

October 24, 2019

To,
BSE Limited,
Department of Corporate Relation,
P. J. Towers, Dalal Street, Fort,
Mumbai – 400 001

Script Code: 505576

Dear Sir,

Pursuant to provisions of Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find herewith the unaudited financial results for the quarter and half year ended September 30, 2019 published in Business Standard and Mumbai Lakshadeep, on October 24, 2019.

Kindly take this on record and oblige.

Thanking you.

Yours Faithfully,

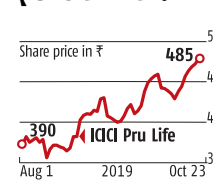
For **GOLDCREST CORPORATION LIMITED**



MARISA FERREIRA

COMPANY SECRETARY & COMPLIANCE OFFICER

QUICK TAKE: MARGIN GAINS FOR ICICI PRUDENTIAL LIFE



The ICICI Prudential Life stock has rallied over 26% in the last three months. Product diversification, with a rising share of high-margin term plans, is keeping the margin outlook strong as seen in the September quarter. Analysts now foresee the value of new business margin at 21% in FY20, versus 17% in FY19

"Take a vow this Diwali to not buy any Diwali Pick without your own study."
ALOK JAIN,
Investment Advisor



Mauritius red-flags removal of investment status by Sebi

ASHLEY COUTINHO
Mumbai, 23 October

Mauritius' financial services regulator Financial Services Commission (FSC) has asked the Securities and Exchange Board of India (Sebi) to reconsider its stance of allowing only Financial Action Task Force (FATF) members to be eligible for category I status as foreign portfolio investors (FPIs).

In a meeting held a few days ago, FSC officials told Sebi to tweak its existing guidelines to allow funds from FATF-compliant regions to register as category I FPIs, sources in the know said. According to norms notified last month, only those FPIs domiciled in regions that are FATF members can get a category I status and issue offshore derivative instruments. A category II status could also imply, in some ways, getting back the 'high-risk jurisdiction' tag.

FATF is an international body comprising 39 members that sets standards to combat money laundering and terror financing. Regions such as Mauritius, Cyprus and Cayman Islands are non-members. Mauritius is compliant with all major FATF guidelines even though it is not a member, the FSC officials have told Sebi. At present, the country is a member of The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), which is committed to following standards to prevent money laundering and terror financing, including FATF recommendations.

"Mauritius is not deficient in AML (anti-money laundering) standards and it is not fair to exclude funds from the



ISLAND OF TROUBLES

Mauritius is the second-biggest region for FPIs

	FPIAUC (₹ tm)	
	Equity	Debt
US	10.19	0.59
Mauritius	3.79	0.41
Luxembourg	2.48	0.71
Singapore	1.95	1.05
UK	1.5	0.03
Ireland	1.12	0.04
Canada	0.96	0.16
Japan	0.91	0.21
Norway	0.65	0.14
Netherlands	0.54	0.23

Note: AUC is assets under custody; data as of September 2019. Source: NSDL

country from being classified as category I just because it is not an FATF member," said a person who deals with Mauritius-based funds.

"Several Mauritius and Cayman Islands-based funds may come under category II, and not be able to issue offshore derivatives instruments," added Richie Sancheti, head of the funds practice at Nishith Desai Associates.

Last month, Sebi merged three FPI categories into two. Category I includes central banks, sovereign wealth funds, pension funds, banks, asset managers, portfolio managers, and entities from FATF member countries. Category II comprises corporate bodies, charitable organisations, family offices, individuals and unregulated funds in the form of limited partnerships and trusts.

Mauritius mainly provides for two types of investments vehicles for offshore funds: Collective investment schemes which can invest across asset classes and closed-ended or private equity funds via an investment holding company.

Mauritius funds may now look to shift their fund management activities to FATF member countries if Sebi does not relax its existing norms, said experts. "The fund management responsibilities may be delegated to countries such as Singapore, which is an FATF member. The fund manager will have to take a local licence in Singapore and register as a category I FPI in India. The fund, however, can continue to operate from Mauritius," said an expert on fund taxation.

