	Others	
1	<b>Independent Directors</b>				
	Mr. Anant Upadhyay	1.35	-	-	1.35
	Ms. Neetam Singh	1.20	-	-	1.20
	Mr. Kevin Shah	0.55	-	-	0.55
	Total (1)	3.10	-	-	3.10
2	Other Non-Executive Directors	Not Applicable			
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	3.10	-	-	3.10
	Overall Ceiling as per the Act	No remuneration was paid apart from sitting fees.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. In Lakh)

SN	Particulars of Remuneration	Key Managerial Personnel Kundan Tanawade (Company Secretary)
1	Gross salary	5.40
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	others, specify...	-
5	Others, please specify	-
	<b>Total</b>	5.40

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CERTIFICATE BY THE PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,  
The Members of  
**Goenka Diamond and Jewels Limited**

I have examined the compliance of conditions of Corporate Governance by Goenka Diamond & Jewels Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Equity Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management I certify that the company has generally complied with conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India, except for the following matters:

- a) There was no Audit Committee till September 19, 2014 as required by the Clause 49 of the Listing Agreement.
- b) There was no Stakeholders Grievance Committee till September 19, 2014 as required by the Clause 49 of the Listing Agreement.
- c) There was no Nomination and Remuneration Committee till September 19, 2014 as required by the Clause 49 of the Listing Agreement.
- d) The financial results for the quarter ended June 30, 2014 were not submitted to stock exchange(s) within stipulated time period.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai  
Date : August 14, 2015

**VISHAL N MANSETA**  
**Practicing Company Secretary**  
**C.P. No. : 8981**  
**ACS No. : 25183**

## STATEMENT OF DISCLOSURE BY AUDIT COMMITTEE TO THE SHAREHOLDERS

To,  
The Shareholders of  
**Goenka Diamond and Jewels Limited**

In terms of Clause 49 of the Listing Agreement regarding Corporate Governance, we the members of the Audit Committee disclose in respect of the Financial Year 2014-2015 that;

- 1) the Audit Committee has reviewed the Audited Financial Statement of the Company and held discussions on the quality of the accounting principles as applied and significant judgments affecting Company's financial statements;
- 2) the Audit Committee has discussed the quality of those principles as applied and judgments referred on (1) above under the circumstances;
- 3) the Chairman of the Audit Committee and its members after initial discussions amongst themselves, invited the Chairman and Executive Directors of the Company along with the Internal Auditor to discuss the various issues related to Audited Financial Statements of the Company. The Members of the Audit Committee discussed with the Management on the various issues pertaining to the Audited Financial Statements;
- 4) the Audit Committee, in reliance on the review and discussion conducted with Management in (1), (2) and (3) above, believed that the Company's financial statements are fairly presented in conformity with the generally accepted accounting principles in all material respects.

For and on Behalf of Audit Committee of  
**Goenka Diamond and Jewels Limited**

**Chairman, Audit Committee**

**Place:** Mumbai  
**Dated:** May 30, 2015



### **CERTIFICATION BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER OF THE COMPANY**

We, Nandlal Goenka, Acting Chief Executive Officer and Navneet Goenka, Chief Financial Officer of Goenka Diamond and Jewels Limited, to the best of our knowledge and belief certify that;

1. We have reviewed the Balance Sheet and Statement of Profit and Loss of the Company for the year ended 31<sup>st</sup> March, 2015 and all its notes on financial statements, as well as the Cash Flow Statement.
2. To the best of our knowledge and information;
  - a) these statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading;
  - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the company, which are fraudulent, illegal or violate the company's code of conduct.
4. The company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the company; and we have evaluated the effectiveness of the company's internal controls and procedures.
5. The company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable /to be applicable, to the company's auditors and through them to the Audit Committee of the Company's Board of Directors:
  - a) All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
  - b) Significant changes in Internal control during the year;
  - c) Any fraud, which we have become aware of and that involves Management or other employees who have a significant role in the company's internal control system;
  - d) Significant changes in accounting policies during the year.

We further declare that all board members and senior management have affirmed compliance with the code of conduct.

**For Goenka Diamond and Jewels Limited**

Nandlal Goenka  
**Chairman**  
**(Acting Chief Executive Officer)**

Navneet Goenka  
**Chief Financial Officer**

Place: **Mumbai**

Date: **May 30, 2015**

**INDEPENDENT AUDITORS' REPORT****To the Members of Goenka Diamond and Jewels Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Goenka Diamond and Jewels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Basis of Qualified Opinion**

*Refer Note No. 16 (footnote) of Notes on financial statements regarding Trade Receivables amounting to ₹6,27,82,40,130/- which includes ₹5,38,73,16,029/- outstanding for more than 6 months from due date. Though, confirmations amounting to ₹3,61,66,47,379/- were received from Trade receivables on request by the management, there have been defaults on payment obligations by the debtors on due date and recoveries from these debtors are not significant. In view of the above we are unable to comment on the realisability of the debts and any provision to be made for unrealisability of these balances and the consequential impact, on the financial statements.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

*We draw attention to*

- i. *Significant Accounting Policies No. 1(F) regarding Inventories wherein the determination of estimated net realizable value and specification identification involves technical judgment of the management which has been relied upon by us.*
- ii. *Note No.37 (a) of Notes on Financial statements regarding dispute which has arisen in earlier year amongst promoters subsequent to which various allegations/counter allegation and legal cases were made amongst promoters and on the company. Thereafter, the promoters arrived at family settlement agreement, the terms and conditions of which are partially*

*executed. The management has confirmed that there is no impact of above incidences on the financial statements of the company.*

- iii. *Refer Note No.37 (b) regarding non-realization of debtors, 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 owing to which some banks have classified account as NPA, dispute amongst promoters. Though the company has made profits for the year, these factors indicate liquidity crunch faced by the company and therefore its future operations are largely dependent on recoveries from overseas debtors, infusion of fresh capital and restructuring/ release of additional working capital from banks.*
- iv. *Note No.37 (c) of the Notes on Financial Statements wherein certain banks have classified its advance to company as NPA and are not charging interest or have reversed the interest earlier charged. In order to account all probable liabilities the management in its best judgment has provided interest on such borrowings. Further, the company has not provided for ₹1,49,61,987/- on account of excess interest charged by one of the banks against which company has made representation. The management is of the opinion that any difference on account of interest, penal interest shall be accounted for as and when the interest is charged or settled by the banks.*

*Our opinion is not modified in respect of these matters.*

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2015 except in case of Mr. Nitin Goenka, Managing Director, and taken on record by the Board of Directors, none of other directors are disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act. However, *we are unable to comment of the said clause in respect of Mr. Nitin Goenka, Managing Director of the Company as no written representation was received from him as on March 31, 2015.*
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 and 37(a) to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For B. Khosla & Co.**  
Chartered Accountants  
FRN No.000205C

**For RSVA and Company**  
Chartered Accountants  
FRN No.110504W

**Sandeep Mundra**  
Partner  
Membership No. 75482

**B.N.Rao**  
Partner  
Membership No. 039555

**Place: Mumbai**  
**Date : May 30, 2015**

**Place: Mumbai**  
**Date : May 30, 2015**



**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Goenka Diamond and Jewels Limited on the standalone financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory of raw material and finished goods except day to day production records. As informed no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted unsecured loans to 1 subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was ₹ 12.21 Crores and the year-end balance was ₹ 12.21 Crores.
- (a) The terms of recovery of the loan made have not been stipulated and so we are not in a position to make specific comment as regard to the repayment of the principal amount to the Company.
- (b) As informed to us, there is no overdue amount of interest and loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) As explained to us, the maintenance of cost records under sub section (i) of Section 148 of the Companies Act, 2013 has not been prescribed by the Central Government for the Company.
- (vii) (a) The Company is not regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, service tax, value added tax and any other material statutory dues applicable to it.

According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months are as under: -

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act 1961	TDS	2,70,957	01/04/2014 to 30/09/2014	07 <sup>th</sup> of Next Month	Not Yet paid
Employee Provident Fund Organization	Provident Fund	1,29,150	01/04/2014 to 30/09/2014	21 <sup>st</sup> day of next month	Not Yet paid
Central Excise and Customs Act	Service Tax	7,788	01/06/2014 to 30/09/2014	05 <sup>th</sup> of Next Month	Not Yet paid
Employee State Insurance Corporation	E.S.I.C.	51,709	01/06/2014 to 30/09/2014	21 <sup>st</sup> day of next month	Not Yet paid

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Department of Sales Tax, Maharashtra	Profession Tax	24,650	01/07/2014 to 30/09/2014	31 <sup>st</sup> day of next month	Not Yet paid
Income Tax Act 1961	Income Tax	₹203.07 Lacs (excluding Interest)	Financial Year 2012-13	March 31, 2013	Not Yet paid
Income Tax Act 1961	Income Tax (Advance Tax)	15.75 Lacs	Financial Year 2014-15	15 <sup>th</sup> Sept 2014	Not Yet paid
Income Tax Act 1961	Tax on Dividend	53,87,415 (excluding Interest)	Financial Year 2012-2013	14 <sup>th</sup> Oct 2013	Not Yet paid

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7,53,690	AY 2008-2009	ITAT – Jaipur
		1,14,02,209*	AY 2010-2011	ITAT – Jaipur
		40,65,043	AY 2011-2012	ITAT – Jaipur
Central Excise and Customs Act	Service Tax	6,22,540	FY 2008-2009 FY 2011-2012	Commissioner of Central Excise (Appeal)

\*estimated amount

- (c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) In our opinion, there are no accumulated losses of the Company as at the end of financial year. Further, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) The Company has defaulted to various banks in re-payment of working capital - export credit facilities which have been crystallized and/or became overdue at various dates, the summarized position of such defaults as the balance sheet date is as under: -

Amount* of Default with various banks	Date of Default Started	Date of default ended
3,437,985	January-14	March-15
10,902,500	March-14	August-14
14,511,510	March-14	September-14
11,716,548	April-14	September-14
78,964,671	June-14	July-14
9,000,000	September-14	March-15
38,282,102	September-14	October-14
124,466,955	January-15	March-15
44,111,331	January-15	February-15
45,179,495	February-15	March-15
32,918,379	January-14	Continuing
17,890,000	March-14	Continuing
28,077,000	April-14	Continuing



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

Amount* of Default with various banks	Date of Default Started	Date of default ended
5,800,000	May-14	Continuing
252,023,742	September-14	Continuing
29,751,480	November-14	Continuing
61,955,032	December-14	Continuing
142,387,556	February-15	Continuing
117,053,417	March-15	Continuing

*\*includes interest charged by bank up to date of crystallization*

The above defaults are the amounts as on the date of the defaults as mentioned herein above and do not consider any levies of interest and penal interest charged by the banks / provided by the company after the date of the defaults or its subsequent reversals by some banks. We are unable to quantify and give period wise details of the defaults in interest for the reasons referred in Note No. 6B (footnote) of financial statement. However, under the head "Other Current Liabilities" (Note No. 8) amounts of ₹ 1,02,86,943/- and ₹7,33,57,031/- being the "Interest Accrued and due" and "Other Payables – Overdrawn Current Account Bank Balances" respectively includes interest which is default, the amount and period of which is unascertainable.

We have not received balance confirmation from some banks and have relied on year-end balance statements of the banks.

- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions during the year.
- (xi) The Company during the year has obtained Corporate Loan of ₹2.50 Crores from a bank which according to information and explanations was applied for the purpose for which it was obtained.
- (xii) *We draw attention to Note No.37(a) of Notes on financial statement wherein management has stated various allegations, counter allegation, legal cases are amongst promoters and there is no case of fraud on or by the company is pending, which we have relied upon. Subject to the this, during the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company, noticed or reported during the year, nor have we been informed of such case by the management.*

As per our report of even date attached

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

Place - Mumbai  
Date - May 30, 2015

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

**B N RAO**  
Partner  
M.No.: 039555

Place - Mumbai  
Date - May 30, 2015



## Balance Sheet as at March 31, 2015

	Note	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	317,000,000	317,000,000
Reserves And Surplus	3	2,714,032,231	2,699,492,400
Money received against share warrants		-	-
		<b>3,031,032,231</b>	<b>3,016,492,400</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	23,775,000	-
Long-Term Provisions	5	4,568,561	4,568,561
		<b>28,343,561</b>	<b>4,568,561</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	1,564,938,989	1,566,556,349
Trade Payables	7	2,429,701,990	2,040,421,005
Other Current Liabilities	8	140,394,909	71,132,392
Short-Term Provisions	9	32,347,331	25,067,100
		<b>4,167,383,220</b>	<b>3,703,176,846</b>
<b>Total</b>		<b>7,226,759,011</b>	<b>6,724,237,807</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	103,666,347	115,128,940
Intangible Assets	10	-	-
Capital Work-In-Progress	10	-	-
Non-Current Investments	11	1,947,604	1,947,604
Deferred Tax Assets	12	12,222,398	10,368,014
Long-Term Loans and Advances	13	158,279,070	154,057,557
Other non-current assets		-	-
		<b>276,115,419</b>	<b>281,502,115</b>
<b>Current Assets</b>			
Current Investments	14	49,000,000	49,000,000
Inventories	15	549,183,506	702,749,928
Trade Receivables	16	6,278,240,130	5,622,019,838
Cash and Bank Balances	17	23,819,175	32,076,990
Short-Term Loans and Advances	18	34,644,168	24,338,189
Other Current Assets	19	15,756,614	12,550,747
		<b>6,950,643,593</b>	<b>6,442,735,692</b>
<b>Total</b>		<b>7,226,759,011</b>	<b>6,724,237,807</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Other Notes on Financial Statements</b>	<b>28 to 45</b>		

As per our report of even date attached

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

Place - Mumbai  
Date - May 30, 2015

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

**B N RAO**  
Partner  
M.No.: 039555

For &amp; On behalf of the Board

**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428

**KUNDAN TANAWADE**  
Company Secretary



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## Statement of Profit & Loss for the year ended March 31, 2015

	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
		₹	₹
<b>REVENUE</b>			
Revenue From Operations	20	1,022,368,581	3,748,376,926
Other Income	21	124,344,486	84,819,964
<b>Total</b>		<b>1,146,713,067</b>	<b>3,833,196,890</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	874,420,239	3,501,326,724
Purchases of Stock-In-Trade	23	-	-
Changes in Stock-In-Trade	24	33,652,808	123,172,510
Employee Benefits Expense	25	15,284,546	23,749,489
Finance Costs	26	174,411,301	122,807,709
Depreciation and Amortization Expense	10	11,462,593	10,075,255
Other Expenses	27	26,653,584	46,146,998
<b>Total</b>		<b>1,135,885,071</b>	<b>3,827,278,684</b>
<b>Profit Before Tax</b>		<b>10,827,996</b>	<b>5,918,206</b>
<b>Tax Expense:</b>			
(1) Current Tax (MAT)		3,500,000	2,300,000
(2) MAT Credit Entitlement		(500,000)	(2,300,000)
(3) Earlier Years Tax / MAT Credit		-	3,368,106
(4) Deferred Tax Charges/(Credits)		(1,854,384)	(3,562,899)
		1,145,616	(194,793)
<b>Profit for the Year</b>		<b>9,682,380</b>	<b>6,112,999</b>
Earnings Per Share (FV ₹.1/-Each - Refer Note No.34)			
Basic and Diluted (₹)		0.03	0.02
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Other Notes on Financial Statements</b>	<b>28 to 45</b>		

