

# Gautam Gems Ltd

"We stand for Quality"



Date: 20.10.2018

To,  
The Manager,  
Department of Corporate Services (DCS-Listing)  
BSE limited  
P.J. Towers,  
1st Floor, Dalal Street,

Mumbai-400 001

Dear Sir,

**Ref No: Company Code: BSE SME-540936**  
**Sub: Annual Report- F.Y 2017-18**

With reference to the above subject and as per Regulation 34 of SEBI (LODR) Regulations, 2015 please find attached herewith Annual Report of financial year 2017-18

Kindly replace the same on your record.

Thanking You

Yours faithfully


For, GAUTAM GEMS LIMITED

*Gautam P. Sheth*

GAUTAM PRAVINCHANDRA SHETH  
MANAGING DIRECTOR  
DIN: 06748854



Gautam Gems Ltd.   
301, Sumukh BLDG, Super compound,  
Vasta devdi road, Katargam,  
Surat-395004. Gujarat-india.

 +91 261 2538046  
 +91 93 76 495 444

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[compliancegg@gmail.com](mailto:compliancegg@gmail.com)  
 [www.gautamgems.com](http://www.gautamgems.com)

CIN:U36911GJ2014PLCO78802



## **BOARD OF DIRECTORS**

Mr. GAUTAM PRAVINCHANDRA SHETH	: Managing Director
Mrs. NIDHI GAUTAM SHETH	: Whole time Director
Mrs. KANCHANBEN PRAVINBHAI SHETH	: Director
Mr. PRAVIN MANILAL PAREKH	: Director
Mr. PRAKASH NANALAL MEHTA	: Director

## **CHIEF FINANCIAL OFFICER**

Mr. SANDIP VINODBHAI MAKWANA

## **COMPLIANCE OFFICER**

GAUTAM P. SHETH

## **STATUTORY AUDITORS**

### **PARTH SHAH AND ASSOCIATES**

Chartered Accountant

## **BANKERS TO THE COMPANY**

### **BANK OF INDIA**

Katargam Branch, Surat

## **REGISTERED OFFICE**

3rd Floor, Office – 301,  
Sumukh Super Compound,  
Vasta Devadi Road, Surat-395004

## **REGISTRAR & TRANSFER AGENT**

### **KARVY COMPUTERSHARE PRIVATE LIMITED**

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad 500 032

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**NOTICE** is hereby given that the 5<sup>th</sup> **ANNUAL GENERAL MEETING** of the members of **GAUTAM GEMS LIMITED** ("the Company") will be held as scheduled below:

Date : 29<sup>th</sup> day of September, 2018

Day : Saturday

Time : 3:00 P.M.

Place : At registered office of the Company situated at  
**3rd Floor, Office – 301, Sumukh Super Compound,  
Vasta Devadi Road, Surat – 395004, Gujarat**

To transact the following business:

**ORDINARY BUSINESS:**

1. To Receive, Consider and Adopt Audited Financial Statement of the Company for the financial year ended on March 31<sup>st</sup>, 2018 together with Report of Board of Directors and Auditors' Report thereon.
2. To Appoint a Director in place of Mrs. **Kanchanben Pravinbhai Sheth (DIN: 06748900)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

Place: Ahmedabad

Date: 01<sup>st</sup> September, 2018

**BY ORDER OF THE BOARD OF DIRECTORS OF  
GAUTAM GEMS LIMITED**

Registered Office:

**3rd Floor, Office – 301, Sumukh Super Compound,  
Vasta Devadi Road, Surat – 395004, Gujarat**

Sd/-

Gautam P. Sheth  
Managing Director

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% 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 SHAREHOLDER.**

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
3. The Register of Members and Share Transfer Books will remain closed **from 22<sup>nd</sup> September, 2018 to 29<sup>th</sup> September, 2018** (both days inclusive) for the purpose of Annual General Meeting (AGM).