Existing FPI norms allow unregulated funds to register as category I FPIs provided the investment manager is from an FATF appropriately regulated and registered as a category I FPI. This is subject to the manager taking responsibility of all acts of commission or omission of such unregulated funds. "The current regulations are not targeted at any particular jurisdiction, and only meant to encourage investments from regions that meet certain compliance standards," said a person who had given inputs to the regulator to form the current regulations.

Mauritius has been doing its bit to showcase its compliance with international tax norms and shed its image as a quasi-tax haven. For instance, it has stepped up scrutiny of offshore fund structures in the past few months, putting several global and India-focussed funds wanting to set up structures in Mauritius under the country's regulatory glare.

FSC now combs through KYC information of new fund applications and does extensive background checks on fund sponsors and fund managers. FSC is also reaching out to regulators of countries in which these sponsors or managers are based to verify their antecedents.

Late last year, Mauritius had amended its Income Tax Act and inserted a clause for determining the place of effective management, making it difficult to establish residency in the country.

Companies operating in Mauritius are now subject to stringent substance requirements, including minimum number of resident directors and full-time employees.

Large-cap MFs fail to beat benchmarks

SAMIE MODAK
Mumbai, 23 October

More than 75 per cent of the equity mutual fund (MF) schemes in the large-cap segment have failed to beat their benchmark index in the past one year, shows a study done by S&P Indices Versus Active (SPIVA) India.

The so-called Equity Linked Savings Schemes (ELSS) have fared even worse, with 81 per cent of them delivering returns below their benchmark.

On the contrary, more than 80 per cent of actively-managed schemes in the mid-cap and small-cap categories have managed to deliver returns better than the BSE400 MidSmallCap Index. For a one-year period ending June 2019, the BSE400 MidSmallCap Index (total return) has declined 7 per cent, while the BSE 100 index (total return) has risen 10 per cent. Historically, India is known to be a market in which active funds manage to perform better than their benchmarks. However, in recent years, most fund managers have found it challenging to deliver an alpha over the benchmarks.

The SPIVA scorecard shows that bulk of the equity large-cap schemes have underperformed the BSE100

ACTIVE VERSUS PASSIVE DEBATE

Most fund categories have failed to beat the benchmarks in the past one year

FUND CATEGORY	% of funds underperforming the benchmark			
	1-year	3-year	5-year	10-year
Equity large-cap ■ BSE100	76.67	82.93	65.71	61.34
ELSS ■ BSE200	80.95	83.33	51.35	45.71
Equity mid-/small-cap ■ BSE400 MidSmallCap Index	18.92	47.83	26.98	48.84
Government bonds ■ BSE India Government Bond Index	76.92	73.17	84.62	87.72
Composite bonds ■ BSE India Bond Index	98.57	94.2	97.64	96.1

Data as of June 28, 2019. Sources: S&P Dow Jones Indices, Morningstar, Amfi

index over a 1-year, 3-year, 5-year, and 10-year timeframe. However, the return scorecard for a lot of active schemes gets better over a 5-year and 10-year period, data shows.

The index versus active debate "has been a con-

tentious subject for decades, and there are few strong believers on both sides, with the vast majority of market participants falling somewhere in between", the SPIVA says in its mid-year 2019 scorecard.

P-note investments fall for fourth straight month

ON THE DECLINE: SHARE OF P-NOTES

	P-notes	Total	P-notes as % of total
Jan-19	75,693	3,090,508	2.45
Feb-19	73,428	3,089,602	2.38
Mar-19	78,110	3,342,680	2.34
Apr-19	81,220	3,355,045	2.42
May-19	82,619	3,417,679	2.42
Jun-19	81,913	3,381,730	2.42
Jul-19	81,082	3,203,385	2.53
Aug-19	79,088	3,198,329	2.47
Sep-19	76,611	3,291,703	2.33

Figures in ₹ crore. Source: Sebi

PRESS TRUST OF INDIA
Mumbai, 23 October

Dropping for the fourth month in a row, investments through participatory notes (P-notes) in the capital market stood at ₹76,611 crore at the end of September.

P-notes are issued by registered foreign portfolio investors (FPIs) to overseas investors who wish to be part of the Indian stock market without registering themselves directly, after going through due diligence.

Investments through P-notes have been declining

since June, according to Sebi.

The total value of P-note investments in the Indian markets — equity, debt, and derivatives — declined to ₹76,611 crore till September-end, from ₹79,088 crore as of August-end, showed the data.