As per our report of even date attached

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

For &amp; On behalf of the Board

**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

**B N RAO**  
Partner  
M.No.: 039555

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428

Place - Mumbai  
Date - May 30, 2015

**KUNDAN TANAWADE**  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2015

	Year ended March, 31 2015	Year ended March, 31 2014
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	10,827,997	5,918,206
<b>Adjustment for</b>		
Depreciation	11,462,593	10,075,255
Unrealised Exchange Difference	(131,821,656)	(114,075,340)
Impairment of Fixed Assets	-	3,031,953
Profit on Sale of Fixed Assets	-	(6,737,469)
Gratuity & Leave Liabilities	-	-
Finance Charges Paid	174,411,301	122,807,709
Interest Income	(16,212,011)	(16,131,186)
Dividend Income	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>48,668,223</b>	<b>4,889,127</b>
<b>Adjustment for</b>		
Trade and other receivables(including loans and advances)	(443,249,276)	(1,548,568,071)
Inventories	153,566,422	731,763,611
Trade payable	305,569,474	695,633,931
Other Current Liabilities	73,809,583	8,861,730
<b>Cash generated from operations</b>	<b>138,364,427</b>	<b>(107,419,671)</b>
Income Tax Paid (Net)	(766,835)	(867,370)
Fringe Benefit Tax Paid	-	-
<b>Net cash from Operating Activities</b>	<b>137,597,592</b>	<b>(108,287,041)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(43,000)
Sale of Fixed Assets	-	9,400,001
Investment(Redemption) in Mutual Fund & Fixed deposits & OCD	-	4,647,000
Non-current Investments	-	-
Interest Income	16,212,011	16,131,186
Dividend Income	-	-
<b>Net cash from investing activities</b>	<b>16,212,011</b>	<b>30,135,187</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Borrowings	11,588,571	103,372,755
Interest & Bank Commission paid on Borrowings	(174,411,301)	(122,807,709)
Dividend Paid ( Including Dividend Distribution Tax )	-	-
<b>Net cash from financing activities</b>	<b>(162,822,730)</b>	<b>(19,434,954)</b>
Net increase in Cash and Cash equivalent (A+B+C)	(9,013,126)	(97,586,808)
Cash and Cash equivalent in the Opening balance	12,665,290	110,252,098
<b>Cash and Cash equivalent in the Closing balance</b>	<b>3,652,164</b>	<b>12,665,290</b>
<b>Note :</b>		
<b>Cash and cash equivalent include cash on hand, bank balance and cheques in hand.</b>		
<b>Closing Cash and Cash Equivalents as per books</b>		
Total of Cash & Cash Equivalents ( Refer Note No. 17)	23,734,755	31,987,319
Fixed Deposit more than 3 months	20,082,591	19,322,029
<b>Cash and Cash equivalent in the Closing balance</b>	<b>3,652,164</b>	<b>12,665,290</b>
Cash in hand	733,689	2,016,773
Current Accounts	2,918,475	10,648,518
<b>Total</b>	<b>3,652,164</b>	<b>12,665,290</b>

As per our report of even date attached

For &amp; On behalf of the Board

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

**B N RAO**  
Partner  
M.No.: 039555

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428

Place - Mumbai  
Date - May 30, 2015

**KUNDAN TANAWADE**  
Company Secretary

**1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2015****A. Basis of Preparation of Financial Statements**

- a. The financial statements have been prepared in compliance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other pronouncement of Institute of Chartered Accountant of India, with relevant provisions of Companies Act, 2013; applicable guidelines issued by the Securities Exchange Board of India (SEBI) and generally accepted accounting principles applicable in India (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires changes in the accounting policy hitherto in use.
- b. The financial statements have been prepared under historical cost convention on accrual basis.
- c. All the assets and liabilities have been classified as current or noncurrent as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of product and time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – noncurrent classification of assets & liabilities.

**B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

**C. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation / amortisation and impairment losses. Cost includes acquisition cost, freight, duties, taxes and other incidental expense incurred during the construction / installation stage attributable to bringing the asset to working condition for its intended use.

Expenditure on software is recognized as 'Intangible Assets' and is amortized over a period of three years.

**D. Depreciation and Amortization**

Depreciation on Fixed Assets is being provided on written down value method at the rate and in the manner specified in Schedule II of the Companies Act, 2013.

Leasehold land is amortized over the initial period of lease.

The expenditure incurred on improvement on leased premises is written off proportionately over the initial period of lease.

**E. Impairment of Fixed Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the assets belongs, is less than the carrying amount, carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**F. Inventories**

- a. Inventories are valued at lower of cost and estimated net realisable value. Cost is determined on 'First-in First-out', 'Specific Identification', or "Weighted Average' basis, as the case may be. Cost of Inventories Comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- b. Raw Materials include materials issued for production. Materials consumed are materials used for production of finished goods only.
- c. Determination of estimated net realizable value and specific identification involve technical judgments of the management, which has been relied upon by the Auditors.

**G. Investments**

Investments that are readily realizable and are intended to be held for not more than 1 year from the date, on which such investments are made, are classified as current investment. All other investments are classified as non-current investment.

Non-Current investments are stated at cost. Provision for diminution in the value of non-current investments is made if such decline is other than temporary in nature.

Current investments are carried at lower of cost or market value.

### **H. Revenue Recognition**

#### **Sale of Goods:**

Revenue from sales of goods is recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods and is stated net of returns, trade discounts, claims etc.

### **I. Other Income**

#### **a) Dividend on Investment:**

Dividends are recognised when the right to receive payment is established.

#### **b) Interest Income:**

Interest Income is recognised on time proportion basis taking in to account the amount outstanding & rate applicable.

### **J. Foreign Currency Transactions:**

#### **a. Initial Recognition:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

#### **b. Conversion:**

Monetary items denominated in foreign currencies at the year-end are translated at closing rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction and investment in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

#### **c. Exchange Differences:**

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange differences arising on the monetary items that, in substance, forms part of an enterprise's net investment in a non integral foreign operations are accumulated in a foreign currency translation reserve in the financial statements until the disposal of net investment, at which time they would be recognized an income or as expense in the Statement of Profit and Loss.

#### **d. Forward Exchange Contract not intended for trading or speculation purposes:**

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of contract. Exchange differences on such contract are recognized in the Statement of Profit and Loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense.

### **K. Employee Benefits:**

Short term employee benefits are recognized as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

The Company's Liability towards gratuity and compensated absences are determined on the basis of year end actuarial valuation applying Projected Unit Credit Method done by an independent actuary. The actuarial gains or losses determined by the actuary are recognized in the Statement of Profit and Loss as income or expense in the year in which they arise.

### **L. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **M. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### **N. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).



For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## **O. Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## **P. Segment Reporting**

### **Identification of segments:**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

### **Inter segment Transfers:**

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

### **Allocation of common costs:**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### **Unallocated items:**

Includes general corporate income and expense items which are not allocated to any business segment.

### **Segment Policies:**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

## **Q. Provision for Current and Deferred Taxation:**

Income tax is accounted in accordance with AS-22 'Accounting for Taxes on Income', issued by The Institute of Chartered Accountants of India (ICAI), which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same and are recognised using the tax rates and tax laws that have been enacted or substantively enacted.

Current tax is determined as the amount of tax payable in respect of taxable income using the applicable tax rates and tax laws for the year.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. Such assets is reviewed at each balance sheet date and carrying amount of the MAT credit is written down to extend there is no longer a convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

## **R. Provision, Contingent Liabilities and Contingent Assets:**

**Provisions** are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- the Company has a present obligation as a result of past event,
- a probable outflow of resources is expected to settle the obligation and
- the amount of the obligation can be reliably estimated

**Contingent Liability** is disclosed in case of

- a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- a possible obligation, unless the probability of outflow of resources is remote

**Contingent Assets** are neither recognized, nor disclosed.

*Provisions, Contingent Liabilities and Contingent Assets* are reviewed at each Balance Sheet Date.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note No.

**2 Share Capital**

- a. The details of Authorised, Issued, Subscribed and paid up capital are as under :-

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
<b>Authorised Share Capital</b>				
Equity Shares of ₹. 1/- each fully paid up (P/Y ₹. 1/- per share fully paid up)	330,000,000	330,000,000	330,000,000	330,000,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹. 1/- each fully paid up	317,000,000	317,000,000	317,000,000	317,000,000
		<u>317,000,000</u>		<u>317,000,000</u>

- b. The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year is as under :-

Particulars	As at March 31, 2015		As at March 31, 2014	
	Equity Shares		Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	317,000,000	317,000,000	317,000,000	317,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	317,000,000	317,000,000	317,000,000	317,000,000

- c. The company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- d. Subsequent to dispute amongst promoters, Hon'ble Company Law Board (CLB) has directed that 4,09,76,250 equity shares of Goenka Diamond & Jewels Limited (transferred from Mr. Nitin Goenka) shall not carry any voting rights, pending the disposal of company petition before CLB.
- e. The details of shareholders holding more than 5% equity shares as at reporting date are as under :-

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>				
NANDLAL GOENKA	26,088,750	8.23%	98,550,000	31.09%
NITIN GOENKA	-	0.00%	-	0.00%
NAVNEET GOENKA	111,615,000	35.21%	39,153,750	12.35%
NAND LAL GOENKA (HUF)	34,200,000	10.79%	34,200,000	10.79%
NIRMALA GOENKA (Refer Note No. 2 (d))	51,326,250	16.19%	51,326,250	16.19%



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>3 Reserves &amp; Surplus</b>				
<b>A. Securities Premium Account :</b>				
Opening Balance	1,088,507,042		1,088,507,042	
Add (Less) : Movement during the year	-		-	
	<u>1,088,507,042</u>		<u>1,088,507,042</u>	
		1,088,507,042		1,088,507,042
<b>B. General Reserve:</b>				
Opening Balance	9,908,000		9,908,000	
Add (Less) : Movement during the year	-		-	
	<u>9,908,000</u>		<u>9,908,000</u>	
		9,908,000		9,908,000
<b>C. Foreign Currency Translation Reserve:</b>				
Opening Balance	11,337,110		201,635	
Add (Less) : Movement during the year	4,857,450		11,135,475	
	<u>16,194,560</u>		<u>11,337,110</u>	
		16,194,560		11,337,110
<b>D. Surplus/ (Deficit)</b>				
Opening balance	1,589,740,248		1,583,627,249	
Add:				
Net Profit For the current year	9,682,380		6,112,999	
	<u>1,599,422,628</u>		<u>1,589,740,248</u>	
<b>Less: Appropriations</b>				
Proposed Dividend	-		-	
Tax on Proposed Dividend	-		-	
	<u>-</u>		<u>-</u>	
<b>Surplus/ (Deficit)</b>		<u>1,599,422,628</u>		<u>1,589,740,248</u>
		<u>2,714,032,231</u>		<u>2,699,492,400</u>
		<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>
		₹		₹
<b>4 Long Term Borrowings</b>				
Corporate loan		23,775,000		-
# Current maturity shown under "Current liabilities" (refer note 8)				
		<u>23,775,000</u>		<u>-</u>
<b>A Nature of Security</b>				
<b>Credit Facilities are secured by:</b>				
First pari-passu charge on Ground plus 3 storyed commercial building located at plot no. 13, Municipal Corporation House No. 14, Ward no. 30, Kh No. 86, Street No. 161, City Survey No. 223, C A Road, Nagpur				
<b>B Repayment - 32 equal monthly installment of ₹ 12,25,000/- each after a moratorium of 12 months from the date of first disbursement</b>				
Tenor - 44 months including a moratorium of 12 months				
<b>C Interest - BPLR+2.75%</b>				

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at		As at	
	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
<b>5 Long Term Provisions</b>				
<b>Provision For Employee Benefits:</b>				
Provision for Gratuity (Refer Note no. 31 (B))	4,286,707		4,286,707	
Provision for Compensated Absences (Refer Note no. 31 (B))	281,854	4,568,561	281,854	4,568,561
		<b>4,568,561</b>		<b>4,568,561</b>

	As at		As at	
	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
<b>6 Short Term Borrowings</b>				
<b>Secured:</b>				
<b>Loan Repayable on demand from Banks</b>				
Pre-shipment Credit	475,092,599		571,901,823	
Post-shipment Credit	1,089,846,391		994,654,526	
		<b>1,564,938,989</b>		<b>1,566,556,349</b>
		<b>1,564,938,989</b>		<b>1,566,556,349</b>

**A Nature of Security**

Credit Facilities are secured by:

- i) First pari passu charge on all tangible and intangible assets including current assets viz., stock of raw materials, work in progress and finished goods.
- ii) Further secured, on pari-passu basis: -
  - a) Equitable Mortgage of Land and Building at C-114 & C-115A, Shivaji Marg, Tilak Nagar, Jaipur in the name of one of the director, Flat No. 4, Mount Unique Bldg., 62-A, Peddar Road, Mumbai, Factory land and building at surat, Shop No. 1, 2 & Garage of Parekh Mansion Mumbai and Office at 1305, Pancharatna, Mumbai
  - b) Personal Guarantees of Chairman, Vice Chairman & MD and MD of the Company.

**B The details of Continuing defaults (#) as at Balance Sheet date is as under: -**

Facility	Date of default	Amount
<b>Crystallized Loans</b>		
Post-Shipment	January-14	32,918,379
Post-Shipment	September-14	185,545,000
Post-Shipment	February-15	142,387,556
Post-Shipment	March-15	78,184,530
Pre-Shipment	September-14	118,245,742
Pre-Shipment	November-14	29,751,480
<b>Total</b>		<b>587,032,687</b>
<b>Loans Exceeding 360 days</b>	<b>Due date</b>	
Post-Shipment *	December-14	61,955,032
Post-Shipment *	March-15	38,868,887
<b>Total</b>		<b>100,823,919</b>

\* since now realised after the reporting date

# The above defaults does not include defaults of payment of interest as banks have either charged interest and added to above loan accounts at the time of crystallization or have charged interest at year end only. Where no interest is charged, the management as a matter of prudence has accounted for probable interest liability. Also, refer Note 37 (c), where interest has been charged by bank but has not been accounted for by the company and in some instances banks have charged interest from current account which has resulted in credit balances in current account as at year-end and is shown as "Current Liabilities".

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
	<u>₹</u>	<u>₹</u>
<b>7 Trade Payables</b>		
Sundry Creditors	2,429,701,990	2,040,421,005
	<b><u>2,429,701,990</u></b>	<b><u>2,040,421,005</u></b>

Trade Payables include overdue amounts (mainly unclaimed) of ₹ Nil (Previous Year ₹ Nil) including interest of ₹ Nil (Previous Year ₹ Nil) payable to Micro, Small & Medium enterprises. The company does not owe any amount to Micro, Small & Medium enterprises. These enterprises have been identified on the basis of information available to the Company and relied upon by the auditors.

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
	<u>₹</u>	<u>₹</u>
<b>8 Other Current Liabilities</b>		
Current Maturity of Long Term Borrowing	1,225,000	-
Interest accrued and due on borrowings	10,286,943	16,563,705
Unclaimed Dividend*	84,420	89,671
Employee benefit payables	1,494,843	1,544,100
Statutory Dues( including PF,TDS etc.)	8,813,678	4,736,784
Creditor for Capital goods	-	1,115,000
Due to director's in current account	10,281,575	5,393,604
Other Payables# (Refer related Party note no. 32(B))	108,208,451	41,689,528
	<b><u>140,394,909</u></b>	<b><u>71,132,392</u></b>

\* Investor Education and Protection Fund to be credited by the amount as and when required.

# Includes ₹. 7,33,57,031/- (Previous year ₹. 76,99,974/-) being overdrawn balance in banks current accounts.

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
	<u>₹</u>	<u>₹</u>
<b>9 Short Term Provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for Gratuity (Refer Note no. 31 (B))	4,402,599	4,402,599
Provision for Compensated Absences (Refer Note no. 31 (B))	54,916	4,457,515
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Provision for Taxation (Net of Advance Tax)	27,889,816	20,609,585
	<b><u>32,347,331</u></b>	<b><u>25,067,100</u></b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 10 FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2014	Addition during the period	Deductions during the year	Total as on 31.03.2015	Upto 01.04.2014	Provided during the period	Adj. for deductions	Total upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
<b>A.</b>	<b>Tangible Assets</b>										
1	Leasehold Factory land	2,736,000	-	-	2,736,000	1,504,800	182,400	-	1,687,200	1,048,800	1,231,200
2	Leasehold land	66,841,421	-	-	66,841,421	4,456,093	2,228,048	-	6,684,141	60,157,280	62,385,328
3	Buildings	68,014,381	-	-	68,014,381	31,321,505	2,543,658	-	33,865,163	34,149,218	36,692,876
4	Plant & Machinery	15,330,092	-	-	15,330,092	8,090,022	1,619,202	-	9,709,224	5,620,867	7,240,070
5	Electric Installation	2,286,599	-	-	2,286,599	1,264,163	369,544	-	1,633,707	652,892	1,022,436
6	Furniture & Fixtures	1,695,868	-	-	1,695,868	1,048,784	210,052	-	1,258,836	437,032	647,084
7	Office Equipment	6,152,084	-	-	6,152,084	2,922,651	2,535,128	-	5,457,779	694,305	3,229,433
8	Vehicle	11,280,229	-	-	11,280,229	9,938,999	801,010	-	10,740,009	540,220	1,341,226
9	Computers	7,337,800	-	-	7,337,800	5,998,512	973,550	-	6,972,062	365,737	1,339,288
10	Improvement on Leasehold Premises	14,613,893	-	-	14,613,893	14,613,893	-	-	14,613,893	-	-
<b>B.</b>	<b>Intangible Assets</b>										
1	Computer Software	863,910	-	-	863,910	863,910	-	-	863,910	-	-
<b>C.</b>	<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>197,152,277</b>	<b>-</b>	<b>-</b>	<b>197,152,277</b>	<b>82,023,333</b>	<b>11,462,593</b>	<b>-</b>	<b>93,485,925</b>	<b>103,666,352</b>	<b>115,128,940</b>
	<b>Total for Previous year</b>	<b>210,985,617</b>	<b>43,000</b>	<b>13,876,340</b>	<b>197,152,277</b>	<b>79,729,935</b>	<b>10,075,255</b>	<b>7,781,856</b>	<b>82,023,333</b>	<b>115,128,940</b>	<b>131,255,679</b>

## Notes:

- Building include Flat at Jaipur which is not yet registered in the name of company.
- Building includes 5 No. of shares held in Mount Unique CHS.

