



Tara Jewels Ltd
Plot 29 (P) & 30 (P), Sub plot A,
SEEPZ SEZ, Andheri (E),
Mumbai 400 096
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February 14, 2019

To The Managing Director National Stock Exchange of India Limited Corporate Communication Department Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai – 400 051	To The General Manager BSE Limited Dept. of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
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Dear Sir/Madam,

Sub: Submission of Un-Audited Financial Results (Standalone) of the Company for Quarter ended December 31, 2018

Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing and Disclosure Requirements) Regulations, 2015, we attach Un-Audited Financial Results for Quarter ended December 31, 2018. ***Powers of the Board is suspended. Company is under Insolvency Resolution Process, results are approved by Resolution Professional (RP) in consultation with Suspended Board.***

We also enclose herewith Limited Review Report of Statutory Auditors for your perusal.

Kindly take the same on record and acknowledge the receipt.

Thanking You,
Yours faithfully

For TARA JEWELS LIMITED

Nivedita Nayak
Nivedita Nayak
Company Secretary



TARA JEWELS LIMITED

CIN - L52393MH2001PLC131252

Registered Office : Plot No 122, 15th Road, Near IDBI Bank, MIDC, Andheri (East), Mumbai - 400 093
Corporate Office : Plot No 29(P) and 30(P), Sub Plot A, SEEPZ, SEZ, Andheri (East), Mumbai - 400 096

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		(Rs. In Lakhs)
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	Year Ended 31.03.2018 (Audited)
1	Revenue						
	a) Income from Operations	4,393.68	3,405.47	7,077.21	10,567.18	36,812.13	43,545.17
	b) Other Income	74.31	72.40	141.86	236.01	576.96	689.75
	Total Revenue	4,467.99	3,477.87	7,219.07	10,803.19	37,389.09	44,234.92
2	Expenses						
	a) Cost of Material Consumed	5,502.29	6,800.38	783.62	18,023.74	24,790.48	25,292.28
	b) Purchase of stock-in-trade	-	-	-	-	78.28	78.27
	c) Changes in inventories of finished goods, work-in-progress and stock -in-trade	3,954.70	21,140.39	4,658.52	25,408.67	7,091.28	12,082.17
	d) Excise duty	-	-	-	-	-	-
	e) Employee benefits expense	486.40	473.59	556.63	1,418.69	3.99	3.99
	f) Finance Costs	2,529.07	2,605.47	1,700.68	7,657.00	1,790.20	2,112.43
	g) Depreciation and Amortisation expense	209.41	336.38	366.29	878.67	1,249.86	7,754.14
	h) Other Expenses	167.34	861.15	1,200.63	2,905.82	4,277.15	1,592.98
	Total Expenses	12,849.21	32,217.36	9,266.37	56,292.59	44,296.54	55,793.31
3	Loss before exceptional item & tax (1 - 2)	(8,381.22)	(28,739.49)	(2,047.30)	(45,489.40)	(6,907.45)	(11,558.39)
4	Exceptional items	-	-	17,979.15	-	30,427.15	59,809.72
5	Loss before tax (3 - 4)	(8,381.22)	(28,739.49)	(20,026.45)	(45,489.40)	(37,334.60)	(71,368.11)
6	Tax Expense						
	a) Current tax	-	-	91.96	-	-	-
	b) Deferred tax	-	-	-	-	126.18	909.51
7	Loss for the period / year (5- 6)	(8,381.22)	(28,739.49)	(20,118.41)	(45,489.40)	(37,460.78)	(72,277.62)
8	Other Comprehensive Income (OCI)						
	i. Items not to be reclassified to profit and loss	1.69	(1.29)	(13.63)	(1.18)	(51.47)	(71.11)
	ii. Income tax relating to Items that will not be reclassified to profit and loss	-	-	5.64	-	17.66	-
	iii. Items to be reclassified to profit and loss	-	-	-	-	-	-
	Total Other Comprehensive Income	1.69	(1.29)	(7.99)	(1.18)	(33.81)	(71.11)
9	Total Comprehensive Income/Deficit for the period / year (7+8)	(8,379.53)	(28,740.78)	(20,126.40)	(45,490.58)	(37,494.59)	(72,348.73)
10	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2,462.29	2,462.29	2,462.29	2,462.29	2,462.29	2,462.29
11	Other Equity Excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	(20,642.71)
12	Earnings Per Share (face value of Rs.10 each) in Rs. (Not Annualised for quarterly figures)						
	(a) Basic	(34.04)	(116.72)	(81.71)	(184.74)	(152.14)	(293.54)
	(b) Diluted	(34.04)	(116.72)	(81.71)	(184.74)	(152.14)	(293.54)

Notes:

- The Hon'able National Company Law Tribunal (NCLT), Mumbai Bench has admitted petition for insolvency proceedings initiated by lenders against the Company vide order C.P. (IB) No. 1541/I&BP/NCLT/MAH/2017 dated November 1, 2018 for Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016 and appointed Mr. Pinakin Surendra Shah as the Interim Resolution Professional and thereafter Mr. Bijendra Kumar Mishra as Resolution Professional vide order dated 28th January, 2019.
- As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. However, the same has been signed by the CFO & Executive Director of the Company confirming accuracy and completeness of above financial results for the quarter and nine months ended December 31, 2018. The RP is not in a position to personally verify or confirm the unaudited financials, since they pertain to previous quarter. These financials results have thereafter been taken on record by the RP on February 14, 2019 for filing with the Stock Exchanges. The same has also been subjected to Limited Review by the Statutory Auditors.
- The above Standalone financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Rules, 2016.