4. 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 the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
5. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
6. The Shareholders holding Shares in Physical form are advised to seek their shareholding changed to dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
7. **This is to bring to the notice of the Shareholders that the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 5th December, 2018 pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018. Hence Shareholders are advised to get their physical shares transferred / dematerialized.**
8. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
11. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, KARVY COMPUTERSHARE PRIVATE LIMITED for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
12. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication. **The Annual Report of the company will also be available on the Company's website [www.gautamgems.com](http://www.gautamgems.com)**
13. All the Documents referred to in the notice are open for inspection at the registered office of the Company between 11 A.M. to 5.00 P.M on any working day prior to the day of meeting and will also be available at the meeting venue on the date of meeting.
14. **The Company being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules 2014 is not mandatory to provide remote e-voting facility to its member.**

**15. BRIEF PROFILE OF THE DIRECTOR/S SEEKING APPOINTMENT / REAPPOINTMENT AT ANNUAL GENERAL MEETING**

Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting item no. 2 follows.

<b>Particular</b>	<b>Mrs. Kanchanben Pravinbhai Sheth</b>
Date of Birth	29/07/1955
Date of Appointment	18/02/2014
Qualification	She has done matriculation.
Relationships between directors inter se	Mrs. Kanchanben P. Sheth is a mother of Mr. Gautam P. Sheth and Mother in law of Nidhi G. Sheth
Directorship held in other companies	Nil
Membership/Chairmanships of Committee in other Public Companies	Nil

**Place:** Ahmedabad

**Date:** 01<sup>st</sup> September, 2018

**BY ORDER OF THE BOARD OF DIRECTORS OF  
GAUTAM GEMS LIMITED**

**Registered Office:**

**3rd Floor, Office – 301, Sumukh Super Compound,  
Vasta Devadi Road, Surat – 395004, Gujarat**

**Sd/-  
Gautam P. Sheth  
Managing Director**

# **DIRECTORS REPORT**

To,

The Members,

Your Directors have pleasure in presenting their Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

## **1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY (STANDALONE)**

The Board's Report is prepared based on the stand alone financial statements of the company.

	(Amount in Rs)	
<b>PARTICULAR</b>	<b>2017-18</b>	<b>2016-17</b>
<b>Total Income for the year was</b>	<b>28,66,48,645</b>	<b>4,35,315</b>
<b>Operating &amp; Administrative expenses</b>	<b>28,48,93,029</b>	<b>4,27,533</b>
<b>Profit/(Loss) Before Depreciation And Taxes</b>	<b>17,55,616</b>	<b>7,782</b>
<b>Less: Depreciation</b>	<b>5,49,214</b>	<b>-</b>
<b>Net Profit/(Loss) Before Tax</b>	<b>12,06,402</b>	<b>7,782</b>
<b>Less: Provision For Tax</b>	<b>3,10,000</b>	<b>2,000</b>
<b>Deferred Tax</b>	<b>98,881</b>	<b>-</b>
<b>Profit/(Loss) After Tax</b>	<b>7,97,521</b>	<b>5,782</b>
<b>EPS</b>	<b>0.15</b>	<b>0.58</b>

## **2. OPERATION & REVIEW**

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2018 and Statement of Profit & Loss together with Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2018 and Report of the Board of Directors and Auditors thereon.

Total Revenue from operation of the company is Rs. 28,66,48,645/- And the net Profit after tax is Rs. 7,97,521 For the Financial year 2018-19.

## **3. DIVIDEND**

The Board of directors of your company has not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2018.

## **4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

## **5. TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to General Reserves account.

## **6. CHANGE IN THE NATURE OF THE BUSINESS**

During the year, there is no change in the nature of the business of the Company.

## **7. DIRECTORS & KEY MANAGERIAL PERSONNEL**

- **Mrs. Kanchanben Pravinbhai Sheth** is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re- appointment.
- During the year under review, the board of directors of the company has appointed **Mr. Gautam Pravinchandra Sheth** as Managing director, **Mrs. Nidhi Jain**, as a Whole time Director, **Mr. Sandip Vinodbhai Makwana**, as a Chief Financial Officer and **Mrs. Priti Jain** as a Company Secretary of the company.
- The Board of director has also appointed **Mr. Prakash N. Mehta**, **Mr. Manohar B. Chunara** as an additional Independent director of the company and **Mr. Pravin M. Parekh** as a non Executive Director of the company.

- Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### **8. NUMBER OF BOARD MEETINGS**

The Board of Directors duly met Twelve (12) times on 15/05/2017, 10/08/2017, 25/08/2017, 01/09/2017, 27/09/2017, 30/09/2017, 24/11/2017, 27/11/2017, 01/12/2017, 21/12/2017, 03/02/2017 and 12/03/2018 in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

#### **9. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015 The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee. The evaluation covered functioning and composition of the Board and its committees, understanding of the roles and responsibilities, experience, competencies, participation at the Board and Committee meetings, corporate governance practices etc.

Evaluation of the Board and its compositions was carried out through a defined process covering the areas of the Boards functioning viz. composition of the Board and Committees, understanding of roles and responsibilities, experience and competencies, contribution at the meetings etc.

#### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with 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 at the end of the financial year and of the profit/loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial Controls with reference to Financial Statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

During the year, such Controls were tested and no reportable material weakness was observed

## 12. CHANGE IN CAPITAL STRUCTURE OF COMPANY

During the year under review, The Company has made Following Allotments:

Date of Allotment	No. of Shares Allotted	Nature of Issue
30/09/2017	1,11,111	Preferential issue against other than cash
23/11/2017	32,69,997	Bonus Issue to existing shareholders in the ratio of 27 equity shares for every 1 equity shares held
03/02/2018	21,00,000	SME IPO of the company on BSE limited face value of share is Rs.10/-, issued at a price of Rs.36/-.

## 13. MATERIAL CHANGES AND COMMITMENTS, IF ANY

- During the Period under review the company has been converted from Private Limited Company to Closely held Public Limited Company on 12<sup>th</sup> August, 2017
- During the Period under review The Company got listed of its shares on BSE SME platforms w.e.f 07/02/2018
- Except as mentioned above there are No other material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statements relate on the date of this report.

## 14. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return as required under section 134(3)(a) read with Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9, is annexed herewith as “Annexure - A”

## 15. AUDITORS AND THEIR REPORT

### • STATUTORY AUDITOR

The Board of directors of your company in their meeting was appointed Parth Shah And Associates (FRN: 144251W) as statutory auditors of the company and the auditor shall hold office up to the conclusion of annual General Meeting to be held in the year 2022 subject to ratification by the Members at the every Annual General Meeting during the said term, however with effect from 07.05.2018 requirement of ratification at every annual general meeting was omitted, therefore from this annual general meeting there is no need to ratified by members at every annual general meeting.

The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

### • COST AUDITOR

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

### • SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules made there under, Practicing Company Secretary have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed to this report as “Annexure – B”. The report is self-explanatory.



**16. DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

**17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In terms of rule (9) of the Companies (Accounts) Rules, 2014 The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year, the Company has not given any loan, guarantee or provided security in connection with the loan to any other body corporate or person or made any investments hence no particulars of the loans, guarantees or investments falling under the provisions of Section 186 of the Companies Act, 2013 are provided by the Board.

**20. RELATED PARTY TRANSACTIONS**

During the year under review, contracts or arrangements entered into with the related party, as defined under section 188 of the companies Act, 2013 were in ordinary course of business and on arms' length basis. Details of the transactions pursuant to compliance of section 134(3)(h) of the companies act, 2013 and rule 8(2) of the companies (Accounts) Rule, 2014 are annexed herewith as per "**Annexure – C**".

However, there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

**21. SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is no significant and material order was passed by regulators or courts or tribunals impacting the going concern status and company's operations in future.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. CONSERVATION OF ENERGY:**

- I. the steps taken or impact on conservation of energy : **Nil**
- II. the steps taken by the company for utilising alternate sources of energy : **None**
- III. the capital investment on energy conservation equipments : **Nil**

**B. TECHNOLOGY ABSORPTION:**

- I. the efforts made towards technology absorption : **None**
- II. The benefits derived like product improvement, cost reduction, product development or import substitution: **None**
- III. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a) The details of technology imported: **None**
  - b) The year of import: **N.A.**
  - c) Whether the technology been fully absorbed: **N.A.**

- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:  
**N.A.**
- e) The expenditure incurred on Research and Development: **Nil**

C. There was no foreign exchange inflow or Outflow during the year under review

**23. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE/ SEXUAL HARASSMENT COMMITTEE**

• **Audit Committee**

**Constitution & Composition of Audit Committee:**

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on November 27, 2017 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI Listing Regulations (applicable upon listing of Company's Equity Shares).