Gross Amount		Diminution in Value of Investment		Net Amount	
31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014

## 11 Non Current Investment

(Long term - at Costs less provision for other than temporary diminution)

## a. Trade Investment (Unquoted)

## 1 Investment in Equity Instruments

## Investment in Subsidiary (Fully Paid up) :

A) Share of 9500 roubles being 95% of the issued Capital of M.B. Diamonds LLC..	203,190	203,190	-	-	203,190	203,190
B) 50 share of AED 1000 each being 100% of the issued Capital of Goenka Diamond & Jewels DMCC.	744,414	744,414	-	-	744,414	744,414

## 2 Investment in Partnership Firm

Solitaire Diamonds Exports	1,000,000	1,000,000	-	-	1,000,000	1,000,000
<b>Total</b>	<b>1,947,604</b>	<b>1,947,604</b>	<b>-</b>	<b>-</b>	<b>1,947,604</b>	<b>1,947,604</b>

## b. Details of Investment in Partnership Firm

## Name of the Partners

M/s Goenka Diamond &amp; Jewels Ltd

Mr. Arjunlal Sharma

## Total

Share (%)	Capital
99%	1,000,000
1%	10,000
<b>100%</b>	<b>1,010,000</b>

## c. Notes:-

1. Aggregate amount of Quoted Investment	-	-
2. Market value of Quoted Investment	-	-
3. Aggregate amount of Non Quoted Investment	1,947,604	1,947,604
4. Aggregate amount of provision for diminution in value of Investment	-	-



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>12 Deferred Tax Assets</b>				
<b>Deferred Tax Assets</b>				
On account of Gratuity & Compensated Absences	2,847,130		2,847,130	
On account of Depreciation	9,375,268	12,222,398	7,520,884	10,368,014
		<b>12,222,398</b>		<b>10,368,014</b>

Net deferred tax charge/(credit) for the year of ₹. (1,854,384) (Previous year ₹ 169,205) has been recognized in the Statement of Profit and Loss for the year.

	As at March 31, 2015		As at March 31, 2014	
	₹		₹	
<b>13 Long Term Loans And Advances</b>				
<b>(Unsecured and considered good, unless otherwise stated)</b>				
Loan to Subsidiary	122,052,060		117,194,610	
Security Deposits #	2,053,475		3,189,412	
MAT Credit Entitlement	34,173,535		33,673,535	
	<b>158,279,070</b>		<b>154,057,557</b>	

# include ₹ 2,00,000/- (P/Y ₹ 2,00,000/-) security deposit given to Chairman, Managing Director and their relatives.

	As at March 31, 2015		As at March 31, 2014	
	₹		₹	
<b>14 Current Investments</b>				
<b>(At lower of Cost or Market Price)</b>				
<b>a Investment in 12% Optional Convertible Debenture (Unquoted)</b>	<b>Number</b>		<b>Number</b>	
Gem Gold Mining Pvt. Ltd.	490,000	49,000,000	490,000	49,000,000
		<b>49,000,000</b>		<b>49,000,000</b>
<b>b Notes:-</b>				
1. Aggregate amount of Quoted Investment	-		-	
2. Market value of Quoted Investment	-		-	
3. Aggregate amount of Non Quoted Investment	49,000,000		49,000,000	
4. Aggregate amount of provision for diminution in value of Investment	-		-	

	As at March 31, 2015		As at March 31, 2014	
	₹		₹	
<b>15 Inventories</b>				
<b>(Cost or Market Price, whichever is lower)</b>				
<b>(As taken, valued and certified by the Management)</b>				
Raw Materials	356,791,836		476,705,450	
Stock in Process	-		-	
Finished Goods	192,391,670		226,044,478	
	<b>549,183,506</b>		<b>702,749,928</b>	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>16 Trade Receivables</b> (Unsecured and considered good unless otherwise stated)		
Outstanding for more than Six Months from the date they are due for payments (Refer footnote)	5,387,316,029	2,839,105,370
Others	890,924,101	2,782,914,468
	<b>6,278,240,130</b>	<b>5,622,019,838</b>

There have been defaults in payment obligations by the trade receivables on due date and recoveries from them are not significant, due to economic slowdown especially in diamond sector and also on account of dispute amongst promoters. However, a settlement agreement was executed between the promoters with help of court mediation on 18th March 2014, post which the management has started taking all the initiatives to revive Company's operations. Nonetheless, the Trade receivables amounting to ₹ 3,61,66,47,379/- have confirmed the balances by way of confirmations directly sent to auditors and/or Company. Looking at the past record regarding recovery from Trade receivables, the management is of the opinion that trade receivables outstanding for more than 6 months from the date they are due for payments are good and recoverable and therefore no provision is required to be made against these Trade Receivables.

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>17 Cash And Bank Balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	733,689	2,016,773
Balance with Banks	2,918,475	10,648,518
<b>Total (A)</b>	<b>3,652,164</b>	<b>12,665,290</b>
<b>Other Bank Balances</b>		
(a) Unpaid Dividend Bank Account	84,420	89,671
(b) Bank Deposits		
Pledged*	20,082,591	19,322,029
Non Pledged	-	19,322,029
<b>Total (B)</b>	<b>20,167,011</b>	<b>19,411,700</b>
<b>Total (A+B)</b>	<b>23,819,175</b>	<b>32,076,990</b>

\* Pledged deposits are with maturity period of more than 12 months

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>18 Short Term Loans And Advances</b> (Unsecured and considered good unless otherwise stated)		
Advance To Staff	132,987	353,517
<b>Loans &amp; Advances to</b>		
-Subsidiary	23,267,035	14,137,434
-Partnership Firm	-	14,137,434
Advance To Suppliers	405,000	1,618,293
Prepaid Expenses	10,042,521	7,432,320
Balances with Tax Authorities	795,625	795,625
Others	1,000	1,000
	<b>34,644,168</b>	<b>24,338,189</b>

# Includes ₹ "NIL" (P/Y ₹. 180,114/-) given as advance to an enterprise in which directors are interested.





# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	₹		₹	
<b>19 Other Current Assets</b>				
Interest Accrued on deposits / debentures		15,756,614		9,715,898
Others		-		2,834,849
		<u>15,756,614</u>		<u>12,550,747</u>
	Year ended March 31, 2015		Year ended March 31, 2014	
	₹	₹	₹	₹
<b>20 Revenue From Operations</b>				
<b>Sale of Products:</b>				
Export Sales	902,899,670		3,274,236,512	
Domestic Sales	<u>122,393,704</u>	<u>1,025,293,374</u>	<u>475,313,505</u>	<u>3,749,550,017</u>
Share of Profit / (Loss) from Partnership Firm		(2,924,793)		(1,173,091)
		<u>1,022,368,581</u>		<u>3,748,376,926</u>
	Year ended March 31, 2015		Year ended March 31, 2014	
	₹		₹	
<b>21 Other Income</b>				
Interest		16,212,011		16,131,186
Income from Investments		-		89,299
Liability No Longer required		1,127,905		2,664
Forward Contract Premium		-		1,255,999
Other Income		124,506		128,809
Profit on Sale of Fixed Assets		-		6,737,469
Exchange Fluctuation (Net)		<u>106,880,065</u>		<u>60,474,538</u>
		<u>124,344,486</u>		<u>84,819,964</u>
	Year ended March 31, 2015		Year ended March 31, 2014	
	₹	₹	₹	₹
<b>22 Cost Of Material Consumed</b>				
<b>Materials Consumed</b>				
Opening Raw Material / Material-in-process	476,705,449		1,085,296,551	
Add: Purchases	<u>754,506,625</u>		<u>2,892,735,622</u>	
	<u>1,231,212,075</u>		<u>3,978,032,174</u>	
Less: Closing Raw Material / Material-in-process	<u>356,791,836</u>	<u>874,420,239</u>	<u>476,705,450</u>	<u>3,501,326,724</u>
		<u>874,420,239</u>		<u>3,501,326,724</u>
<b>Broad Heads for Materials Consumed</b>				
Gold & Alloy		3,755,060		283,757
Cut & Polish Diamonds and Colour Stones		<u>870,665,178</u>		<u>3,501,042,967</u>
		<u>874,420,239</u>		<u>3,501,326,724</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
<b>23 Purchases Of Stock-In-Trade</b>		
Purchases of Finished Goods	-	-
	-	-
	Year ended March 31, 2015	Year ended March 31, 2014
	₹ ₹	₹ ₹
<b>24 Changes In Stock-In-Trade</b>		
<b>Decrease/(Increase) of Stock-in-Trade consists of</b>		
<b>Opening Stocks</b>		
Finished Goods	226,044,478	349,216,988
	<u>226,044,478</u>	<u>349,216,988</u>
<b>Less: Closing Stocks</b>		
Finished Goods	192,391,670	226,044,478
	<u>192,391,670</u>	<u>226,044,478</u>
	<u>33,652,808</u>	<u>123,172,510</u>
	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
<b>25 Employees Benefit Expense</b>		
Salaries, Wages, Bonus etc.	14,450,371	22,189,133
Contributions to Provident and Other Funds	559,161	1,101,490
Staff Welfare Expenses	275,014	458,866
	<u>15,284,546</u>	<u>23,749,489</u>
	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
<b>26 Financial Cost</b>		
<b>Interest</b>		
- On Working Capital Facilities (Refer No. 37(c) )	148,407,897	88,063,880
- Other Finance Charges	20,484,848	28,837,379
- Interest on Delayed Payment of Taxes	5,518,556	5,906,450
	<u>174,411,301</u>	<u>122,807,709</u>



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>27 Other Expenses</b>		
<b>a. Manufacturing Expenses</b>		
Electricity & Water expenses	96,557	107,284
Factory Rent	1,332,428	1,337,115
Misc Factory Expenses	871,431	338,336
Factory Repair & Maintenance	165,036	159,392
<b>Total (A)</b>	<b>2,465,452</b>	<b>1,942,127</b>
	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>b. Administrative &amp; Selling Expenses</b>		
Rent, Rates and Taxes	1,590,000	5,841,078
Water & Electricity	1,244,214	1,658,954
Insurance	997,877	1,425,850
Travelling and Conveyance	4,970,568	6,330,127
Legal and Professional	5,100,146	4,329,512
Postage and Telephone	523,584	1,216,088
Printing and Stationery	202,376	391,181
Advertisement and Business Promotion	2,368,681	4,608,371
Brokerage and Commission	400,788	407,830
Directors' Remuneration ( Refer Note No.38 )	1,560,000	5,880,000
Director's Sitting Fees	393,260	443,822
Misc. Expenses	2,787,216	7,290,562
Vehicle Running & Maintenance	-	613,718
Repair & Maintenance	347,488	382,616
Export and Selling Expenses	631,411	1,651,673
Diamond Certification Charges	63,385	309,262
Exhibition Expenses	-	9,622
<b>Auditors' Remuneration</b>		
- Statutory Audit Fees	969,105	983,150
- Taxation Matters	23,595	147,089
- for Other services	-	168,540
- Reimbursement Of Expenses	14,438	115,826
<b>Total (B)</b>	<b>24,188,132</b>	<b>44,204,871</b>
<b>Total Other Expenses</b>	<b>Total (A+B)</b>	<b>46,146,998</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

		Year ended March 31, 2015		Year ended March 31, 2014
	%	₹	%	₹
<b>28 Value and % of Material Consumption</b>				
<b>Raw Materials and Components:</b>				
Imported	67%	586,349,076	84%	2,957,243,784
Indigenous	33%	288,071,163	16%	544,082,940
	<b>100%</b>	<b>874,420,239</b>	<b>100%</b>	<b>3,501,326,724</b>
<b>29 Expenditure in Foreign Currency</b>				
a Travelling		-		-
b Other		-		-
c Import of goods in C.I.F. value		612,969,171		2,396,553,735
<b>30 Earnings in Foreign Currency (Accrual basis)</b>				
Export of goods calculated on F.O.B. basis		902,629,457		3,273,126,772
Interest		8,543,644		8,203,623

**31 The Company has classified various benefits provided to employees as under:****A. Defined Contribution Plans**

- Provident Fund
- State Defined Contribution Plan
- Employers' Contribution to Employees' State Insurance

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
Employer's contribution to Provident Fund	393,741	759,441
Employer's contribution to Employees State Insurance	165,252	338,803
Employer's Contribution to Maharashtra Labour Welfare Fund	168	3,246

**B. Defined Benefit Plans**

- Gratuity Liability (Unfunded Scheme) : In accordance with the Accounting Standard (AS 15) (Revised 2005) "Employee Benefits", actuarial valuation was performed in respect of the Gratuity Liability based on the following assumptions:

	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
	<b>Gratuity</b>	<b>Gratuity</b>
Discount Rate (per annum)	7.70%	9.10%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Mortality	Indian Assured Lives Mortality (2006-08)	LIC (1994-96)
Rate of return on Plan Assets (for Funded Scheme)	Nil (Non-Funded)	Nil (Non-Funded)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>I. Change in the Present Value of Defined Benefit Obligation</b>	<b>Gratuity</b>	<b>Gratuity</b>
Present value of defined benefit obligation as at beginning of the year	8,060,587	8,689,306
Interest cost	538,468	703,834
Past Service cost	-	-
Current service cost	642,876	589,254
Benefits paid	-	-
Actuarial (gain) / loss on obligations	(5,845,341)	(1,921,807)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>3,396,590</b>	<b>8,060,587</b>
<b>Particulars</b>	<b>Year ended March 31, 2015 ₹</b>	<b>Year ended March 31, 2014 ₹</b>
<b>II. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>	<b>Gratuity</b>	<b>Gratuity</b>
Present value of unfunded obligation as at end of the year	3,396,590	8,060,587
Fair value of plan assets as at end of the year	-	-
Funded Asset recognised in the Balance Sheet	-	-
Unfunded obligation recognised in the Balance Sheet Shown as	3,396,590	8,060,587
Non-Current Provision (refer note no. 5)	4,286,707	4,286,707
Current Provision (refer note no. 9 & (c) below)	4,402,599	3,773,880
	<b>Year ended March 31, 2015 ₹</b>	<b>Year ended March 31, 2014 ₹</b>
<b>III. Expenses recognised in the Statement of Profit and Loss:</b>	<b>Gratuity</b>	<b>Gratuity</b>
Current service cost	642,876	589,254
Past service cost	---	---
Interest cost	538,468	703,834
Expected Return on Plan Assets	130,964	---
Net Actuarial (gain) / Loss recognised in the period	(5,976,306)	(1,921,807)
Total Expenses recognised in the Statement of Profit and Loss * (refer Note C below)	(4,663,998)	(628,719)
<b>b. Compensated Absences (Non – Funded Scheme)</b>		
Compensated Absences has been provided based on valuation, as at the balance sheet date, made by independent actuaries .		
<b>The amount recognised in the statement of profit &amp; loss during the year is ₹ "NIL" (P.Y. ₹ "NIL")</b>		
<b>Particulars</b>	<b>Year ended March 31, 2015 ₹</b>	<b>Year ended March 31, 2014 ₹</b>
	<b>Compensated Absences</b>	<b>Compensated Absences</b>
Unfunded obligation recognised in the Balance Sheet Shown as	336,770	336,770
Non-Current Provision (refer note no. 5)	281,854	281,854
Current Provision (refer note no. 9 & (c) below)	54,916	54,916

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- c Based on the Actuarial valuation by Independent Actuary, there is decrease in gratuity obligation by ₹ 46,63,997/- as at March 31, 2015. However, the company has continued with the existing provision and has not reversed such decrease in obligation.