BKM

[Signature]



- 4 The Company is carrying inventories of raw materials and work in progress amounting to INR 13,719.59 lakhs and INR 1,563.52 lakhs respectively as on December 31, 2018. The company has ceased to continue operation in its wholesale business vertical. A significant part of the inventory of this vertical is not earmarked against orders as on date and the company is trying to utilise the same in the international Retail business. In view of above and the slowdown in jewellery market the company has made adequate provisions.
- 5 The Company has provided for expected credit loss on trade receivables to the extent of INR 26,759.66 lakhs as on December 31, 2018, in view of, long outstanding receivables. The Company is in the process of actively following up with the customers for the recovery. It expects to either realise the balance dues or recover the material supplied the company has made adequate provisions.
- 6 The Company has accumulated losses resulting in substantial erosion of its net worth and incurred net cash losses in the current quarter. The current liabilities of the Company exceeded its current assets as on December 31, 2018. Lenders declared the company's Account as Non-Performing Assets and Company is unable to serve the debt outstanding. These conditions may cast doubt about the Company's ability to continue as a going concern.
- 7 The Company has made exports to and imports from the same parties. The Company intends to settle these transactions by netting-off of export receivables against import payments. For export trade receivables, which are not realised within the credit period, the Company is in the process of seeking necessary approvals for extension of time from the Authorised Dealer.
- 8 Effective from 1st April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers'. The adoption of this Standard did not have any impact on profits, retained earnings and earnings per share of the company.
- 9 The Company operates in only one primary business segment i.e. Diamond and Gold Jewellery. Hence, information relating to primary segments is not required to be separately disclosed.
- 10 Previous period / year figures have been reclassified to confirm with the current period's presentation, wherever applicable.

For Tara Jewels Limited



Disha Tuliani
Disha Tuliani
CFO & Executive Director
(DIN : 08153901)

Taken On Record

Brijendra Kumar Mishra
Brijendra Kumar Mishra
(Resolution Professional)

IP Registration No. : IBBI/IPA-002/IP-N00109/2017-18/10257



Place : Mumbai
Dated : 14.02.2019

Independent Auditor's Review Report on quarterly and year to date unaudited financial results of Tara Jewels Limited pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Resolution Professional
Tara Jewels Limited
Mumbai

IP Registration No: IBBI/IPA-002/IP-N00109/2017-2018/10257

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against Tara Jewels Limited and appointed Mr. Pinakin Surendra Shah as the Interim Resolution Professional under Insolvency and Bankruptcy Code, 2016 ("Code") vide order dated November 1, 2018 and after that Mr. Brijendra Kumar Mishra appointed as Resolution Professional vide order dated January 28, 2019.

As per Section 134 of the Companies Act, 2013, the financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the board or at least two directors, of which one shall be the managing director or the CEO (being a director), the CFO and the Company Secretary where they are appointed. In view of the pendency of the CIR process, these power are now vested with Mr. Brijendra Kumar Mishra in his capacity as the Resolution Professional as per the provisions of Insolvency and Bankruptcy Code, 2016.

We have reviewed the accompanying unaudited Standalone financial results of **Tara Jewels Limited** ("the Company") for the quarter ended December 31, 2018 and Year to date unaudited financial results for the period from April 1, 2018 to December 31, 2018, (the Statement) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016. This statement is the responsibility of the Company's Management and taken on record by the Resolution Professional.

This Statement, which is the responsibility of the Company's Management and considered and taken on record by the Resolution Professional, relying on certification by the Key Management Personnel, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the



Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our 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 Statement is 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 Conclusion