The composition of the Audit Committee and details of meetings attended by the members of the Audit Committee are given below:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
<b>Manoharbai B. Chunara*</b>	Chairman	Non-Executive-Independent Director	1	1
<b>Prakash N. Mehta</b>	Member	Non-Executive-Independent Director	1	1
<b>Pravin M. Parekh</b>	Member	Non-Executive- Director	1	1
<b>Mrs. Nidhi G. Sheth#</b>	Member	Executive Director	1	1

\*Mr. Manohar B. Chunara resigned as a director of the company w.e.f 12.03.2018

#Mrs. Nidhi G. Sheth Appointed as member of the committee w.e.f. 12.03.2018

• **Nomination and Remuneration Committee:**

**Constitution & Composition of Remuneration Committee:**

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI Listing Regulations (applicable upon listing of Company's Equity Shares)vide board resolution dated November 27, 2017 . The Nomination and Remuneration Committee comprises the following members:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
<b>Prakash N Mehta</b>	Chairman	Non-Executive-Independent Director	1	1
<b>Pravin M Parekh</b>	Member	Non-Executive- Director	1	1
<b>Manoharbai B Chunara*</b>	Member	Non-Executive-Independent Director	1	1
<b>Mrs. Kanchanben Sheth#</b>	Member	Non-Executive- Director	1	1

\*Mr. Manohar B. Chunara resigned as a director of the company w.e.f 12.03.2018.

#Mrs. Kanchanben Sheth appointed as Member of the committee w.e.f. 12.03.2018

The Policy of nomination and Remuneration committee has been placed on the website of the company at [www.gautamgems.com](http://www.gautamgems.com) and the salient features of the same has been disclosed under “Annexure – D”

- **Stakeholder’s Relationship Committee:**

**Constitution & Composition of Stakeholders Relationship Committee:**

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI Listing Regulations (applicable upon listing of Company’s equity shares) vide board resolution dated November 27, 2017.

The constituted Stakeholders Relationship Committee comprises the following members:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Prakash N Mehta	Chairman	Non-Executive-Independent Director	1	1
Manoharbai B Chunara*	Member	Non-Executive-Independent Director	1	1
Nidhi G Sheth	Member	Executive Director	1	1

\*Mr. Manohar B. Chunara resigned as a director of the company w.e.f 12.03.2018

- **Sexual Harassment Committee**

**Constitution & Composition of Sexual Harassment Committee:**

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Nidhi G Sheth	Chairman	Executive Director	1	1
Pravin M Parekh	Member	Non Executive Director	1	1
Prakash N Mehta	Member	Non-Executive-Independent Director	1	1

The Sexual Harassment Committee was constituted by the Board of Directors at the meeting held on November 27, 2017 in compliance with the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013.

**24. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and analysis Report as Required under Regulation 34 and Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the companies’ current working and future outlook of as per “Annexure – E”

**25. CORPORATE GOVERNANCE**

Since the Company’s Securities are not listed during the year under review, Regulation 15(2) of SEBI (Listing Obligation and Disclosures requirement) Regulation, 2015, Report on Corporate Governance is not applicable to Our Company; hence Company has not obtained a Certificate from a Practicing Company Secretaries certifying the same.

**26. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the continuous support received from the Members, customers, suppliers, bankers, various statutory bodies of the Government of India and the Company's employees at all levels.