### 32 Related Party Disclosures:

#### A. List of related parties with whom transactions have taken place and relationships:

##### Subsidiaries (Direct)

1. M.B. Diamonds LLC - Russia
2. Goenka Diamond & Jewels DMCC - Dubai

##### Enterprises in which Key management personnel are interested :

1. Goenka Diamonds Private Limited
2. Mystique Jewels
3. Goenka Jewellers
4. Geet Holdings Private Limited
5. Yash Complex Private Limited
6. Sonam Complex Private Limited
7. Goenka Infra Projects Private Limited
8. Goenka Mining Resources Private Limited
9. Goenka Entertainments Private Limited
10. Goenka Properties Private Limited
11. Gem Gold Mining Private Limited
12. Top Minerals Private Limited
13. Aureus Gold Mines Private Limited
14. Shree Vriddhi Mines and Minerals Private Limited
15. Gold Mineral Resources Development Private Limited
16. Chrome Mines and Minerals Private Limited
17. Goenka Power and Infra Limited
18. D.V.Exports
19. Dinyog Finvest Private Limited
20. Nand Lal Goenka(HUF)
21. Solitaire Diamond Exports
22. Shobhagya Capital Options Limited
23. Shobhagya Securities Limited

##### Key Management Personnel (KMP):

1. Sh Nandlal Goenka
2. Sh Navneet Goenka
3. Sh Nitin Goenka

##### Relative of Key Management Personnel

1. Smt. Namita Jain (Daughter of Sh Nandlal Goenka)
2. Smt. Neeta Saraf (Daughter of Sh Nandlal Goenka)
3. Smt. Nirmala Goenka (Wife of Sh Nandlal Goenka)
4. Smt. Bhawna Goenka (Wife of Sh Navneet Goenka)
5. Smt. Dhriti Goenka (Wife of Sh Nitin Goenka)



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### B. Related Party Transactions

Nature of Transactions		Subsidiary		Key Managerial Personnel		Relative of Key Managerial Personnel / Associates / Others	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
a.	Purchases of Goods	-	3,880,380	-	-	-	-
b.	<b>Rent Paid</b>						
1.	Nandlal Goenka	-	-	990,000	990,000	-	-
2.	Nitin Goenka	-	-	-	600,000	-	-
3.	Bhawna Goenka	-	-	-	-	300,000	300,000
4.	Nirmala Goenka	-	-	-	-	300,000	300,000
c.	<b>Remuneration #</b>						
1.	Nandlal Goenka	-	-	600,000	600,000	-	-
2.	Navneet Goenka	-	-	480,000	480,000	-	-
3.	Nitin Goenka	-	-	480,000	4,800,000	-	-
d.	<b>Perquisites</b>						
1.	Navneet Goenka	-	-	687,600	687,600	-	-
2.	Others	-	-	79,200	79,200	-	-
e.	<b>Dividend Paid</b>						
1.	Nandlal Goenka	-	-	-	9,855,000	-	-
2.	Navneet Goenka	-	-	-	3,915,375	-	-
3.	Nitin Goenka	-	-	-	4,097,625	-	-
4.	Others	-	-	-	-	-	4,474,800
f.	Interest Received	8,543,644	8,203,623	-	-	5,880,000	5,880,000
g.	Share of Profit from Partnership Firm					(2,924,793)	(1,173,091)
(ii)	<b>Balances as at 31.03.2015</b>						
1.	Advances	155,700,139	132,909,914	-	-	-	-
2.	<b>Security Deposits</b>						
i.	Nandlal Goenka	-	-	50,000	50,000	-	-
ii.	Nitin Goenka	-	-	50,000	50,000	-	-
iii.	Bhawna Goenka	-	-	-	-	50,000	50,000
iv.	Nirmala Goenka	-	-	-	-	50,000	50,000
3.	<b>Credit Balance of following parties</b>						
i.	Nandlal Goenka	-	-	4,936,182	615,125	-	-
ii.	Navneet Goenka	-	-	142,630	-	-	-
iii.	Nitin Goenka	-	-	5,202,763	4,778,479	-	-
iv.	Bhawna Goenka	-	-	-	-	315,800	45,800
v.	Nirmala Goenka	-	-	-	-	495,000	225,000
4.	Investment in Subsidiaries	947,604	947,604	-	-	-	-
5.	<b>Investment in Others</b>						
i.	Gem Gold Mining Pvt. Ltd.	-	-	-	-	49,000,000	49,000,000
ii.	Solitaire Diamond Exports	-	-	-	-	1,000,000	1,000,000
6.	Balance in Current A/c- Partnership Firm	-	-	-	-	(32,407,845)	(31,593,052)

# As liability for gratuity and compensated expenses are computed for all the employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

- 33 During the financial year 2010-2011, the Company had completed its Initial Public Offer (IPO) comprising of 93,71,000 equity shares of ₹ 10/- which were issued at a price of ₹. 135/- per equity share (including share premium of ₹ 125/- per equity share) and raised funds amounting to ₹ 126,50,85,000/-. The Objects of the issue as mentioned in the prospectus were as follows : -

Sr. No.	Particulars of expenditure	Amount
1	Establishment of G WILD Stores	51,672,000
2	Establishment of CERES Stores	21,302,000
3	Working capital requirement for jewellery business	845,996,000
4	Establishment of jewellery manufacturing facility	38,436,000
5	Establishment of diamond processing facility	32,923,000
6	Investment in our Subsidiary	250,000,000
7	General corporate purposes	-
	<b>Total</b>	<b>1,240,329,000</b>

In view of the highly competitive and dynamic nature of the industry in which the Company operates and due to changing requirement of the company, the Board of Directors had approved at their meeting held on May 24th, 2011 and the shareholders had also approved in the annual general meeting held on Septmeber 30th 2011, the following inter-se reallocation of utilisation of the IPO proceeds:

	Amount Received from IPO	1,265,085,000	1,265,085,000	1,265,085,000
S. No.	Particulars of proposed reallocated expenditure	Proposed	Actual 31-Mar-15	Actual 31-Mar-14
1	For expansion and establishment of new retail stores either by way of lease or outright purchase and increase in production capacity of Diamond and Jewellery manufacturing facilities and other general capex required for expansion	114,384,000	114,384,000	114,384,000
2	Funding to subsidiaries and such entities by way of equity, capital, Loans and Advances or in any other manner	200,000,000	184,501,743	181,093,707
3	Working Capital Requirement for business	845,996,000	845,996,000	845,996,000
4	General Corporate Purposes	21,837,000	21,837,000	21,837,000
5	Issue Expenses	82,868,000	82,868,000	82,868,000
	<b>Total</b>	<b>1,265,085,000</b>	<b>1,249,586,743</b>	<b>1,246,178,707</b>
	Unutilized Amount Represented by Investments in Mutual Funds & Govt. Bonds		-	-
	Bank Balance / ICD		15,498,257	18,906,293



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

34	Earnings Per Share (EPS) #	Year ended March 31, 2015	Year ended March 31, 2014
		₹	₹
a.	Profit after Tax (₹)	9,682,380	6,112,999
b.	Dividend on Preference Shares (₹)	-	-
c.	Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹) (a-b)	9,682,380	6,112,999
d.	Weighted average number of Equity shares Outstanding during the year for basic EPS ( After adjustment for sub-division of shares during current financial year )	317,000,000	317,000,000
e.	Weighted average number of Equity Shares outstanding during the year for Diluted EPS ( After adjustment for sub-division of shares during current financial year )	317,000,000	317,000,000
f.	Basic Earnings Per Share		
	- Before Exceptional Item	0.03	0.02
	- After Exceptional Item	0.03	0.02
g.	Diluted Earnings Per Share		
	- Before Exceptional Item	0.03	0.02
	- After Exceptional Item	0.03	0.02
35	Contingent Liabilities & Commitments	Year ended March 31, 2015	Year ended March 31, 2014
		₹	₹
	<b>Capital Commitment:</b>		
	Estimated amount of contracts remaining to be Executed and not provided for	NIL	5,618,000
	<b>Contingent Liabilities</b>		
	<b>(a) Claims against the Company not acknowledged as debts</b>		
	<b>i) Income Tax Matters (Against which company has preferred appeals)</b>	16,220,942	409,306,768
	(Pertaining to AY 2004-05, AY 2008-09 to AY 2011-12)		
	<b>ii) Service Tax matter (Appeal filed by company)</b>	622,540	622,540
36	The Income tax Authorities during the search u/s 132 of I.T Act 1961 on 13th August 1993 seized 5580 cts. of emerald cut valued at ₹ 819000/-. The same has been shown in the closing stock of emerald cut in the books of Accounts		
37 (a)	In the financial year 2013-2014, disputes amongst promoters arose under which allegations and counter allegation were made and legal actions were initiated amongst promoters. However, thereafter the promoters arrived at the settlement with the help of court mediation vide settlement agreement executed on March 18, 2014 which is still pending for final implementation. The management reiterates that no adjustment is required in the financial statements for the terms and conditions of settlement agreement executed and on account of the above disputes, allegations and legal actions.		

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- (b) Consequent to dispute amongst promoters resulting in certain unfavourable development, the recovery from Trade receivables was slow and the sales decreased substantially. This has resulted in mismatch in cash flow and adverse effect on working capital cycle, consequent to which the company has defaulted in payment of statutory dues, creditors and in re-payment of dues to certain banks owing to which two out of eight bankers have classified the account as NPA. The bankers have formed Joint Lenders Forum (JLF) on May 29, 2014, in accordance with RBI guidelines wherein some additional facilities are sanctioned/proposed to be sanctioned to the Company, so that it can revive its operations and come out of the financial crises.
- (c) Consequent to the account being classified as NPA by certain banks, the management as a matter of prudence and in order to account all probable interest liability has provided interest wherever banks have not applied or have reversed the interest on loan. Any difference on account of interest and penal interest shall be accounted for as and when the interest is charged or settled by the banks. In case of one bank, interest to the tune of ₹ 1,49,61,987 has been charged in excess against which company has made representation to the bank. The management is very much confident that the same will be decided in the favour of the Company and therefore no provision for the same has been made in the financial statements for the year ended March 31, 2015

38 Due to inadequacy of profit and liquidity crunch faced by the company, Mr. Nandlal Goenka, Chairman and Mr. Navneet Goenka, Vice Chairman & Managing Director reduced their remuneration in last year from ₹ 5,00,000/- p.m. and ₹ 4,00,000/- p.m. to ₹ 50,000/- p.m. and ₹ 40,000/- p.m respectively w.e.f April 1, 2013. Thereafter, the Remuneration Committee in its meeting held on November 14, 2014 recommended to reduce the remuneration of Mr. Nitin Goenka, Managing Director of the Company from ₹ 4,00,000 p.m. to ₹ 40,000 p.m. w.e.f. April 1, 2014 to bring it in line with the remuneration drawn by Mr. Nandlal Goenka, Chairman & Mr. Navneet Goenka, Vice Chairman & Managing Director of the Company. Subsequently, the Board in its meeting held on November 29, 2014 took a note of it and later in its meeting held on February 13, 2015 passed resolution to this effect and accordingly the remuneration is provided in the financial statements of the Company.

39 Disclosure in respect of derivative instruments as at March 31, 2015

- a) **Following derivative instruments have been acquired for hedging purposes against our Export Receivables**

Year ended March 31, 2015		Year ended March 31, 2014	
Type Of Currency	Value of Contract	Type Of Currency	Value of Contract
USD / INR	USD 0	USD / INR	USD 500,000

Number of Contracts Outstanding "01" (Previous year "NIL" )

- b) No derivative instruments are acquired for trading or speculation purposes.
- c) **Foreign Currency Exposures that are not hedged by derivative instruments or otherwise as at reporting date are as below:**

Particular	Amount in INR		In Foreign Currency in USD	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Trade Recievable	6,273,120,937	5,609,045,476	\$ 100,224,329.08	\$ 93,328,854.28
Trade Payable	2,381,344,858	2,031,721,310	\$ 38,046,244.15	\$ 33,805,791.54
Receivable from Subsidiary Company	5,978,485	5,740,553	\$ 95,517.00	\$ 95,517.00
EBRD & PCFC Loan	533,605,253	1,194,203,576	\$ 8,525,298.49	\$ 19,870,341.93
Bank Current Account	74,108	71,159	\$ 1,184.01	\$ 1,184.01
Loan to Subsidiary Company	122,052,060	117,194,610	\$ 1,950,000.00	\$ 1,950,000.00



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 40 Segment Reporting

- Segment has been identified in line with the Accounting Standard – 17 “Segment Reporting” issued by ICAI taking in to consideration the organization structure as well as the differential risks and returns of these segments.
- The differential risks and rewards of the company is more identifiable and associated with the method of distribution of Products and hence, the company has identified two reportable segment viz. Diamond & Gems and Retail Jewellery Operations.
- The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on reasonable basis. The amounts, which are not allocable to any segment, are shown unallocable under respective heads.

#### A) Primary Segment : Business Segment

Particulars	As at March 31, 2015				As at March 31, 2014			
	Diamond & Gems	Jewellery	Unallocable	Total	Diamond & Gems	Jewellery	Unallocable	Total
<b>Primary Segment (by Product)</b>								
<b>Revenue</b>								
Segment Revenue	83,41,67,085	18,82,01,496	-	<b>1,02,23,68,581</b>	3,34,63,15,236	40,20,61,690	-	<b>3,74,83,76,926</b>
<b>Results</b>								
Segment Results	14,87,94,035	4,39,16,582	-	<b>19,27,10,617</b>	13,82,97,583	11,63,187	-	<b>13,94,60,770</b>
<b>Operating Profit</b>				<b>19,27,10,616</b>				<b>13,94,60,770</b>
Other Income				1,63,36,517				1,63,51,958
Unallocable Expenses				(2,38,21,263)				(2,71,41,147)
Interest Expenses				(17,43,97,874)				(12,27,53,374)
<b>Net Profit Before Tax.</b>				<b>1,08,27,996</b>				<b>59,18,206</b>
<b>Segment Assets</b>	<b>6,12,85,50,344</b>	<b>84,78,23,322</b>	<b>25,03,85,346</b>	<b>7,22,67,59,012</b>	<b>5,54,18,34,019</b>	<b>94,27,28,404</b>	<b>23,96,75,384</b>	<b>6,72,42,37,807</b>
<b>Segment Liabilities</b>	<b>2,43,25,41,349</b>	<b>4,07,57,741</b>	<b>1,72,24,27,691</b>	<b>4,19,57,26,781</b>	<b>2,08,74,96,128</b>	<b>30,59,539</b>	<b>1,61,71,89,740</b>	<b>3,70,77,45,407</b>
<b>Net Capital Employed</b>	<b>3,69,60,08,995</b>	<b>80,70,65,581</b>	<b>(1,47,20,42,345)</b>	<b>3,03,10,32,231</b>	<b>3,45,43,37,891</b>	<b>93,96,68,865</b>	<b>(1,37,75,14,356)</b>	<b>3,01,64,92,401</b>
Capital Expenditure	-	-	-	-	-	-	-	-
Depreciation & Amortization	68,92,398	38,32,632	7,37,562	1,14,62,593	56,40,572	37,42,840	6,91,843	1,00,75,255

#### B) Secondary Segment : Geographical Segment

Geographical Location	Domestic	Rest of the world	Total	Domestic	Rest of the world	Total
Segment Revenue by Customer's Location	12,23,93,704	89,99,74,877	1,02,23,68,581	47,53,13,505	3,27,30,63,421	3,74,83,76,926
Segments Assets	95,31,51,066	6,27,36,07,946	7,22,67,59,012	1,11,47,24,703	5,60,95,13,104	6,72,42,37,807

### 41 Obligation towards operating Leases

#### Operating Lease Obligation

	Year ended March, 31 2015	Year ended March, 31 2014
Not Later than one year	15,90,000	16,51,000
Later than one year but not later than five years	-	-
Later than five years	-	-
<b>Total</b>	<b>15,90,000</b>	<b>16,51,000</b>

- Pursuant to the provisions of Schedule II to the Companies Act, 2013 effective from 1st April, 2014, the Company has reassessed the useful lives of its fixed assets. As a result of the change, the charge on account of depreciation for the year ended 31st March, 2015 is higher by 35.87 Lacs. In case of assets whose useful lives have ended, the carrying values, net of residual values as at 1st April, 2014 amounting to 19.32 Lacs have been charged to profit and loss account for the year.

