WINSOME DIAMONDS AND JEWELLERY LTD

(Formerly Known as Su-Raj Diamonds and Jewellery Ltd.)
CIN No. : L36910GJ1985PLC015915
Website : www.winsomejewellery.com
E-mail id : cs@winsomejewellery.com

Administrative Office:
906/907/908, 9th Floor, The Plaza
Near Dharam Palace, 55, Gamdevi
Grant Road, Mumbai – 400 007
Phone : (91-22) 43470944
Fax : (91-22) 4920 0333

5th February, 2018

The General Manager
Department of Corporate Services
BSE LIMITED
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Dear Sir, **Scrip Code: 507892**

Sub: Outcome of Board Meeting

Under the caption subject, we are pleased to intimate that the Board of Directors at its meeting held today (i.e on 05.02.2018) have considered and approved the following:

1. Unaudited Financial Results for the Nine Month period/Third Quarter Ended 31st Decembe

Nautam R. Vakil & Co.
Chartered Accountants

Partners
Nautam R. Vakil - (F.C.A.)
9228888060
Manan N. Vakil - (F.C.A.,D.I.S.A.,M.B.A.)
9879300701
Jainik N. Vakil - (F.C.A.)
9825159617

LIMITED REVIEW REPORT

Auditor's Report on Quarterly Financial Results of Winsome Diamonds And Jewellery Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors,
Winsome Diamonds and Jewellery Ltd.,
Mumbai.

We have reviewed the accompanying Statement of unaudited standalone Financial Results ('the Statement') of Winsome Diamonds And Jewellery Limited ('the Company') for the quarter ended on December 31, 2017, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC 162/2016 dated July 5, 2016.

This statement which is the responsibility of the Company's management and has been prepared in accordance with the recognition and measurement principles laid down in Ind-AS 34 Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our limited review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Opinion:

A. *The Company has made long term investments in Forever Precious Diamonds and Jewellery Ltd. (Forever) amounting to Rs. 141,17,10,802, thereby resulting in it holding a 49 % stake in the equity of that company. The said investments continue to be valued at cost. In the view of the management, provision for diminution in value of investments as per the requirements of Ind-AS-28 Investments in Associates and Joint Ventures is not considered necessary and hence not made. We have been provided with the financial statements of Forever for the year ended 31st March 2017. We have observed that there are no significant business operations in Forever. Further the auditors of Forever*

AKIL HOUSE
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have qualified the financial statements and termed the company as a non-going concern. In view of the above the Company should have provided the diminution in value of inves

...tment in Peakok Jewellery Limited amounting Rs.50,12,750/- at the average rate of Rs.286.44/- per share. As per the balance sheet as at 31ST March, 2016 the book value of the shares of the company is Rs.110.78/- per share. In the view of the management, provision for diminution in value of investments as per the requirements of Ind-AS-28 Investments in Associates and Joint Ventures is not considered necessary and hence not made. In view of the above the Company should have provided the diminution in value of investments amounting to Rs.30,75,100/-. Accordingly the loss for the year have been understated and investments overstated by ***Rs.30,75,100/-. In absence of latest audit report as on 31.03.2017 we have relied upon the previous to latest.***

Basis for Disclaimer of Opinion

A. *In respect of Trade Receivables amounting to* ***Rs.5529,15,76,405/-*** *(Valued at exchange rate as on 31/12/2017 under Ind-AS) we have not received any confirmations from the overseas parties. The company has filed legal suit against its defaulting overseas customers for non-payment of its export bills at Sharjah Federal Court, Sharjah. The court has appointed an expert to look into the affairs of the companies based in Dubai/ Sharjah. The Court has confirmed the debts payable to the Company and ordered the overseas customer to pay along with interest @5% p.a. However, the copies of the orders are not provided for verification. The overseas customers had filed an appeal against the judgment of the Sharjah Federal Court and the Sharjah Federal Appellate Court has passed order in favour of the Company and now the matter is pending for 1 case with the Sharjah Federal Appellate Court and 2 case with Sharjah Supreme court and their judgments are awaited.*