**DATE: 01/09/2018**

**PLACE: AHMEDABAD**

**For and on behalf of Board**

**SD/-**

**SD/-**

**Gautam P Sheth**

**Nidhi G Sheth**

**Managing Director    Whole-time Director**

“Annexure - A”  
Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2018

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	<b>U36911GJ2014PLC078802</b>
ii.	Registration Date	<b>18/02/2014</b>
iii.	Name of the Company	<b>GAUTAM GEMS LIMITED</b>
iv.	Category/Sub-Category of the Company	Company limited by Shares/ Indian Non-govt company
v.	Address of the Registered office and Contact details	3rd Floor, Office – 301, Sumukh Super Compound, Vasta Devadi Road, Surat Gujarat- 395004 India E-mail Id – complianceggl@gmail.com Tele No.- 0261- 2538046
vi.	Whether listed company	listed
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Karvy Computershare Private Limited</b> “Karvy House”, 46 , Avenue – 4, Street no. 1, Banjara Hills, Hyderabad – 500038, Andhra Pradesh Tel. No. – 040-67162222 Website - <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>

**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:-

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading of Diamonds	46697	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	N.A				

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

**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 <sup>st</sup> March, 2017)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2018)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/HUF	-	10,000	10,000	100%	33,90,168	-	33,90,168	61.74	61.74
b) Central Govt	-	-	-	-	-	-	-	-	0
c) State Govt(s)	-	-	-	-	-	-	-	-	0
d) Bodies Corp	-	-	-	-	-	-	-	-	0
e) Banks / FI	-	-	-	-	-	-	-	-	0
f) Any Other	-	-	-	-	-	-	-	-	0
Sub-total(A)(1):-	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	<b>33,90,168</b>	-	<b>33,90,168</b>	<b>61.74</b>	<b>61.74</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	0
h) Other-Individuals	-	-	-	-	-	-	-	-	0
i) Bodies Corp.	-	-	-	-	-	-	-	-	0
j) Banks / FI	-	-	-	-	-	-	-	-	0
k) Any Other....	-	-	-	-	-	-	-	-	0
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	0
<b>TOTAL A</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	<b>33,90,168</b>	-	<b>33,90,168</b>	<b>61.74</b>	<b>61.74</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	0
b) Banks / FI	-	-	-	-	-	-	-	-	0
c) Central Govt	-	-	-	-	-	-	-	-	0
d) State Govt(s)	-	-	-	-	-	-	-	-	0
e) Venture Capital Funds	-	-	-	-	-	-	-	-	0
f) Insurance Companies	-	-	-	-	-	-	-	-	0
g) FII's	-	-	-	-	-	-	-	-	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0
i) Others (specify)	-	-	-	-	-	-	-	-	0
Sub-total(B)(1)	-	-	-	-	-	-	-	-	0

<b>2. Non Institutions</b>									
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	0	-	-	-	-	0
b) Individuals  (i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	-	-	-	-	93839	-	93839	1.71	1.71
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	128100 0	-	12810 00	23.33	23.33
Others(Specify)					726101	-	72610	13.22	13.22
Sub-total(B)(2)	-	-	-	0	<b>210094 0</b>	-	<b>21009 40</b>	<b>38.26</b>	<b>38.26</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	0	<b>210094 0</b>	-	<b>21009 40</b>	<b>38.26</b>	<b>38.26</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	0	0
<b>Grand Total (A+B+C)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	<b>549110 8</b>	-	<b>54911 08</b>	<b>100%</b>	<b>100</b>

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 31 <sup>st</sup> March, 2017)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	<b>Gautam M. Sheth</b>	4,000	40.00	-	3223008	58.70	-	<b>58.70</b>
2.	<b>Nidhi G. Sheth</b>	3,000	30.00	-	82880	1.51	-	<b>1.51</b>
3.	<b>Kanchanben P. Sheth</b>	3,000	30.00	-	84000	1.53	-	<b>1.53</b>
4.	<b>Reshma S. Virwadia</b>	-	-	-	280	0.01	-	<b>0.01</b>
	<b>Total</b>	-	-	-	3390168	61.74		<b>61.74</b>