## 25<sup>th</sup> Annual Report 2014 -2015

### 43 Advances to Subsidiary / Partnership Firm

Particular	Maximun Amount Outstanding		Year End Balance	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
M/s. M B Diamonds LLC (Subsidiary)	59,78,485	57,40,553	59,78,485	57,40,553
M/s. Solitaire Diamond Exports (a Partnership Firm)	NIL	NIL	NIL	NIL
M/s. Goenka Diamond & Jewels DMCC ( WOS)	1,22,05,060	12,06,99,150	1,22,05,060	11,71,94,610

Disclosure under section 186: The above advances have been given and utilized for general business purposes.

44 In the opinion of the Board, all assets other than fixed assets and non current investment have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.

45 Previous year's figures have been regrouped or rearranged wherever necessary.

As per our report of even date attached

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

Place - Mumbai  
Date - May 30, 2015

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

**B N RAO**  
Partner  
M.No.: 039555

For & On behalf of the Board

**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428

**KUNDAN TANAWADE**  
Company Secretary

**INDEPENDENT AUDITOR'S REPORT****To the Members of Goenka Diamond and Jewels Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Goenka Diamond and Jewels Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 financial statements 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 statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Basis of Qualified Opinion**

*Refer Note No. 15 (footnote) of Notes on financial statements regarding Trade Receivables amounting to ₹ 711,46,27,868/- which includes ₹ 622,37,03,767/- outstanding for more than 6 months from due date. Though, confirmations amounting to ₹ 3,61,66,47,379/- were received from Trade receivables on request by the management, there have been defaults on payment obligations by the debtors on due date and recoveries from these debtors are not significant. In view of the above we are unable to comment on the realisability of the debts and any provision to be made for unrealisability of these balances and the consequential impact, on the financial statements.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matter in the notes to the consolidated financial statements:

- i. *Significant Accounting Policies Point No. (G) regarding Inventories wherein the determination of estimated net realizable value and specification identification involves technical judgment of the management which has been relied upon by us.*
- ii. *Note No.33 (a) of Notes on Financial statements regarding dispute which has arisen in earlier year amongst promoters subsequent to which various allegations/counter allegation and legal cases were made amongst promoters and on the company. Thereafter, the promoters arrived at family settlement agreement, the terms and conditions of which are partially executed. The management has confirmed that there is no impact of above incidences on the financial statements of the company.*

- iii. *Refer Note No.33 (b) regarding non-realization of debtors, 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 owing to which some banks have classified account as NPA, dispute amongst promoters. Though the company has made profits for the year, these factors indicate liquidity crunch faced by the company and therefore its future operations are largely dependent on recoveries from overseas debtors, infusion of fresh capital and restructuring/ release of additional working capital from banks.*
- iv. *Note No.33 (c) of the Notes on Financial Statements wherein certain banks have classified its advance to company as NPA and are not charging interest or have reversed the interest earlier charged. In order to account all probable liabilities the management in its best judgment has provided interest on such borrowings. Further, the company has not provided for ₹1,49,61,987/- on account of excess interest charged by one of the banks against which company has made representation. The management is of the opinion that any difference on account of interest, penal interest shall be accounted for as and when the interest is charged or settled by the banks.*

Our opinion is not modified in respect of the above matters.

### Other Matter

We did not audit the financial statements of Three subsidiaries, whose financial statements reflects total assets of ₹ 117,19,25,964/- as at March 31, 2015, total revenues of ₹ NIL and net cash Outflows amounting to ₹ 11,54,050/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of holding company, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. This statement does not contain matters relating to the other subsidiary entity and foreign subsidiaries which are foreign incorporated entities not falling within the definition of "foreign company" as per clause (42) of Section 2 of the Act, to which the Order is not applicable.
- (2) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors of the holding company as on March 31, 2015 except in case of Mr. Nitin Goenka, Managing Director, and taken on record by the Board of Directors, none of other directors of holding company are disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act. However, *we are unable to comment of the said clause in respect of Mr. Nitin Goenka, Managing Director of the Company as no written representation was received from him as on March 31, 2015.*
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 32 & 33(a), (b) & (c) to the consolidated financial statements;
    - (ii) The Group did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
    - (iii) There has been no delay in transferring amounts, required to be transferred, by the holding company to the Investor Education and Protection Fund.

For B. Khosla & Co.  
Chartered Accountants  
ICAI Firm Reg. No.000205C

Sandeep Mundra  
Partner  
Membership No.75482

Mumbai: May 30, 2015

For RSVA & Co.  
Chartered Accountants  
ICAI Firm Reg. No. 110504W

B N Rao  
Partner  
Membership No.039555

Mumbai: May 30, 2015





## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Goenka Diamond and Jewels Limited on the consolidated financial statements for the year ended March 31, 2015]

Our reporting on the Order is in respect of holding company on which auditors have reported on in accordance with the Order. It does not contain matters relating to the other subsidiary entity and foreign subsidiaries to which the Order is not applicable.

- (i) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) During the year, the fixed assets have been physically verified by the management of the holding company and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the and the nature of its assets.
- (ii) (a) As explained to us, the inventory has been physically verified by the management of holding company during the year. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventory followed by the management of holding company are reasonable and adequate in relation to its size and the nature of its business.  
(c) In our opinion and according to information and explanation given to us the holding company is maintaining proper records of inventory of raw material and finished goods except day to day production records. As informed to us by the management, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed to us by the management, the group has not granted any loans, secured or unsecured to any Companies, Firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the holding company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and based on the information and explanation received from the management, we have not observed any continuing failure to correct major weaknesses in internal control system of the holding company.
- (v) In our opinion and according to the information and explanations given to us, the holding company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. The provisions of Sections 73 to 76 of the Act and the rules framed there under are not applicable to subsidiaries.
- (vi) As explained to us, the maintenance of cost records under sub section (i) of Section 148 of the Companies Act, 2013 has not been prescribed by the Central Government for the Holding Company and its subsidiaries.
- (vii) (a) The holding company is not regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, undisputed amounts payable by the holding company in respect of provident fund, employees' state insurance, income tax, service tax, and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months are as under: -

Nature of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act 1961	TDS	2,70,957	01/04/2014 to 30/09/2014	07 <sup>th</sup> of Next Month	Not Yet paid
Employee Provident Fund Organization	Provident Fund	1,29,150	01/04/2014 to 30/09/2014	21 <sup>st</sup> day of Next Month	Not Yet paid
Central Excise and Customs Act	Service Tax	7,788	01/06/2014 to 30/09/2014	05 <sup>th</sup> of Next Month	Not Yet paid
Employee State Insurance Corporation	E.S.I.C.	51,709	01/06/2014 to 30/09/2014	25 <sup>th</sup> of Next Month	Not Yet paid
Department of Sales Tax, Maharashtra	Profession Tax	24,650	01/07/2014 to 30/09/2014	31 <sup>st</sup> Oct of Every Month	Not Yet paid
Income Tax Act 1961	Income Tax	Rs.203.07 Lacs (excluding Interest)	Financial Year 2012-13	March 31, 2013	Not Yet paid

## 25<sup>th</sup> Annual Report 2014-2015

Nature of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act 1961	Income Tax (Advance Tax)	15.75 Lacs	Financial Year 2014-15	15 <sup>th</sup> Sept 2014	Not Yet paid
Income Tax Act 1961	Tax on Dividend	53,87,415/- (excluding Interest)	Financial Year 2012-2013	14 <sup>th</sup> Oct 2013	Not Yet paid

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to holding company, on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7,53,690/- 1,14,02,209* 40,65,043	AY 2008-2009 AY 2010-2011 AY 2011-2012	ITAT – Jaipur ITAT – Jaipur ITAT – Jaipur
Central Excise and Customs Act	Service Tax	6,22,540	FY 2008-2009 FY 2011-2012	Commissioner of Central Excise (Appeal)

\*estimated amount

- (c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company.
- (viii) In our opinion, there are no accumulated losses of the Group as at the end of financial year. Further, the Group has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) The holding company has defaulted to various banks in re-payment of working capital - export credit facilities which have been crystallized and/or became overdue at various dates, the summarized position of such defaults as the balance sheet date is as under: -

Amount* of Default with various banks	Date of Default Started	Date of default ended
3,437,985	January-14	March-15
10,902,500	March-14	August-14
14,511,510	March-14	September-14
11,716,548	April-14	September-14
78,964,671	June-14	July-14
9,000,000	September-14	March-15
38,282,102	September-14	October-14
124,466,955	January-15	March-15
44,111,331	January-15	February-15
45,179,495	February-15	March-15
32,918,379	January-14	Continuing
17,890,000	March-14	Continuing
28,077,000	April-14	Continuing
5,800,000	May-14	Continuing
252,023,742	September-14	Continuing
29,751,480	November-14	Continuing
61,955,032	December-14	Continuing
142,387,556	February-15	Continuing
117,053,417	March-15	Continuing

\*includes interest charged by bank up to date of crystallization

The above defaults by the holding company are the amounts as on the date of the defaults as mentioned herein above and do not consider any levies of interest and penal interest charged by the banks / provided by the Group after the date of the defaults or its subsequent reversals by some banks. We are unable to quantify and give period wise details of the defaults in interest for the reasons referred in Note No. 6B (footnote) of financial statement. However, under the head "Other Current Liabilities" (Note No. 8) amounts of ₹ 1,02,86,943/- and ₹ 7,33,57,031/- being the "Interest Accrued and due" and "Other Payables –Overdrawn Current Account Bank Balances" respectively includes interest which is default, the amount and period of which is unascertainable.



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

We have not received balance confirmation from some banks of holding company and have relied on year-end balance statements of these banks.

- (x) In our opinion and according to the information and explanations given to us, the holding company has not given any guarantee for loan taken by others from banks or financial institutions during the year.
- (xi) The holding company during the year has obtained Corporate Loan of ₹ 2.50 Crores from a bank which according to information and explanations was applied for the purpose for which it was obtained.
- (xii) *We draw attention to Note No. 33(a) of Notes on consolidated financial statement wherein management has stated various allegations, counter allegation, legal cases are amongst promoters and there is no case of fraud on or by the holding company is pending, which we have relied upon. Subject to the this, during the course of our examination of the books and records of the holding company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the holding company, noticed or reported during the year, nor have we been informed of such case by the management.*

For B. Khosla & Co.  
Chartered Accountants  
ICAI Firm Reg. No.000205C

Sandeep Mundra  
Partner  
Membership No.75482  
Mumbai: May 30, 2015

For RSVA & Co.  
Chartered Accountants  
ICAI Firm Reg. No. 110504W

B N Rao  
Partner  
Membership No.039555  
Mumbai: May 30, 2015

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015**

	Note	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	317,000,000	317,000,000
Reserves And Surplus	3	3,023,714,375	3,012,190,807
Money received against share warrants		-	-
		<b>3,340,714,375</b>	<b>3,329,190,807</b>
Minority Interest		401,885	1,078,952
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	23,775,000	-
Long-Term Provisions	5	4,568,561	4,568,561
		<b>28,343,561</b>	<b>4,568,561</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	1,590,937,169	1,593,370,496
Trade Payables	7	3,140,450,479	2,728,731,220
Other Current Liabilities	8	109,508,529	42,163,130
Short-Term Provisions	9	32,209,294	24,974,297
		<b>4,873,105,471</b>	<b>4,389,239,143</b>
<b>Total</b>		<b>8,242,565,292</b>	<b>7,724,077,463</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	104,862,950	116,430,609
Intangible Assets	10	1,528,061	1,528,061
Capital Work-In-Progress	10	-	-
Non-Current Investments		-	-
Deferred Tax Assets	11	12,222,398	10,368,014
Long-Term Loans and Advances	12	38,261,962	38,898,174
Other non-current assets		-	-
		<b>156,875,371</b>	<b>167,224,857</b>
<b>Current Assets</b>			
Current Investments	13	49,000,000	49,000,000
Inventories	14	866,278,302	1,011,270,917
Trade Receivables	15	7,114,627,868	6,428,059,198
Cash and Bank Balances	16	24,246,171	33,658,036
Short-Term Loans and Advances	17	12,924,524	17,862,399
Other Current Assets	18	18,613,056	17,002,055
		<b>8,085,689,921</b>	<b>7,556,852,606</b>
<b>Total</b>		<b>8,242,565,292</b>	<b>7,724,077,463</b>
<b>Significant Accounting Policies</b>			
<b>Other Notes on Financial Statements</b>			
	1a		
	27 to 36		

As per our report of even date attached

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

Place - Mumbai  
Date - May 30, 2015

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

**B N RAO**  
Partner  
M.No.: 039555

For &amp; On behalf of the Board

**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428

**KUNDAN TANAWADE**  
Company Secretary



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>REVENUE</b>			
Revenue From Operations	19	1,025,293,374	3,963,900,206
Other Income	20	112,432,636	85,652,669
<b>Total</b>		<b>1,137,726,010</b>	<b>4,049,552,876</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	874,420,238	3,500,223,383
Purchases of Stock-In-Trade	22	-	278,620,478
Changes in Stock-In-Trade	23	25,079,023	31,303,837
Employee Benefits Expense	24	16,241,230	24,715,656
Finance Costs	25	174,481,022	124,520,966
Depreciation and Amortization Expense	10	11,567,660	10,130,396
Other Expenses	26	28,325,915	50,027,659
<b>Total</b>		<b>1,130,115,087</b>	<b>4,019,542,376</b>
<b>Profit Before Tax</b>		<b>7,610,923</b>	<b>30,010,500</b>
<b>Tax Expense:</b>			
(1) Current Tax (MAT)		3,500,000	2,300,000
(2) MAT Credit Entilement		(500,000)	(2,300,000)
(3) Earlier Years Tax		-	3,368,106
(4) Deferred Tax Charges/(Credits)		(1,854,384)	(3,562,899)
		<b>1,145,616</b>	<b>(194,793)</b>
<b>Profit Before Minority Interest</b>		<b>6,465,307</b>	<b>30,205,293</b>
Minority Interest		677,066	31,299
<b>Profit for the Year</b>		<b>7,142,373</b>	<b>30,236,592</b>
<b>Earnings Per Share (FV ₹ 1/-Each - Refer Note No. 28)</b>			
<b>Basic / Diluted (₹)</b>			
<b>Before Extra-Ordinary Item</b>		<b>0.02</b>	<b>0.10</b>
<b>After Extra-Ordinary Item</b>		<b>0.02</b>	<b>0.10</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Other Notes on Financial Statements</b>	<b>27 to 36</b>		

As per our report of even date attached

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

For &amp; On behalf of the Board

**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

**B N RAO**  
Partner  
M.No.: 039555

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428

Place - Mumbai  
Date - May 30, 2015

**KUNDAN TANAWADE**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

PARTICULARS	Year ended March, 31 2015	Year ended March, 31 2014
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	7,610,923	30,010,500
<b>Adjustment for</b>		
Depreciation	11,567,660	10,130,396
Unrealised Exchange Difference	(123,007,720)	(112,188,318)
Foreign Currency Translation Reserve	4,381,192	28,732,002
Impairment of Fixed Assets	-	3,031,953
Profit on Sale of Fixed Assets	-	(6,737,469)
Gratuity & Leave Liabilities	-	-
Finance Charges Paid	174,481,022	124,520,966
Interest Income	(7,866,339)	(7,928,468)
Dividend Income	-	(89,299)
<b>Operating Profit before Working Capital Changes</b>	<b>67,166,738</b>	<b>69,482,263</b>
<b>Adjustment for</b>		
Trade and other receivables (including loans and advances)	(445,049,501)	(1,385,931,036)
Inventories	144,992,615	623,108,462
Trade payable	307,751,489	576,649,330
Other Current Liabilities	71,580,396	(16,520,977)
<b>Cash generated from operations</b>	<b>146,441,738</b>	<b>(133,211,958)</b>
Income Tax Paid (Net)	(766,835)	(867,370)
Fringe Benefit Tax Paid	-	-
<b>Net cash from Operating Activities</b>	<b>145,674,903</b>	<b>(134,079,328)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(43,000)
Sale of Fixed Assets	-	9,400,001
Investment in Mutual Fund & Fixed deposits	-	4,647,000
Interest Income	7,866,339	7,928,468
Dividend Income	-	89,299
<b>Net cash from investing activities</b>	<b>7,866,339</b>	<b>22,021,768</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Borrowings	10,772,603	128,967,363
Interest & Bank Commission paid on Borrowings	(174,481,022)	(124,520,966)
Dividend Paid ( Including Dividend Distribution Tax )	-	-
<b>Net cash from financing activities</b>	<b>(163,708,419)</b>	<b>4,446,397</b>
Net increase in Cash and Cash equivalent (A+B+C)	(10,167,177)	(107,611,162)
Cash and Cash equivalent in the Opening balance	14,236,336	121,847,500
<b>Cash and Cash equivalent in the Closing balance</b>	<b>4,069,160</b>	<b>14,236,336</b>
<b>Note :</b>		
<b>Cash and cash equivalent include cash on hand, bank balance and cheques in hand.</b>		
<b>Closing Cash and Cash Equivalents as per books</b>		
Total of Cash & Cash Equivalents ( Refer Note No. 16)	24,246,171	33,658,036
Fixed Deposit	20,177,011	19,421,700
<b>Cash and Cash equivalent in the Closing balance</b>	<b>4,069,160</b>	<b>14,236,336</b>
Cash in hand	748,500	2,019,568
Current Accounts	3,320,660	12,216,769
<b>Total</b>	<b>4,069,160</b>	<b>14,236,336</b>

As per our report of even date attached  
For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

For & On behalf of the Board  
**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482  
Place - Mumbai  
Date - May 30, 2015

**B N RAO**  
Partner  
M.No.: 039555

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428  
**KUNDAN TANAWADE**  
Company Secretary



**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**1a. Significant Accounting Policies for the period ending on March 31, 2015**

**A. Basis for Preparation of Consolidated Financial Accounts.**

- a) The CFS relates to M/s. Goenka Diamond & Jewels Limited ("the holding Company") and its Subsidiaries (together referred to as 'GDJL Group') have been prepared in compliance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('The Act') and other pronouncement of The Institute of Chartered Accountants of India, on relevant provisions of the Act; applicable guidelines issued by the Securities Exchange Board of India (SEBI) and generally accepted accounting principles applicable in India (GAAP). The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires changes in the accounting policy hitherto in use.
- b) The consolidated financial statement has been prepared under historical cost convention on an accrual basis.