At the end of July, the capital market saw total inflow of ₹81,082 crore via the P-note route — a fall as compared to ₹81,913 crore till June-end. The investment stood at ₹82,619 crore in May.

Of the total investments made till September-end, ₹50,676 crore was invested in equities, ₹25 crore in debt, and

₹241 crore in derivatives.

In July, the Sebi board approved a proposal to rationalise the framework for issuance of P-notes — an instrument once very popular among foreign investors.

The use of P-notes has been on a decline since 2017 and slumped to a nine-and-a-half year low of ₹66,587 crore at the end of October.

In July 2017, Sebi had notified stricter regulations for P-notes, stipulating a fee of \$1,000 that will be levied on each instrument to check any misuse for channelising black money.

THE COMPASS

RBL's capital-raising plans may face asset quality roadblock

Valuations have dropped 60% since July, leading to rise in pessimism

HAMSINI KARTHIK

RBL Bank's near-10 per cent fall on Wednesday, in reaction to the private lender's wobbly asset quality, coupled with its 60 per cent value erosion since July, highlights the rising scepticism among investors about the stock.

Following the June quarter results, not many were happy with the bank's admission that the gross non-performing asset (NPA) ratio could touch 2.5 per cent in FY20, and that the lender had identified a pool of stressed loan assets (commonly referred to as watch-list) worth ₹1,000 crore.

However, the September quarter (Q2) commentary from the bank was a bigger blow to handle.

Not only has the gross NPA ratio at 2.6 per cent breached the guided level, but the watch-list has almost doubled in Q2 to ₹1,800 crore. What's more, provisioning costs could remain elevated for another quarter or two. "We find this trend rather alarming and asset quality

seems perched on a slippery slope," say analysts at HDFC Securities, which expects slippages to touch 3.2 per cent in FY20-22.

This is more than twice the past expectations on slippages or loans likely to turn bad.

What also did not find appreciation is the fact that most banks are turning cautious on unsecured retail loans — a segment that remains an important source of growth for RBL Bank.

At a time when the lender's pace of capital consumption is on the rise, analysts at Kotak Institutional Equities note that they will monitor if the bank reassesses its loan mix. "We prefer a more granular loan portfolio and are comfortable with a lower return on equity, as compared to what we have seen with the bank so far," they add.

Asset quality and the composition of RBL Bank's book assumes larger leverage, especially when it is gearing up to raise ₹3,000 crore of capital by end of FY20. Valuations have eased significant-

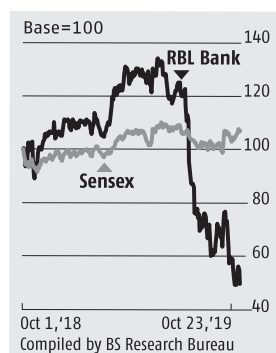


PHOTO: SIDHANT MISHRA

ly since July, and any further threat to earnings may spoil the show.

"We believe risk-reward has turned unfavourable for investors, and bottom-fishing in the stock should be avoided," say analysts at Sharekhan. This is despite the RBL Bank stock trading at 1.2x its FY21 estimated book.

While the worst hit the bank in Q2, meeting its guidance will be extremely imperative for it to win back some of the lost investor faith.



Asian Paints: Volumes shine, but margins lose colour

Volume growth in double digits led by low-cost products

SHREEPAD S AUTE

Asian Paints' volume growth of 14 per cent — as estimated by analysts — in the decorative paints segment was a bright spot in the September quarter (Q2). It came better than forecasts of 8-12 per cent. The company does not release growth figures.

However, an unfavourable product mix weighed on margins and profit growth. While the top line grew 9.4 per cent year-on-year (YoY) to ₹5,051 crore, the firm registered a 13.9 per cent YoY rise in profit before tax to ₹852.3 crore. Analysts, according to Bloomberg, had pegged the two figures at ₹5,214 crore and

₹898.7 crore, respectively. The 67 per cent YoY jump in profit after tax was mainly on account of lower tax rates, which makes it unfair for comparison.

In Q2, the double-digit volume growth was driven by low-cost economy products such as distemper and putty — mainly from rural areas. Premium products, demand for which comes mostly from metro cities, witnessed sluggish growth. According to the management, slower growth in metro/urban areas negatively impacted premium products.