**iii. Change in Promoters' Share holding (please specify, if there is no change)**

Sr. no	For each of the Promoters	Shares	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
<b>1.</b>	<b>Gautam M. Sheth</b>					
	<b>At the beginning of the year</b>		4000	0.07	4000	0.07
	Allotment on 30/09/2017	1,11,111	-	-	1,15,111	2.10
	Bonus Allotment on 24/11/2017	31,07,997	-	-	32,23,108	58.70
	<b>At the End of the year</b>		<b>0</b>	<b>0</b>	<b>32,23,108</b>	<b>58.70</b>
<b>2.</b>	<b>Nidhi G. Sheth</b>					
	<b>At the beginning of the year</b>		3000	0.05	3000	0.05
	Transfer on 10/08/2017	(40)			2960	0.05
	Bonus Allotment on 24/11/17	79,920	-	-	82,880	1.51
	<b>At the End of the year</b>		<b>0</b>	<b>0</b>	<b>82,880</b>	<b>1.51</b>
<b>3.</b>	<b>Kanchanben P. Sheth</b>					
	<b>At the beginning of the year</b>	3000	-	-	3000	0.05
	Bonus Allotment on 24/11/17	81000	-	-	84000	1.53
	<b>At the End of the year</b>		<b>0</b>	<b>0</b>	<b>84000</b>	<b>1.53</b>
<b>4</b>	<b>Reshma S. Virvadiya</b>					
	Transfer receive dated 10/08/2017	10	-	-	10	-
	Bonus Allotment on 24/11/17	270	-	-	280	0.01
	<b>At the End of the year</b>		<b>0</b>	<b>0</b>	<b>280</b>	<b>0.01</b>

**iv. Shareholding pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)-**

Sr. no	For each of the Top ten Shareholders	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	LINKUP FINANCIAL CONSULTANTS PRIVATE LIMITED	-	-	279000	5.08
2	VAGHELA HASMUKH RAJESH	-	-	189000	3.44
3	LICY ROSHAN AUGUSTINE	-	-	150000	2.73
4	VAGHELA KOKILABEN	-	-	120000	2.19
5	ASE CAPITAL MARKETS LTD.	-	-	90000	1.64
6	GLORIOUS VINCOM PRIVATE LIMITED	-	-	90000	1.64
7	VAGHELA PRAKASH KANTILAL	-	-	90000	1.64
8	RAMNBHAI KALUBHAI RAVAT	-	-	78000	1.42



9	DINESHBHAI KANJIBHAI THAKKAR	-	-	78000	1.42
10	RAMNBHAI KALUBHAI RAVAT	-	-	78000	1.42

Top ten shareholders are given on the basis of shareholding pattern as on 31.03.2018

**v.Shareholding of Directors and Key Managerial Personnel:**

Sr. no	For each of the Director	Shares	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.	<b>Gautam M. Sheth</b>					
	<b>At the beginning of the year</b>	3000	-	-	3000	0.07
	Allotment on 30/09/2017	1,11,111	-	-	1,15,111	2.10
	Bonus Allotment on 24/11/2017	31,07,997	-	-	32,23,108	58.70
	<b>At the End of the year</b>		<b>0</b>	<b>0</b>	<b>32,23,108</b>	<b>58.70</b>
2.	<b>Nidhi G. Sheth</b>					
	<b>At the beginning of the year</b>	3000	-	-	3000	0.05
	Transfer on 10/08/2017	(40)			2960	0.05
	Bonus Allotment on 24/11/17	79,920	-	-	82,880	1.51
	<b>At the End of the year</b>		<b>0</b>	<b>0</b>	<b>82,880</b>	<b>1.51</b>
3.	<b>Kanchanben P. Sheth</b>					
	At the beginning of the year	3000	-	-	3000	0.05
	Bonus Allotment on 24/11/17	81000	-	-	84000	1.53
	<b>At the End of the year</b>		<b>0</b>	<b>0</b>	<b>84000</b>	<b>1.53</b>

Shareholding of Directors and KMP are given on the basis of Directorship as on 31.03.2018

**INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	57000	-	57000
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>57000</b>	<b>-</b>	<b>57000</b>
Change in Indebtedness during the financial year				