**B. Principle of Consolidation.**

- (a) The entities considered in the consolidated financial statements are :

Name of Entities	Country of Incorporation	Ownership Interest/ Voting Power	Financial Year Period
M.B. Diamonds LLC	Russia	95%	April 14 to Mar 15
Goenka Diamond & Jewels DMCC	Dubai	100%	April 14 to Mar 15
Solitaire Diamond Exports	India	99%	April 14 to Mar 15

- (b) The Consolidated financial statement has been prepared on the following basis.
  - (i) The consolidated financial statements has been prepared in accordance with the Accounting Standard 21, "Consolidated Financial Statements" as notified by the Companies (Accounting Standard) Rules, 2006 (as amended).
  - (ii) The financial statements of GDJL Group have been consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realized profits or losses.
  - (iii) The consolidated financial statements has been prepared by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statements unless stated otherwise.
  - (iv) The operations of foreign subsidiary have been considered by the management, as non integral operations as described Accounting Standard – AS 11 (revised) "The Effects of Changes in Foreign Exchange Rates" as notified by the Companies (Accounting Standard) Rules, 2006 (as amended).
  - (v) The difference between the cost to the company of its investments in the subsidiary and its portion of equity of subsidiary at the date it became subsidiary is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. This is based upon determination of pre-acquisition profits/losses and of net worth on the date of acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.
  - (vi) Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration;
    - The Minority' share of movement in equity since the date parent-subsidiary relationship came into existence.
    - The Profits/loss attribute to the minority is adjusted against the income of the group in order to arrive at the net income attribute to the company.
  - (vii) All Employees' related benefits including social security have been provided in accordance with the laws of the country in which the individual entity is operating.
  - (viii) The financial statements of M. B. Diamonds, LLC and Goenka Diamond & Jewels DMCC for the period April 2014 to March 2015 have been prepared & are audited as per the generally accepted principles (GAAP) of the country in which it operates, and the same is being considered for the purpose of consolidation.

**C. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts



## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

### D. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation / amortization and impairment losses. Cost includes acquisition cost, freight, duties, taxes and other incidental expense incurred during the construction / installation stage attributable to bringing the asset to working condition for its intended use.

Expenditure on software is recognized as 'Intangible Assets' and is amortized over a period of three years.

### E. Depreciation and Amortization

#### For Parent Company

Depreciation on Fixed Assets, other than assets acquired on lease, is being provided over the useful life of an asset on written down value method and in the manner specified in Schedule II of the Act.

#### For Subsidiaries

Depreciation on Fixed Assets, other than assets acquired on lease, is being provided over the estimated useful life of an asset on Straight Line Method.

Assets acquired on lease are amortized in equal installments over the period of lease or estimated useful life, whichever is lower. The expenditure incurred on improvement on leased premises is written off proportionately over the initial period of lease.

### F. Impairment of Fixed Assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the assets belongs, is less than the carrying amount, carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### G. Inventories

- a. Inventories are valued at lower of cost and estimated net realizable value. Cost is determined on First-in First-out', 'Specific Identification', or "Weighted Average' basis, as the case may be. Cost of Inventories Comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- b. Raw Materials include materials issued for production. Materials consumed are materials used for production of finished goods only.
- c. Determination of estimated net realizable value and specific identification involve technical judgments of the management, which has been relied upon by the Auditors.

### H. Investments

Investments that are readily realizable and are intended to be held for not more than 1 year from the date, on which such investments are made, are classified as current investment. All other investments are classified as non-current investment.

Non-Current investments are stated at cost. Provision for diminution in the value of non-current investments is made if such decline is other than temporary in nature.

Current investments are carried at lower of cost or market value.

### I. Revenue Recognition

#### **Sale of Goods:**

Revenue from sales of goods is recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods and is stated net of returns, trade discounts, claims etc.

### J. Other Income

#### **a) Dividend on Investment:**

Dividends are recognized when the right to receive payment is established.

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****b) Interest Income:**

Interest Income is recognized on time proportion basis taking in to account the amount outstanding & rate applicable.

**K. Foreign Currency Transactions:****a. Initial Recognition:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

**b. Conversion:**

Monetary items denominated in foreign currencies at the year-end are translated at closing rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction and investment in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

**c. Exchange Differences:**

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange differences arising on the monetary items that, in substance, forms part of an enterprise's net investment in a non integral foreign operations are accumulated in a foreign currency translation reserve in the financial statements until the disposal of net investment, at which time they would be recognized an income or as expense in the Statement of Profit and Loss.

**d. Forward Exchange Contract not intended for trading or speculation purposes:**

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of contract. Exchange differences on such contract are recognized in the Statement of Profit and Loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense.

**L. Employee Benefits:**

Short term employee benefits are recognized as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

The Group's Liability towards gratuity and compensated absences are determined on the basis of year end actuarial valuation applying Projected Unit Credit Method done by an independent actuary. The actuarial gains or losses determined by the actuary are recognized in the Statement of Profit and Loss as income or expense in the year in which they arise.

**M. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**N. Leases**

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**O. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### P. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### Q. Segment Reporting

#### **Identification of segments:**

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

#### **Inter segment Transfers:**

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

#### **Allocation of common costs:**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### **Unallocated items:**

Includes general corporate income and expense items which are not allocated to any business segment.

#### **Segment Policies:**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

### R. Provision for Current and Deferred Taxation:

Income tax is accounted in accordance with AS-22 'Accounting for Taxes on Income', issued by The Institute of Chartered Accountants of India (ICAI), which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same and are recognized using the tax rates and tax laws that have been enacted or substantively enacted.

Current tax is determined as the amount of tax payable in respect of taxable income using the applicable tax rates and tax laws for the year.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal Income Tax during the specified period. Such assets is reviewed at each balance sheet date and carrying amount of the MAT credit is written down to extend there is no longer a convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

### S. Provision, Contingent Liabilities and Contingent Assets:

**Provisions** are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- the Group has a present obligation as a result of past event,
- a probable outflow of resources is expected to settle the obligation and
- the amount of the obligation can be reliably estimated

**Contingent Liability** is disclosed in case of

- a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- a possible obligation, unless the probability of outflow of resources is remote

**Contingent Assets** are neither recognized, nor disclosed.

*Provisions, Contingent Liabilities and Contingent Assets* are reviewed at each Balance Sheet Date.



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note No.

- 1b** The Consolidated Financial Statements Present the Consolidated Accounts of Goenka Diamond & Jewels Ltd with its following Subsidiaries, Joint Ventures  
(And its Subsidiaries and Joint Ventures ) Associates (and its Subsidiaries and Joint Ventures)

a		Country of Incorporation	Subsidiary of	As on March 31, 2015	As on March 31, 2014
	<b>Subsidiaries</b>				
	<b>Indian Subsidiaries</b>				
	Solitaire Diamond Exports (Partnership Firm)	India	Goenka Diamond & Jewels Ltd	99%	99%
	<b>Foreign</b>				
	M. B. Diamonds LLC	Russia	Goenka Diamond & Jewels Ltd	95%	95%
	Goenka Diamond & Jewels DMCC	Dubai	Goenka Diamond & Jewels Ltd	100%	100%

**b Joint Ventures and Jointly Controlled entities**

The company do not have any Joint Ventures/ Jointly Controlled entities.

**c Associates and Their Subsidiary and Joint Venture :**

The company do not have any Associates company.

**d Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information**

Name of Entities	Net Assets i.e. Total asset net of total liabilities		Share of Profit / (Loss)	
	As a % of Net Assets	Amount	As a % of Profit	Amount
<b>Parent</b>				
Goenka Diamond & Jewels Limited	90.73%	3,031,032,231	149.76%	9,682,381
<b>Subsidiaries</b>				
<b>Foreign</b>				
M. B. Diamonds LLC	-0.11%	(3,566,009)	-200.31%	(12,950,459)
Goenka Diamond & Jewels DMCC	9.34%	312,144,841	47.62%	3,078,843
<b>Indian</b>				
Solitaire Diamond Exports (Partnership Firm)	-0.98%	(32,656,774)	-45.70%	(2,954,338)
<b>Sub Total</b>	<b>98.99%</b>	<b>3,306,954,288</b>	<b>-48.62%</b>	<b>(3,143,573)</b>
<b>Less :-</b>				
Inter Company Elimination & Consolidation Adjustments	-1.01%	(33,760,087)	-148.62%	(9,608,880)
<b>Grand Total</b>	<b>100.00%</b>	<b>3,340,714,374</b>	<b>100.00%</b>	<b>6,465,307</b>
Minority Interest in Subsidiaries		401,885		677,066
Share in Profit of Associates				

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****2 Share Capital****a. The details of Authorised, Issued, Subscribed and paid-up capital are as under :-**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
		₹		₹
<b>Authorised Share Capital</b>				
Equity Shares of ₹ 1/- each fully paid up	330,000,000	330,000,000	330,000,000	330,000,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 1/- each fully paid up	317,000,000	317,000,000	317,000,000	317,000,000
		<b>317,000,000</b>		<b>317,000,000</b>

**b. The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year is as under :-**

Particulars	As at March 31, 2015 Equity Shares		As at March 31, 2014 Equity Shares	
	Number	Amount	Number	Amount
		₹		₹
Shares outstanding at the beginning of the year	317,000,000	317,000,000	317,000,000	317,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	317,000,000	317,000,000	317,000,000	317,000,000

- c. The company has one class of equity shares having a par value of ₹.1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- d. Subsequent to dispute between promoters during the year under review, Hon'ble Company Law Board (CLB) has directed that 4,09,76,250 equity shares of Goenka Diamond & Jewels Limited shall not carry any voting rights, pending the disposal of company petition before CLB.
- e. The details of shareholders holding more than 5% equity shares as at reporting date are as under :-

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
NANDLAL GOENKA	26,088,750	8.23%	98,550,000	31.09%
NITIN GOENKA	-	0.00%	-	0.00%
NAVNEET GOENKA	111,615,000	35.21%	39,153,750	12.35%
NAND LAL GOENKA (HUF)	34,200,000	10.79%	34,200,000	10.79%
NIRMALA GOENKA (Refer Note No. 2 (d))	51,326,250	16.19%	51,326,250	16.19%



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>3 Reserves &amp; Surplus</b>				
<b>A. Securities Premium Account :</b>				
Opening Balance	1,088,507,042		1,088,507,042	
Add: Security premium credited on share issue	-		-	
	<u>1,088,507,042</u>		<u>1,088,507,042</u>	
Less: Premium utilised against share issue expenses	-		-	
		1,088,507,042		1,088,507,042
<b>B. General Reserve:</b>				
Opening Balance	9,908,000		9,908,000	
Add: Transferred from Profit and Loss Account	-		-	
	<u>9,908,000</u>		<u>9,908,000</u>	
Less: Transfer	-		-	
		9,908,000		9,908,000
<b>C. Surplus/ (Deficit)</b>				
<b>Opening balance</b>	1,883,575,661		1,853,339,069	
Add:				
Net Profit For the current year	7,142,373		30,236,592	
	<u>1,890,718,034</u>		<u>1,883,575,661</u>	
<b>Less: Appropriation</b>				
Proposed Dividend	-		-	
Tax on Proposed Dividend	-		-	
	<u>-</u>		<u>-</u>	
<b>Surplus/ (Deficit)</b>		1,890,718,034		1,883,575,661
<b>D. Foreign Currency Translation Reserve</b>				
Opening balance	30,200,105		1,468,103	
Add: Addition during the year	4,381,192		28,732,002	
	<u>34,581,297</u>		<u>30,200,105</u>	
Less: Transfer	-		-	
		34,581,297		30,200,105
		<u>3,023,714,375</u>		<u>3,012,190,807</u>
	<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>	
	₹		₹	
<b>4 Long Term Borrowings</b>				
Corporate loan	23,775,000		-	
	<u>23,775,000</u>		<u>-</u>	
<b>A Nature of Security</b>				
<b>Credit Facilities are secured by:</b>				
First pari-passu charge on Ground plus 3 storyed commercial building located at plot no. 13, Mumicipal Corporation House No. 14, Ward no. 30, Kh No. 86, Street No. 161, City Survey No. 223, c A Road, Nagpur				
<b>B Repayment - 32 equal monthly instalment of ₹ 12,25,000/- each after a moratorium of 12 months from the date of first disbursement Tenor - 44 months including a moratorium of 12 months</b>				

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>5 Long Term Provisions</b>				
<b>Provision For Employee Benefits:</b>				
Provision for Gratuity	4,286,707		4,286,707	
Provision for Compensated Absences	281,854	4,568,561	281,854	4,568,561
		<b>4,568,561</b>		<b>4,568,561</b>
	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>6 Short Term Borrowings</b>				
<b>Secured:</b>				
Loan Repayable on demand from Banks				
Pre-shipment Credit	475,092,599		571,901,823	
Post-shipment Credit	1,089,846,391		994,654,526	
		<b>1,564,938,989</b>		<b>1,566,556,349</b>
<b>Unsecured:</b>				
From Others		25,998,179		26,814,147
		<b>1,590,937,169</b>		<b>1,593,370,496</b>

**A Nature of Security**

Working Capital Facilities are secured by:

- i) First pari passu charge on all tangible and intangible assets including current assets viz., stock of raw materials, work in progress and finished goods.
- ii) Further secured, on pari-passu basis: -
  - a. Equitable Mortgage of Land and Building at C-114 & C-115A, Shivaji Marg, Tilak Nagar, Jaipur in the name of one of the director, Flat No. 4, Mount Unique Bldg., 62-A, Peddar Road, Mumbai and Factory land and building at surat
  - b. Personal Guarantees of all Promoter Directors of the Company.

**B The Details of containing default (#) as at Balane Sheet date is as under;**

Facility	Date of default	Amount
<b>Crystallized Loans</b>		
Post-Shipment	January-14	3,29,18,379
Post-Shipment	September-14	18,55,45,000
Post-Shipment	February-15	14,23,87,556
Post-Shipment	March-15	7,81,84,530
Pre-Shipment	September-14	11,82,45,742
Pre-Shipment	November-14	2,97,51,480
<b>Total</b>		<b>58,70,32,687</b>
<b>Loans Exceeding 360 days</b>	<b>Due date</b>	
Post-Shipment *	December-14	6,19,55,032
Post-Shipment *	March-15	3,88,68,887
<b>Total</b>		<b>10,08,23,919</b>

\* since now realised after the reporting date

# The above defaults does not include defaults of payment of interest as banks have either charged interest and added to above loan accounts at the time of crystallization or have charged interest at year end only. Where no interest is charged, the management as a matter of prudence has accounted for probable interest liability. Also, refer Note 37 (c), where interest has been charged by bank but has not been accounted for by the company and in some instances banks have charged interest from current account which has resulted in credit balances in current account as at year-end and is shown as "Current Liabilities".





# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>7 Trade Payables</b>		
Sundry Creditors	3,140,450,479	2,728,731,220
	<b><u>3,140,450,479</u></b>	<b><u>2,728,731,220</u></b>

Trade Payables include overdue amounts (mainly unclaimed) of ₹ Nil (Previous Year ₹ Nil) including interest of ₹ Nil (Previous Year ₹ . Nil) payable to Micro, Small & Medium enterprises. The company does not owe any amount to Micro, Small & Medium enterprises. These enterprises have been identified on the basis of information available to the Company and relied upon by the auditors.

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>8 Other Current Liabilities</b>		
Current Maturity of Long Term Borrowing	1,225,000	-
Interest accrued but not due on borrowing	10,286,943	16,563,705
Unclaimed Dividend*	84,420	89,671
Employee benefit payables	1,495,243	2,095,911
Statutory Dues( including PF,TDS etc.)	9,639,129	6,157,214
Creditor for Capital goods	-	1,115,000
Due to director's in current account	10,281,575	5,393,604
Other Payables#	76,496,220	10,748,025
	<b><u>109,508,529</u></b>	<b><u>42,163,130</u></b>

\* Investor Education and Protection Fund to be credited by the amount as and when required.

# Includes ₹. 7,33,57,031/- (Previous year ₹. 76,99,974/-) being overdrawn balance in banks current accounts.

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>9 Short Term Provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for Gratuity	4,402,599	4,402,599
Provision for Compensated Absences	<u>54,916</u>	<u>54,916</u>
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Provision for Taxation (Net of Advance Tax)	27,751,779	20,516,782
	<b><u>32,209,294</u></b>	<b><u>24,974,297</u></b>

# CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## NOTES 10 - FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2014	Addition during the period	Deductions during the year	Total as on 31.03.2015	Upto 01.04.2014	Provided during the period	Adj. for deductions	Total upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
<b>a.</b>	<b>Tangible Assets</b>										
1	Leasehold Factory land	4,241,000	-	-	4,241,000	1,755,361	282,733	-	2,038,094	2,202,907	2,485,640
2	Leasehold land	66,841,420	-	-	66,841,420	4,456,095	2,228,048	-	6,684,143	60,157,277	62,385,325
3	Buildings	68,014,381	-	-	68,014,381	31,321,505	2,543,658	-	33,865,163	34,149,219	36,692,877
4	Plant & Machinery	15,330,092	-	-	15,330,092	8,090,021	1,619,202	-	9,709,223	5,620,868	7,240,071
5	Electric Installation	2,298,099	-	-	2,298,099	1,266,814	370,429	-	1,637,243	660,857	1,031,286
6	Furniture & Fixtures	1,695,868	-	-	1,695,868	1,048,786	210,052	-	1,258,838	437,031	647,083
7	Office Equipment	6,204,734	-	-	6,204,734	2,936,920	2,538,977	-	5,475,897	728,837	3,267,814
8	Vehicle	11,280,229	-	-	11,280,229	9,939,002	801,010	-	10,740,012	540,217	1,341,227
9	Computers	7,337,800	-	-	7,337,800	5,998,512	973,550	-	6,972,062	365,738	1,339,288
10	Improvement on Leasehold Assets	14,613,893	-	-	14,613,893	14,613,893	-	-	14,613,893	-	-
<b>b.</b>	<b>Intangible Assets</b>										
1	Computer Software	863,910	-	-	863,910	863,910	-	-	863,910	-	-
2	Goodwill on Consolidation	1,528,061	-	-	1,528,061	-	-	-	-	1,528,061	1,528,061
		-	-	-	-	-	-	-	-	-	-
<b>c.</b>	<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>200,249,487</b>	<b>-</b>	<b>-</b>	<b>200,249,487</b>	<b>82,290,821</b>	<b>11,567,660</b>	<b>-</b>	<b>93,858,480</b>	<b>106,391,010</b>	<b>117,958,670</b>
	<b>Total for Previous year</b>	<b>214,082,827</b>	<b>43,000</b>	<b>13,876,340</b>	<b>200,249,487</b>	<b>79,942,278</b>	<b>10,130,396</b>	<b>7,781,856</b>	<b>82,290,819</b>	<b>117,958,670</b>	<b>134,140,549</b>

### Notes:

- Building include Flat at Jaipur which is not yet registered in the name of company.
- Building includes 5 No. of shares held in Mount Unique CHS.



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	₹	₹	₹	₹
<b>11 Deferred Tax Assets</b>				
<b>Deferred Tax Assets</b>				
On account of Gratuity & Compensated Absences	2,847,130		2,847,130	
On account of Depreciation	9,375,268	<b>12,222,398</b>	7,520,884	<b>10,368,014</b>
		<b>12,222,398</b>		<b>10,368,014</b>

Net deferred tax charge/(credit) for the year of ₹ (18,54,384) (Previous year ₹ (35,62,899) has been recognized in the Statement of Profit and Loss for the year.

	As at March 31, 2015		As at March 31, 2014	
	₹		₹	
<b>12 Long Term Loans And Advances</b>				
<b>(Unsecured and considered good, unless otherwise stated)</b>				
Security Deposits #	2,088,427		3,224,639	
MAT Credit Entitlement	36,173,535		35,673,535	
	<b>38,261,962</b>		<b>38,898,174</b>	

# include ₹ 2,00,000/- (P/Y ₹. 2,00,000/-) security deposit given to Chairman, Managing Director and their relatives.

	As at March 31, 2015		As at March 31, 2014	
	₹		₹	
<b>13 Current Investments</b>				
<b>(At lower of Cost and Market Price)</b>				
<b>a Investment in Optional Convertible Debenture</b>				
Gem Gold Mining Pvt. Ltd.	490,000	49,000,000	490,000	49,000,000
		<b>49,000,000</b>		<b>49,000,000</b>
<b>b Notes:-</b>				
1. Aggregate amount of Quoted Investment		-		-
2. Market value of Quoted Investment		-		-
3. Aggregate amount of Non Quoted Investment	49,000,000		49,000,000	
4. Aggregate amount of provision for diminution in value of Investment		-		-

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>14 INVENTORIES</b> (Cost & Market Price whichever is lower) (As taken, valued and certified by the Management)		
Raw Materials	363,781,305	487,462,761
Stock in Process	-	-
Finished Goods	502,496,997	523,808,156
	<u><b>866,278,302</b></u>	<u><b>1,011,270,917</b></u>

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>15 Trade Receivables</b> (Unsecured and considered good unless otherwise stated)		
Outstanding for more than Six Months from the date they are due for payments	6,223,703,767	2,839,105,370
Others	890,924,101	3,588,953,828
	<u><b>7,114,627,868</b></u>	<u><b>6,428,059,198</b></u>

There have been defaults in payment obligations by the trade receivables on due date and recoveries from them are not significant, due to economic slowdown especially in diamond sector and also on account of dispute amongst promoters. However, a settlement agreement was executed between the promoters with help of court mediation on 18th March 2014, post which the management has started taking all the initiatives to revive Company's operations. Nonetheless, the Trade receivables amounting to ₹ 3,61,66,47,379/- have confirmed the balances by way of confirmations directly sent to auditors and/or Company. Looking at the past record regarding recovery from Trade receivables, the management is of the opinion that trade receivables outstanding for more than 6 months from the date they are due for payments are good and recoverable and therefore no provision is required to be made against these Trade Receivables

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>16 Cash And Bank Balances</b>		
<b>Cash and cash equivalents</b>		
Balance with Banks	3,320,660	12,216,769
Cash on hand	748,500	2,019,568
<b>Total (A)</b>	<u><b>4,069,160</b></u>	<u><b>14,236,336</b></u>
<b>Other Bank Balance</b>		
(a) Unpaid Dividend Account	84,420	89,671
<b>(b) Bank Deposits</b>		
Pledged*	20,082,591	19,322,029
Non Pledged	10,000	10,000
<b>Total (B)</b>	<u><b>20,092,591</b></u>	<u><b>19,332,029</b></u>
<b>Total (A+B)</b>	<u><b>24,246,171</b></u>	<u><b>33,658,036</b></u>

\* Pledged deposits are with maturity period of more than 12 months



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>17 Short Term Loans And Advances (Unsecured and considered good unless otherwise stated)</b>		
Advance To Staff	920,204	5,492,767
Advance To Suppliers	456,164	1,857,373
Prepaid Expenses	10,354,793	7,692,155
Balances with Tax Authorities	795,625	795,625
Others		
-Considered Good #	397,737	2,024,478
-Considered Doubtful	-	-
	<u>397,737</u>	<u>2,024,478</u>
Less - Provided for	-	-
	<u>397,737</u>	<u>2,024,478</u>
	<b><u>12,924,524</u></b>	<b><u>17,862,399</u></b>
# Includes ₹."NIL" (P/Y ₹.NIL) given as advance to an enterprise in which directors are interested.		
	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>18 Other Current Assets</b>		
Interest Accrued on deposits / debentures	15,759,882	9,718,261
Others	2,853,174	7,283,794
	<u>18,613,056</u>	<u>17,002,055</u>
	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>19 Revenue From Operations</b>		
<b>Sale of Products:</b>		
Export Sales	902,899,670	3,274,236,512
Domestic Sales	122,393,704	689,663,694
	<u>1,025,293,374</u>	<u>3,963,900,206</u>
	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>20 Other Income</b>		
Interest	7,866,339	7,928,468
Dividend	-	89,299
Liability No Longer required	1,127,905	2,664
Forward Contract Premium	-	1,255,999
Other Income	124,506	128,809
Profit on Sale of Fixed Assets	-	6,737,469
Exchange Fluctuation (Net)	103,313,887	69,509,961
	<u>112,432,636</u>	<u>85,652,669</u>

---

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	Year ended March 31, 2015		Year ended March 31, 2014	
	₹	₹	₹	₹
<b>21 Cost Of Material Consumed</b>				
<b>Materials Consumed</b>				
Opening Raw Material / Material-in-process	476,705,449		1,098,830,902	
Add: Purchases	754,506,625		2,888,855,243	
	<u>1,231,212,074</u>		<u>3,987,686,145</u>	
Less: Closing Raw Material / Material-in-process	356,791,836	<u>874,420,238</u>	487,462,761	<u>3,500,223,383</u>
		<u>874,420,238</u>		<u>3,500,223,383</u>
		<u>Year ended March 31, 2015</u>		<u>Year ended March 31, 2014</u>
		₹		₹
<b>22 Purchases Of Stock-In-Trade</b>				
Purchases of Finished Goods		-		278,620,478
		<u>-</u>		<u>278,620,478</u>
		<u>Year ended March 31, 2015</u>		<u>Year ended March 31, 2014</u>
		₹		₹
<b>23 Changes In Stock-In-Trade</b>				
<b>Decrease/(Increase) of Stock-in-Trade consists of</b>				
<b>Finished Goods:</b>				
<b>Opening Stocks</b>				
Finished Goods	534,565,488		555,111,993	
	<u>534,565,488</u>		<u>555,111,993</u>	
<b>Less: Closing Stocks</b>				
Finished Goods	509,486,466		523,808,156	
	<u>509,486,466</u>		<u>523,808,156</u>	
		<u>25,079,022</u>		<u>31,303,837</u>
		<u>Year ended March 31, 2015</u>		<u>Year ended March 31, 2014</u>
		₹		₹
<b>24 Employees Benefit Expense</b>				
Salaries, Wages, Bonus etc.	15,407,055		23,155,300	
Contributions to Provident and Other Funds	559,161		1,101,490	
Staff Welfare Expenses	275,014		458,866	
	<u>16,241,230</u>		<u>24,715,656</u>	
		<u>Year ended March 31, 2015</u>		<u>Year ended March 31, 2014</u>
		₹		₹
<b>25 Financial Cost</b>				
<b>Interest</b>				
- On Working Capital Facilities	148,407,897		87,891,785	
- Other Finance Charges	20,554,569		36,629,181	
	<u>174,481,022</u>		<u>124,520,966</u>	



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>26 Other Expenses</b>		
<b>a. Manufacturing Expenses</b>		
Electricity & Water expenses	104,940	116,134
Factory Rent	1,332,428	1,940,131
Misc Factory Expenses	1,134,538	1,770,861
Factory Repair & Maintenance	165,036	159,392
	<b>2,736,942</b>	<b>3,986,517</b>
	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
<b>b. Administrative &amp; Selling Expenses</b>		
Rent, Rates and Taxes	2,302,200	6,759,077
Water & Electricity	1,244,214	1,658,954
Insurance	997,877	1,425,850
Travelling and Conveyance	4,970,568	6,330,127
Legal and Professional	5,341,867	4,642,051
Postage and Telephone	544,368	1,244,822
Printing and Stationery	202,376	391,181
Advertisement and Business Promotion	2,368,681	4,608,371
Brokerage and Commission	400,788	407,830
Director's Remuneration	1,560,000	5,880,000
Director's Sitting Fees	393,260	443,822
Misc. Expenses	3,193,352	7,847,561
Vehicle Running & Maintenance	-	613,718
Repair & Maintenance	347,488	382,616
Export and Selling Expenses	631,411	1,651,673
Diamond Certification Charges	63,385	309,262
Exhibition Expenses	-	9,622
<b>Auditors' Remuneration</b>		
- Statutory Audit Fees	989,105	1,003,150
- Taxation Matters	23,595	147,089
- for Other services	-	168,540
- Reimbursement Of Expenses	14,438	115,826
	<b>1,027,138</b>	<b>1,434,605</b>
	<b>25,588,973</b>	<b>46,041,141</b>
<b>Total Other Expenses</b>	<b>28,325,915</b>	<b>50,027,659</b>

## 27 Movement in Minority Interest

Particular	Minority Interest as at Opening	Addition during the year	Deduction during the year	Minority Interest as at end of the year
M.B. Diamond LLC	203,336	-	(647,523)	(444,187)
Solitaire Diamond Exports	875,616	-	(29,543)	846,073
<b>Total</b>	<b>1,078,952</b>	<b>-</b>	<b>(677,066)</b>	<b>401,885</b>



**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**28 Related Party Disclosures:**

**A. List of related parties and relationships:**

**Enterprises in which Key management personnel are interested :**

1. Goenka Diamonds Private Limited
2. Mystique Jewels
3. Goenka Jewellers
4. Geet Holdings Private Limited
5. Yash Complex Private Limited
6. Sonam Complex Private Limited
7. Goenka Infra Projects Private Limited
8. Goenka Mining Resources Private Limited
9. Goenka Entertainments Private Limited
10. Goenka Properties Private Limited
11. Gem Gold Mining Private Limited
12. Top Minerals Private Limited
13. Aureus Gold Mines Private Limited
14. Shree Vriddhi Mines and Minerals Private Limited
15. Gold Mineral Resources Development Private Limited.
16. Chrome Mines and Minerals Private Limited
17. Goenka Power and Infra Limited
18. D.V.Exports
19. Dinyog Finvest Private Limited
20. Nand Lal Goenka(HUF)
21. Shobhagya Capital Options Ltd
22. Shobhagya Securities Ltd

**Key Management Personnel (KMP):**

1. Sh Nandlal Goenka
2. Sh Navneet Goenka
3. Sh Nitin Goenka

**Relative of Key Management Personnel**

1. Smt. Namita Jain (Daughter of Sh Nandlal Goenka)
2. Smt. Neeta Saraf (Daughter of Sh Nandlal Goenka)
3. Smt. Nirmala Goenka (Wife of Sh Nandlal Goenka)
4. Smt. Bhawna Goenka (Wife of Sh Navneet Goenka)
5. Smt. Dhriti Goenka (Wife of Sh Nitin Goenka)



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### B. Related Party Transactions