In view of these court orders pending legal proceedings, we are unable to comment on time frame of the realisability of the debts through provision matrix where all significant

written down method of depreciation method and the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013 are best represe

G. The company has provided interest @ 7% on the loan borrowed from *Forever Precious Diamonds and Jewellery Ltd on the fund borrowed after 01/04/2014 instead of total balance outstanding as at 31.12.2017 Rs.34,08,74,826/-.*

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, specifically relating to the multiple uncertainties created due to factors such as non recovery of trade [illegible] parties, non payments of liabilities including statutory dues, financial difficulties faced by the Company due to recalling of bank finance, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Emphasis of Matter

A. *The Company [illegible] as per the requirements of Ind-AS -2 (Inventories), has not been done. The impact on the profit/loss of the company due the said non valuation has not been determined.*

B. *There is difference of Rs. 3,46,88,692/- in the outstanding balance of advances obtained from the bankers. In absence of details made available by the bankers, the company is not in a position to reconcile the difference. This may lead to understatement of liability and its consequential effect in the book result if any.*

DISCLAIMER OF CONCLUSION

Because of the significance of the matters described in

a) The Basis for Qualified opinion and Basis for Disclaimer of Conclusion paragraph, specifically relating to the multiple uncertainties created due to factors such as non recovery of trade receivables on due dates, non payments of liabilities including statutory dues, financial difficulties faced by the Company due to recalling of bank finance, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for a Conclusion. Accordingly, we do not express a Conclusion on the standalone financial statements.

b) Professional Tax and TDS compliances and payments are pending

c) The company has received summons from Serious Fraud Investigation Office of Ministry of Corporate Affairs dated 05.07.2016 u/s 217 of The Co. Act, 2013 and investigation under section 212 of The Companies Act, 2013 dated 01.08.2016. The company has complied for the same. However, no quantification of any financial liability arises out of the same in the opinion of the Board.

d) All trade receivables & payables, Bank balances, all other debit & credit balances including Forever *Precious Diamonds and Jewellery Ltd* and Bombay Diamond co Pvt

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Standalone Financial Results for the Quarter/Nine Month Ended 31st December 2017

(Rs. in Lakhs)

Sr No.	Particulars	For Quarter Ended			For Nine Month Ended		For the year Ended
		31/12/2017 (Unaudited)	30/09/2017 (Unaudited)	31/12/2016 (Unaudited)	31/12/2017 (Unaudited)	31/12/2016 (Unaudited)	31/03/2017 (Audited)
I	Revenue From operations	-	-	-			-
II	Other Income	(4,398)	4,409	91	716	103	6,394
III	**Total Income (I+II)**	(4,398)	4,409	91	716	103	6,394
IV	EXPENSES						
	Cost of materials consumed	-	-	-	-	-	-
	Purchases of Stock-in-Trade	-	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and workin-progress	-	-	-	-	-	-
	Employee benefits expense	6	10	7	23	25	33
	Finance costs	20,477	20,054	1	59,849	23	71,774
	Depreciation and amortization expenses	67	69	104	205	316	436
	Other expenses	7,818	(844)	15	7,895	93	17,713
	Total expenses (IV)	28,368	19,289	127	67,972	457	89,955
V	Profit/(loss) before exceptional items and tax (I-IV)	(32,766)	(14,880)	(36)	(67,256)	(354)	(83,561)
VI	Exceptional Items	-	-	-			-
VII	Profit/ (loss) before exceptions items and tax(V-VI)	(32,766)	(14,880)	(36)	(67,256)	(354)	(83,561)
VIII	Tax expense:						
	Current tax & Deferred	-	-	40	-	40	41
IX	**VIII)**	**(32,766)**	**(14,880)**	**(76)**	**(67,256)**	**(394)**	**(83,602)**
X	Other Comprehensive Income						
	A. (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or	-	-	-	-	-	-
	B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Comprehensive Income for the period (XIII+XIV)Comprising Profit (Loss) and Other comprehensive	(32,766)	(14,880)	(76)	(67,256)	(394)	(83,602)
	Earnings per equity share (for continuing operation):						
	Basic/Diluted	(30.77)	(13.98)	(0.07)	(63.17)	(0.37)	(78.52)