- Addition		1072955		1072955
- Reduction				
<b>Net Change</b>	-	<b>1072955</b>		<b>1072955</b>
Indebtedness at the end of the financial year				
i) Principal Amount		1129955		1129955
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	<b>1129955</b>		<b>1129955</b>

**vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Sl. No.	Particulars of Remuneration	Name of MD	Name of WTD	Total Amount
		<b>Gautam P. Sheth</b>	<b>Nidhi G. Sheth</b>	
1.	Gross salary	3,00,000	2,00,000	5,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(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	-	-	-
6.	Total(A)	3,00,000	2,00,000	5,00,000
	Ceiling as per the Act			

**B. Remuneration to other directors: N.A**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee					

	meetings ·Commission ·Others, please specify					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: N.A**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section17(3) Income-tax Act,1961	-	-	-	
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as% of profit -others, specify...				
5.	Others, please specify				
6.	Total				

**vii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

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					
Punishment					
Compoundig					
<b>B. Directors</b>					
Penalty					
Punishment					
Compoundig					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compoundig					

**ANNECURE – C**  
**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>There were no transactions or arrangement which were not at Arm's Length Basis.</b>
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars		
a)	Name (s) of the related party & nature of relationship	<b>Gautam P. Sheth</b> Managing Director of the company	<b>Nidhi G. Sheth</b> Wholetime Director of the company
b)	Nature of contracts/arrangements/transaction	Remuneration of Rs. 3,00,000/- Purchase of Rs. 1,40,37,083/-	Remuneration of Rs. 2,00,000/-
c)	Duration of the contracts/arrangements/transaction	NA	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA	
e)	Date of approval by the Board	15/05/2017	15/05/2017
f)	Amount paid as advances, if any	NA	

**DATE:** 01/09/2018  
**PLACE:** AHMEDABAD

**For and on behalf of Board**  
SD/- SD/-

Gautam P Sheth      Nidhi G Sheth  
Managing Director    Managing Director

**Annexure – D**  
**Policy of Nomination and Remuneration Committee of the Company**

**Policy for Identification Of Persons For Appointment And Removal As Director  
And Senior Managerial Personnel**

The Committee shall:

1. Identify and ascertain the honesty, reliability, qualification, expertise and experience of the person for appointment as Director or Senior Managerial Personnel and recommend the Board accordingly.
2. The committee must ensure itself regarding the capabilities and eligibilities of the proposed appointee(s) and must ensure that the proposed appointee shall be able to devote the required time as may be necessary.
3. The Committee shall be at discretion to decide whether qualification, expertise and experience possessed by the person is adequate for the proposed position.
4. Any other assessment as may be required must be carried out by the Committee and on being satisfied with the overall eligibility of the person, the committee shall recommend his/her appointment to the Board accordingly.
5. With respect to Independent Directors of the Company the committee shall additionally ensure the independence of the Director as per the applicable provisions of Companies Act, 2013 and the Rules made there under.
6. The Committee may recommend to the Board with the reasons recorded in writing, the removal of Director or Senior Managerial Personnel based on any disqualification that may be applicable as per the provisions of Companies Act, 2013 and the rules made there under or for any other reasons as may be justified by the Committee.

**TERM OF APPOINTMENT:**

The term of Appointment of Managing Director/ Whole Time Directors and Independent Directors of the Company shall be as per the provisions of the Companies Act, 2013 and the Rules made there under.

**RETIREMENT:**

The Managing Director/ Whole Time Directors and Independent Directors of the Company shall be subject to retirement as per the applicable provisions of Companies Act, 2013 and the Rules made there under. The Committee will be at its discretion to recommend retention of Directors even after they have attained the retirement age for the benefit of the Company subject to fulfillment of the requirements as mentioned in Companies Act, 2013.