Nature of Transactions		Key Managerial Personnel		Relative of Key Managerial Personnel		Others	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(i)	<b>Transactions During the year</b>						
	<b>a. Rent Paid</b>						
	1. Nandlal Goenka	990,000	990,000	-	-	-	-
	2. Nitin Goenka	-	600,000	-	-	-	-
	3. Bhawna Goenka	-	-	300,000	300,000	-	-
	4. Nirmala Goenka	-	-	300,000	300,000	-	-
	<b>b. Remuneration #</b>						
	1. Nandlal Goenka	600,000	600,000	-	-	-	-
	2. Navneet Goenka	480,000	480,000	-	-	-	-
	3. Nitin Goenka	480,000	4,800,000	-	-	-	-
	<b>c. Perquisites</b>						
	1. Navneet Goenka	687,600	687,600	-	-	-	-
	2. Others	79,200	79,200	-	-	-	-
	<b>d. Dividend Paid</b>						
	1. Nandlal Goenka	-	9,855,000	-	-	-	-
	2. Navneet Goenka	-	3,915,375	-	-	-	-
	3. Nitin Goenka	-	4,097,625	-	-	-	-
	3. Others	-	-	1,054,800	1,054,800	3,420,000	3,420,000
	<b>e. Interest Received</b>	-	-	-	-	5,880,000	5,880,000
(ii)	<b>Balances as at 31.03.15</b>						
	<b>a. Security Deposits</b>						
	i. Nandlal Goenka	50,000	50,000	-	-	-	-
	ii. Nitin Goenka	50,000	50,000	-	-	-	-
	iii. Bhawna Goenka	-	-	50,000	50,000	-	-
	iv. Nirmala Goenka	-	-	50,000	50,000	-	-
	<b>b. Credit Balance of following parties</b>						
	i. Nandlal Goenka	4,936,182	615,125	-	-	-	-
	ii. Navneet Goenka	142,630	-	-	-	-	-
	iii. Nitin Goenka	5,202,763	4,778,479	-	-	-	-
	iv. Bhawna Goenka	-	-	315,800	45,800	-	-
	v. Nirmala Goenka	-	-	495,000	225,000	-	-
	<b>c. Investment</b>	-	-	-	-	-	-
	Gem Gold Mining Pvt. Ltd	-	-	-	-	49,000,000	49,000,000

# As liability for gratuity and compensated expenses are computed for all the employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified

# CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 29 Earnings Per Share (EPS) #

	Year ended March 31, 2015	Year ended March 31, 2014
	₹	₹
a. Profit after Tax (₹.)	7,142,373	30,236,592
b. Dividend on Preference Shares (₹)	-	-
c. Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹) (a-b)	<b>7,142,373</b>	<b>30,236,592</b>
d. Weighted average number of Equity shares Outstanding during the year for basic EPS ( After adjustment for sub-division of shares during current financial year )	317,000,000	317,000,000
e. Weighted average number of Equity Shares outstanding during the year for Diluted EPS ( After adjustment for sub-division of shares during current financial year )	317,000,000	317,000,000
f. Basic & Diluted Earnings Per Share		
- Before Exceptional Item	0.02	0.10
- After Exceptional Item	0.02	0.10
g. Diluted Earnings Per Share		
- Before Exceptional Item	0.02	0.10
- After Exceptional Item	0.02	0.10

## 30 Segment Reporting

- Segment has been identified in line with the Accounting Standard – 17 “Segment Reporting” issued by ICAI taking in to consideration the organization structure as well as the differential risks and returns of these segments.
- The differential risks and rewards of the GDJL Group are more identifiable and associated with the method of distribution of Products and hence, the company has identified two reportable segment viz. Diamond & Gems and Retail Jewellery Operations.
- The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on reasonable basis. The amounts, which are not allocable to any segment, are shown unallocable under respective heads.

### A) Primary Segment : Business Segment

Particulars	As at March 31, 2015				As at March 31, 2014			
	Diamond & Gems	Jewellery	Unallocable	Consolidated Total	Diamond & Gems	Jewellery	Unallocable	Total
<b>Primary Segment (by Product)</b>								
<b>Revenue</b>								
Segment Revenue	837,091,878	188,201,496	-	<b>1,025,293,374</b>	3,468,760,927	495,139,279	-	<b>3,963,900,206</b>
<b>Results</b>								
Segment Results	137,640,668	46,995,425	-	184,636,093	145,881,087	6,368,460	-	<b>152,249,547</b>
<b>Operating Profit</b>				<b>184,636,093</b>				<b>152,249,547</b>
Other Income				16,336,517				16,351,958
Unallocable Expenses				(18,963,813)				(15,837,631)
Interest Expenses				(174,397,874)				(122,753,374)
<b>Net Profit before tax.</b>				<b>7,610,923</b>				<b>30,010,500</b>
<b>Segment Assets</b>	<b>6,921,065,168</b>	<b>1,071,114,780</b>	<b>250,385,343</b>	<b>8,242,565,292</b>	<b>6,323,580,313</b>	<b>1,160,821,768</b>	<b>239,675,381</b>	<b>7,724,077,461</b>
<b>Segment Liabilities</b>	<b>3,050,677,514</b>	<b>128,745,713</b>	<b>1,722,427,691</b>	<b>4,901,850,918</b>	<b>2,690,405,529</b>	<b>87,291,387</b>	<b>1,617,189,740</b>	<b>4,394,886,656</b>
<b>Net Capital Employed</b>	<b>3,870,387,654</b>	<b>942,369,066</b>	<b>(1,472,042,348)</b>	<b>3,340,714,374</b>	<b>3,633,174,784</b>	<b>1,073,530,381</b>	<b>(1,377,514,358)</b>	<b>3,329,190,805</b>

### B) Secondary Segment : Geographical Segment

Geographical Location	Domestic	Rest of the world	Total	Domestic	Rest of the world	Total
Revenue	122,393,704	902,899,670	1,025,293,374	475,313,505	3,488,586,701	3,963,900,206
Segments Assets	953,151,066	7,289,414,227	8,242,565,292	1,114,724,703	6,609,352,758	7,724,077,461



# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 31 Contingent Liabilities & Commitments

	Year ended March 31, 2015	Year ended March 31, 2014
<b>Capital Commitment:</b>	₹	₹
Estimated amount of contracts remaining to be Executed and not provided for	NIL	5,618,000
<b>Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts		
i) <b>Income Tax Matters (Against which company has preferred appeals)</b>	48,964,632	409,306,768
(Pertaining to AY 2004-05, AY 2008-09 to AY 2011-12)		
ii) Service Tax matter (Appeal filed by company)	622,540	622,540
32 The Income tax Authorities during the search u/s 132 of I.T Act 1961 on 13th August 1993 seized 5580 cts. of emerald cut valued at ₹ 819000/-. The same has been shown in the closing stock of emerald cut in the books of Accounts		
33 (a) In the financial year 2013-2014, disputes amongst promoters arose under which allegations and counter allegation were made and legal actions were initiated amongst promoters. However, thereafter the promoters arrived at the settlement with the help of court mediation vide settlement agreement executed on March 18 2014 which is still pending for final implementation. The management reiterates that no adjustment is required in the financial statements for the terms and conditions of settlement agreement executed and on account of the above disputes, allegations and legal actions.		
(b) Consequent to dispute amongst promoters resulting in certain unfavourable development, the recovery from Trade receivables was slow and the sales decreased substantially. This has resulted in mismatch in cash flow and adverse effect on working capital cycle, consequent to which the company has defaulted in payment of statutory dues, creditors and in re-payment of dues to certain banks owing to which two out of eight bankers have classified the account as NPA. The bankers have formed Joint Lenders Forum (JLF) on May 29, 2014, in accordance with RBI guidelines wherein some additional facilities are sanctioned/proposed to be sanctioned to the Company, so that it can revive its operations and come out of the financial crisis.		
(c) Consequent to the account being classified as NPA by certain banks, the management as a matter of prudence and in order to account all probable interest liability has provided interest wherever banks have not applied or have reversed the interest on loan. Any difference on account of interest and penal interest shall be accounted for as and when the interest is charged or settled by the banks. In case of one bank, interest to the tune of ₹ 1,49,61,987 has been charged in excess against which company has made representation to the bank. The management is very much confident that the same will be decided in the favour of the Company and therefore no provision for the same has been made in the financial statements for the year ended March 31, 2015		
34 Due to inadequacy of profit and liquidity crunch faced by the company, Mr. Nandlal Goenka, Chairman and Mr. Navneet Goenka, Vice Chairman & Managing Director reduced their remuneration in last year from ₹ 5,00,000/- p.m. and ₹ 4,00,000/- p.m. to ₹ 50,000/- p.m. and ₹ 40,000/- p.m respectively w.e.f April 1, 2013. Thereafter, the Remuneration Committee in its meeting held on November 14, 2014 recommended to reduce the remuneration of Mr. Nitin Goenka, Managing Director of the Company from ₹ 4,00,000 p.m. to ₹ 40,000 p.m. w.e.f. April 1, 2014 to bring it in line with the remuneration drawn by Mr. Nandlal Goenka, Chairman & Mr. Navneet Goenka, Vice Chairman & Managing Director of the Company. Subsequently, the Board in its meeting held on November 29, 2014 took a note of it and later in its meeting held on February 13, 2015 passed resolution to this effect and accordingly the remuneration is provided in the financial statements of the Company.		
35 Pursuant to the provisions of Schedule II to the Companies Act, 2013 effective from 1st April, 2014, the Company has reassessed the useful lives of its fixed assets. As a result of the change, the charge on account of depreciation for the year ended 31st March, 2015 is higher by 35.87 Lacs. In case of assets whose useful lives have ended, the carrying values, net of residual values as at 1st April, 2014 amounting to 19.32 Lacs have been charged to profit and loss account for the year		
36 Previous year's figures have been regrouped or rearranged wherever necessary.		

As per our report of even date attached

For & On behalf of the Board

For **B. KHOSLA & CO.**  
Chartered Accountants  
F.R. No.: 000205C

For **RSVA & CO.**  
Chartered Accountants  
F.R. No.: 110504W

**NANDLAL GOENKA**  
Chairman  
DIN No. 00125281

**SANDEEP MUNDRA**  
Partner  
M.No.: 075482

**B N RAO**  
Partner  
M.No.: 039555

**NAVNEET GOENKA**  
MD & Chief Financial Officer  
DIN No. 00164428

Place - Mumbai  
Date - May 30, 2015

**KUNDAN TANAWADE**  
Company Secretary

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

Name of Subsidiary Company	M.B. Diamonds LLC, Russia		Goenka Diamond & Jewels DMCC, Dubai	
Reporting Currency	INR	ROUBLES	INR	USD
Capital	16,989	10,000	7,44,414	13,624
Reserves	(35,82,998)	(33,11,860)	31,14,00,426	49,43,447
Total Assets	1,39,63,333	1,29,29,012	65,39,89,414	1,04,48,651
Total Liabilities	1,39,63,333	1,29,29,012	65,39,89,414	1,04,48,651
Investments	NIL	NIL	NIL	NIL
Turnover / Total Income	NIL	NIL	NIL	NIL
Profit Before Taxation	(1,29,50,459)	(65,46,174)	30,78,843	(1,51,484)
Provision for Taxation	NIL	NIL	NIL	NIL
Profit After Taxation	(1,29,50,459)	(65,46,174)	30,78,843	(1,51,484)
Proposed Dividend	NIL	NIL	NIL	NIL
Country	RUSSIA		DUBAI	
Notes				
As on March 31, 2015:	1 Rouble = INR 1.08		1 USD = INR 62.5908	

On behalf of the Board of Directors  
For **Goenka Diamond and Jewels Limited**

**NANDLAL GOENKA**  
Chairman

**NAVNEET GOENKA**  
Vice Chairman & Managing Director

**Place: Mumbai**  
**Date: May 30, 2015**

# GOENKA DIAMOND AND JEWELS LIMITED

CIN No.: L36911RJ1990PLC005651

Registered Office: 401, Panchratna, M. S. B. Ka Rasta, Johari Bazar, Jaipur – 302003

## Form No. MGT-11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **Goenka Diamond and Jewels Limited**  
CIN : L36911RJ1990PLC005651  
Registered Office : 401, Panchratna, M. S. B. Ka Rasta, Johari Bazar, Jaipur – 302003

Name of the Member(s) :
Registered Address:
E-mail Id :
Folio No./Client ID :
DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail ID		Signature	
	Or Failing him			
2.	Name			
	Address			
	E-mail ID		Signature	
	Or Failing him			
3.	Name			
	Address			
	E-mail ID		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on the September 30, 2015 At 11 a.m. at Bungalow No. C -114, Shivaji Marg, Vijaypath, Tilak Nagar, Jaipur – 302 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
1	To consider and adopt the audited Balance Sheet as at 31st March 2015, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2	To re-appoint M/s. B. Khosla & Co. (Regn. No. 000205C) and M/s RSVA & Co., (Regn. No. 110504W) Chartered Accountants, as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors ("the Board") to fix their remuneration.
3	To adopt Articles of Association of the Company Containing Regulations in Conformity with the Companies Act, 2013

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature of Member \_\_\_\_\_

Proxy holder(s) Signature \_\_\_\_\_

Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

Affix  
Re. 1/-  
Revenue  
Stamp







# GOENKA DIAMOND AND JEWELS LIMITED

CIN: L36911RJ1990PLC005651

## NOTES

## NOTES



# Goenka Diamond & Jewels Limited

Registered office : 401, Panchratna, M.S.B. Ka Rasta, Johari Bazaar, Jaipur - 302003 India. Tel :- 0141 - 2574175 Fax : 0141 - 2573305.

[www.goenkadiamonds.com](http://www.goenkadiamonds.com)



Goenka Diamond & Jewels Limited

CIN: L36911RJ1990PLC005651

Registered Office: 401, Pancharatna, M.S.B. ka Rasta, Jaipur – 302003 Rajasthan (India)

Tel: +91 - 0141 - 2574175 Fax: +91 – 0141 – 4054712 E-mail: [cs@goenkadiamonds.com](mailto:cs@goenkadiamonds.com)

#### ATTENDANCE SLIP

(Please take print out of this Attendance Slip, fill it up and hand it over at the entrance of the Hall.)

Sr. No. :

Name and Address of the Shareholder :

Folio / Client ID/ DP ID no. :

Joint Holder :

Number of shares held :

Name of the Proxy/ Representative :

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Company at Bungalow No. C -114, Shivaji Marg, Vijaypath, Tilak Nagar, Jaipur – 302 004, Rajasthan at 11.00 A.M. on Wednesday, September 30, 2015.

\_\_\_\_\_  
(Signature of Member/Proxy)

-----X-----X-----X-----X-----X-----X-----X-----

### E-Voting

The Company is pleased to provide e-voting facility to the shareholders of the Company through Karvy Computershare Pvt. Ltd. to enable them to cast their votes electronically.

The Company has appointed Mr. Vishal Manseta, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on **September 23, 2015 being the cut-off date for the purpose**. Members having Shares of the Company either in physical or in dematerialized form as on the Cut-off date, may cast their vote electronically.

### The process and instructions for e-voting are as under:

**A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/ Depository Participants (s)]:**

(i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.

(ii) Enter the login credentials (i.e. User ID and Password mentioned in the main body of the e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(iii) After entering these details appropriately, Click on "LOGIN".

(iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the "EVENT" i.e., Goenka Diamond & Jewels Limited.

(vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

(ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(x) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).

(xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: vishal\_manseta@rediffmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

**B. In case a Member receives physical copy of the Notice of AGM [for members whose Email IDs are not registered with the Company/ Depository Participants (s):**

(i) User ID and initial password as mentioned in the attendance slip.

(ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

**C. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 23, 2015** may write to the Karvy on the email Id varghese1@karvy.com or to Mr P A Varghese, Contact No. 040-33215424 at Karvy Computershare Private Limited, Unit- Goenka Diamond & Jewels Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, requesting for the User ID and Password. Your email / letter sent to Karvy should mention basic details including PAN Number and 'DP ID & Client ID' or 'Folio Number' in case the shares are held in physical form. After receipt of the above credentials from Karvy, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.

D. In case of any queries relating to e-voting please visit Help & FAQ section of <http://evoting.karvy.com> (Karvy Website).

E. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

F. The remote e-voting period commences on 27<sup>th</sup> September 2015 at 9.00 a.m. and ends on 29<sup>th</sup> September, 2015 at 5.00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being 23<sup>rd</sup> September 2015, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be entitled to vote through ballot paper at the AGM.

G. The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility, then the vote cast through ballot paper at the meeting will not be recognized.

H. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

I. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.

J. The Board of Directors of the Company has appointed Mr. Vishal N. Manseta, Practicing Company Secretary as Scrutinizer to scrutinize remote e-voting process and voting through ballot paper in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

K. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. 23<sup>rd</sup> September 2015.

L. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30<sup>th</sup> September, 2015.

M. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 3 days from the conclusion of the AGM, a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

N. The Chairman or a person authorised by him in writing will declare the result of voting forthwith. The result will be available on the website of the Company ([www.goenkadiamonds.com](http://www.goenkadiamonds.com)) and on Service Provider's website (<https://evoting.karvy.com>) and the same will be intimated to the BSE Limited and the National Stock Exchange of India Limited.