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Notes:

1. The above Stand-alone unaudited financial results for the quarter and Nine month ended December 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 05th February, 2018. The auditors have carried out the Limited Review of the same.
2. The above standalone have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has complied with IndAS from March 2017 and therefore the corresponding quarter and six month ended Sept 2016 figures are not comparable.
3. The Company has not carried out any operations during the quarter ending 31st December 2017. The 2nd Quarter- other income figures includes Rs. 4,403 lakhs in-respect of net Foreign Exchange Fluctuation on receivables as on 30th September 2017. There was loss in-respect of Foreign Exchange fluctuation in the 1st and 3rd Quarter which were included in Other expenses and therefore the 3rd quarter figures are negative for other income.
4. The Company initiated legal proceedings against its defaulting overseas customers before the Sharjah Federal Court and has received judgments from Sharjah Federal Court in case of 13 overseas defaulters. The Court has confirmed the debts payable to the Company and directed the overseas customer to pay along with interest @5% p.a. The overseas customers have filed an appeal against the judgment of the Sharjah Federal Court and the Sharjah Federal Appellate court has passed orders in favour of the Company and now the matter is pending only in one case with the Sharjah Federal Appellate Court. Thereafter in two cases, they have moved to Sharjah Federal Supreme court and its judgment is awaited.
5. The stock at Mumbai location is in the joint custody with Consortium of Bank since June 2013. The stock at Chennai SEZ and Cochin SEZ are under joint custody with consortium of bank at the company's premises at respective SEZ since November 2013. The stock lying at Goa and Bangalore is taken under joint custody by the banks at the local PNB branch.
6. Some of the lending banks have declared the Company as Willful Defaulters, and have filed complaints with investigating agencies and the same are in progress. The Company is extending its full co-operation to the investigating agencies. The Enforcement director has passed order against the Company under PMLA and all the properties are under provisional attachment by ED. The matter is now with the Enforcement Director, New Delhi and the order is awaited.
7. The Consortium of banks have issued a statutory possession notice u/s 13(4) of the SARFAESI Act with respect to Company's premises at Mumbai. The Bank has given statutory possession notice for other factory and trees also. The Company has received order of Debt Recovery Tribunal and all property are under provisional attachment of Debt Recovery Tribunal.
8. The Debt recovery tribunal has auctioned the assets of the Company of which following auctions are confirmed by DRT : Immovable property at Jodhpur for Rs. 711,00,000/-, Immovable property at Goa for Rs.160,00,000/- and Immovable property at Bangalore for Rs.191,00,000/-.
9. The matter with Debt Recovery Tribunal, Mumbai is in progress. Meanwhile, the Axis Bank has issued notice under SARFAESI Act for auction sale of warrants of the Company.

Registered Office: [illegible] Surat-395003

Code

S.NO.	NAME (CAPITAL LETTERS)	DESIGNATION	REPRESENTATION	SIGNATURE
1.	Jaimin R. Dave	Adv	Petitioner	
2.	Priyank Dave	Adv	"	

ORDER

Learned Advocate Mr. Jaimin Dave with Learned Advocate Mr. Priyank Dave present for Operational Creditor/Petitioner. None present for Respondent.

None appeared for Respondent in spite of service of notice.

Respondents not filed objections.

Heard arguments of learned Counsel for Petitioner.

Order reserved.

MANORAMA KUMARI
MEMBER JUDICIAL

BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Dated this the 30th day of January, 2018.