- a) The Company's inventories of raw material and work in progress and trade receivables are carried at INR 2,59,32.53 Lakhs in the financial statements, which represents approximately 72.43% of the total assets of the Company as at December 31, 2018 for which we report the following :
- i) As stated in Note 4, the Company is carrying inventories of raw materials and work in progress amounting to INR 13,719.59 Lakhs and INR 1,563.52 Lakhs respectively as at December 31, 2018. The Company has substantially written down its inventories periodically to net realizable value in view of defects, damages, obsolescence, and slow-moving inventories. The estimation of net realizable value of inventories has been assessed by the management based on the internal valuation for which sufficient and appropriate audit evidence are not made available to us. Also, in view of distinctive nature of inventories consisting of diamonds, color stones, etc. in various sizes, cuts, colors, carat and quality, it is impracticable to conduct the physical verification and identification of inventories to corroborate the management's assertions for existence, ownership and valuation of inventories. Moreover, there is no third party independent expert opinion for estimating the net realizable value of inventories. In view of the above, we are unable to comment on the existence, valuation and realisability of raw materials and work in progress amounting to INR 13,719.59 Lakhs and INR 1,563.52 Lakhs respectively carried in these financial statements.
 - ii) As stated in Note 5, the Company is carrying net trade receivables amounting to INR 9839.32 Lakhs as at December 31, 2018. The Company has provided for loss allowance to the extent of INR 26,759.66 Lakhs against the total receivables of INR 36,598.98 Lakhs as at December 31, 2018. Majority of the receivables are overdue for a long period of time. There have been no significant transactions with these customers for more than six months. Further, the subsequent receipts from these customers have also been insignificant. An amount of INR 5,176.68 Lakhs is due from subsidiaries. In absence of adequate evidence and confirmations for outstanding receivables, we are unable to comment on the recoverability of trade receivables of 9839.32 Lakhs carried in these financial statements.
- b) The Company needs to strengthen its internal control system, in particular of its accounts receivables including periodic reconciliation with customers, physical verification, quantity reconciliation and valuation of inventories. We are unable to determine the consequential impact, if any, of these aforesaid weaknesses on these financial results.



- c) Balance confirmation of the margin accounts maintained with certain lenders could not be obtained and bank statements have not been provided by them. In absence of the same, we are unable to confirm the accuracy of the balances appearing in the books of accounts. As the borrowings have been considered as NPA, no interest has been charged by the lenders since then. The Company has provided interest on borrowings based on the average interest rate as worked out by the management. In the absence of confirmation / communication from lenders, we are unable to reconcile interest accrued on the borrowings with lenders.
- d) As stated in Note 7, the Company has netted off foreign trade receivables against the outstanding payable to the same parties aggregating to about INR 65,455.07 Lakhs. These netting off are subject to approval from Authorised Dealer as per Reserve Bank of India (RBI) guidelines. The Company is in the process of obtaining necessary approvals for the same. We are unable to comment on the impact, if any, on the financial results of the pending approval. The Company has also not obtained extension of time period for receivables against exports not realized within the stipulated period from RBI.
- e) The Company is irregular in depositing its statutory dues including provident fund, ESIC, professional tax and income tax deducted at source (TDS), we are unable to comment on the impact, if any, on the financial results for non-compliances due to which the company may be liable to penal consequences under the respective laws.
- f) The Company has carried investment in Tara (Hong Kong) Limited, a wholly owned subsidiary, amounting to INR 313.64 Lakhs in equity shares and in Tara Jewels Holding Inc., a wholly owned subsidiary, amounting to INR 1,219.43 Lakhs in equity shares for which the management estimated the recoverable value to be equal to their carrying value on the basis of internal evaluation. In view of the lenders recalling the loans and in absence of impairment analysis by an independent valuation expert , we are unable to comment on the recoverable amount as estimated by the management.
- g) The guarantees issued by the company in favour of subsidiaries have been invoked and the claims made by bankers from the Company amounting to USD 86.74 Lakhs (approx. INR 6159.00 Lakhs) have not been accounted for. Had the claims been accounted for by the Company the borrowings and Investment/Loans to subsidiaries would be higher by USD 86.74 Lakhs (approx. INR 6159.00 Lakhs)
- h) In view of our observations in para (a) to (g) above, we have not been able to perform complete limited review procedures in accordance with SRE 2410 and have been unable to determine the adjustment, if any, that are necessary in respect of the Company's income and expenses for the quarter and nine months ended December 31, 2018 and related presentation and disclosures in the financial results.

Qualified Conclusion

Because of the very substantive nature and significance of the matters stated above, we have not been able to obtain moderate assurance that the unaudited financial results are free of material misstatement or state whether the unaudited financial results are prepared in accordance with the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Emphasis of Matter

We draw attention to the following

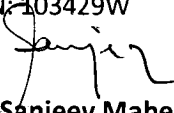
- i) Note 6, wherein the management has prepared Unaudited financial results on going concern basis in spite of :
1. The company has reported loss after tax of INR 45,489.38 lakhs during the nine months ended December 31, 2018 and net liabilities exceeds net assets by INR 63,670.99 Lakhs;
 2. Lenders declared the company's Accounts as Non-Performing Assets.
 3. National Company Law Tribunal ("NCLT") has admitted petition for insolvency proceedings initiated by operational creditors against the Company vide order C.P. (IB) No. 1541/I&BP/NCLT/MAH/2017 dated November 1, 2018 for Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016.

This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, the financial results of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our Opinion is not qualified for above matter.

For GMJ & Co
Chartered Accountants
FRN: 103429W


CA Sanjeev Maheshwari
Partner
Membership No. 38755
Place: Mumbai
Date: February 14, 2019