In fact, the firm took measures such as price cuts to push its economy portfolio, and believes the strategy to focus on the bottom of the

pyramid helped.

Accelerated growth in low-cost products, coupled with higher promotional spend (reflected in the 156 basis point YoY increase in other expenses as percentage of sales) restricted operating margin gains, and subsequently, net profit growth.

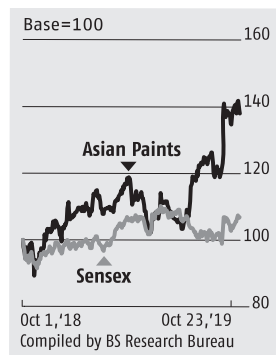
Ebitda (earnings before interest, tax, depreciation, and amortisation) margin expanded by just 60 bps YoY to 18.9 per cent in Q2. The gains were helped by benign input costs, which, as a percentage of sales, fell sharply by 257 bps YoY in Q2. The lower input cost trajectory, though, is likely to continue at least in the near term,

thereby supporting earnings outlook.

"Crude oil inflation is unlikely to increase sharply, which keeps Asian Paints' earnings visibility strong for the near-to-medium term," says Vishal Gutka, AVP at Phillip Capital.

The management believes that product mix should improve in the last two quarters, which are seasonally strong for the high-margin premium products.

While the outlook remains bright, current valuations of 51x its FY21 estimated earnings (25 per cent above long-term historical average) could limit further upside in the near-term.



GOLDCREST CORPORATION LIMITED

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EXTRACT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2019 (₹ In Lakhs)

Particulars	Quarter Ended			Six Months Ended		Year Ended
	30.09.2019 Unaudited	30.06.2019 Unaudited	30.09.2018 Unaudited	30.09.2019 Unaudited	30.09.2018 Unaudited	31.03.2019 Audited
Total Income from Operations	257.67	241.14	337.56	498.81	874.95	1,315.02
Net Profit(+) / Loss(-) from Ordinary Activities after Tax	32.14	99.39	83.44	131.53	337.09	502.43
Total Comprehensive Income for the period	29.63	99.28	83.63	128.91	337.46	495.33
Paid-up Equity Share Capital (face value ₹10/- per share)	568.98	568.98	568.98	568.98	568.98	568.98
Other Equity	-	-	-	-	-	4,185.28
Earnings per share (of ₹10/- each)						
(a) Basic	0.56	1.75	1.47	2.31	5.93	8.83
(b) Diluted	0.56	1.75	1.47	2.31	5.93	8.83

- Note:**
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at the Board meeting held on 23rd October, 2019. The statutory auditors of the Company have carried out limited review of the aforesaid results.
 - The above is an extract of the detailed format of the Consolidated Unaudited Financial Results for the quarter filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The full format of the Unaudited Financial Results for the quarter is available on the Stock Exchange's website at www.bseindia.com and also on the Company's website www.goldcrestgroup.com.
 - Effective April 01, 2019, the Company has adopted IAS 116 "Leases", applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. This has resulted in recognizing a right-of-use assets and a corresponding lease liability of ₹ 61.77 lakhs as at April 01, 2019. The impact on the profit and earnings per share for the quarter is not material.
 - The standalone unaudited financial results for the quarter ended 30th September, 2019, is available on the Company's website (www.goldcrestgroup.com) and on the website of BSE (www.bseindia.com) and the key information on the standalone unaudited financial results are as below:

Particulars	Quarter Ended			Six Months Ended		Year Ended
	30.09.2019 Unaudited	30.06.2019 Unaudited	30.09.2018 Unaudited	30.09.2019 Unaudited	30.09.2018 Unaudited	31.03.2019 Audited
Total Income	257.31	241.14	343.81	498.45	839.70	1,315.02
Profit before Tax	70.87	127.93	189.53	198.80	535.05	649.03
Profit after Tax	32.25	99.39	123.53	131.64	375.05	502.61
Total Comprehensive Income	29.75	99.28	123.71	129.03	375.42	495.51

By the order of the Board
For GOLDCREST CORPORATION LTD.
Sd/-
Anupa Tanna Shah
Managing Director
DIN : 01587901
Place : Mumbai
Dated : 23rd October, 2019