**POLICY FOR EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND  
INDIVIDUAL DIRECTORS**

**1. Evaluation of performance of Board and Individual Directors:**

- a. Achievement of financial/ business targets as fixed by the Board;
- b. Proper development, management and execution of business plans;
- c. Display of leadership qualities i.e. correctly anticipating business trends and opportunities;
- d. Establishment of an effective organization structure;
- e. Participation in the Board/Committee Meetings;
- f. Integrity and maintenance of confidentiality;
- g. Any other criteria that may be considered necessary for the evaluation of the performance of the Board may be considered by the Committee.

**2. Evaluation of performance of Committee:**

- a. Discharge of its functions and duties as per its terms of reference;

- b. Effectiveness of the suggestions and recommendations received;
- c. Conduct of its meeting and procedures followed in this regard.

**3. Review of the Implementation of this policy:**

The Committee shall review the implementation and compliance of this policy at least once a year.

**POLICY FOR REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The remuneration of the Directors and Key Managerial Personnel must be in accordance with the provisions of Companies Act, 2013 and the Rules made there under. The committee must ensure that:

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

**Annexure - E**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**Business Overview**

The Company was originally incorporated as “Gautam Gems Private Limited” on February 18, 2014 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, it was converted in to a public company and consequently name was changed to “Gautam Gems Limited” (GGL) vide fresh certificate of incorporation dated August 16, 2017 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

The company has been principally incorporated as a Manufacturer & Trader of rough and polished diamonds. Its registered and corporate office is located in Surat, which is the diamond hub of India. It sells diamonds of multiple category, shape, cut, size and color. The range of diamonds it manufactures and trades in purely depends on the demand and supply of diamonds in the local markets. Primarily, Round Brilliant and All Fancy shape, 0.18 carats upto 15.00 carats Size and D to N color with all type of Fancy color diamonds are demanded by its customers. It maintains stock of its various shaped diamonds depending on the customer demand.

It procures its diamonds from suppliers based in the domestic market. It deals with only those suppliers who are reputed. Trust, reliability, quality and authenticity of diamonds is the utmost priority in diamond business. Further, the sales of its rough and polished diamonds depend on the kind of customer with whom they are dealing with. Such as its polished diamonds are majorly purchased by jewellery manufacturers, jewellery wholesalers, jewellery retailers, jewellery traders, diamond wholesalers, diamond retailers and its rough diamonds are majorly purchased by rough diamond traders and diamond manufacturers.

In order to compete in the diamond market, it has created and maintained an independent sales and distribution network for its products within the domestic markets. Further to ensure customer satisfaction, quality supply of diamonds, timely delivery of orders and purchase-sale of authentic diamonds, it deals with its suppliers and customers on mutually agreed terms. Further, it has developed and maintained long-term and stable relationships with its key suppliers and its key customers although it has not entered into any formal contracts with either of them.

Its promoters, Mr. Gautam P Sheth and Nidhi G Sheth have 15 years and 7 years of experience in diamond business, respectively.

**The Company`s Competitive Strengths are:**

- Quality Products
- Well established relationship with our supplier
- Strong & long-term relationship with our customers
- Wide Varieties of diamonds
- Rich domain experience of our Promoters

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company recognizes human resources as its biggest strength which has resulted in getting acknowledgement that the Company is the right destination where with the growth of the organization, value addition of individual employees is assured. The total number of employees as on 31st March, 2018 is 14.

**INTERNAL CONTROL:**

The Company has an adequate internal control system for safeguarding the assets and financial transactions of the Company. The strong internal control systems have been designed in such a way that, not only it prevent fraud and misuse of the Company`s resources but also protect shareholders interest.



## **Independent Auditor's Report**

**To the Members of GAUTAM GEMS LIMITED.**  
**(FORMERLY KNOWN AS GAUTAM GEMS PRIVATE LIMITED)**  
**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **GAUTAM GEMS LIMITED.** (FORMERLY KNOWN AS GAUTAM GEMS PRIVATE LIMITED) ('the Company'), which comprise the balance sheet as at **31 March 2018**, the statement of profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

The company has been converted from Private to Public Limited as on 16.08.2017.

### **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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the 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 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.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, 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 **31<sup>st</sup> March 2018** and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("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**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. 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 the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) in our opinion with respect to internal financial control , the said para is applicable to Company & hereby attached as Annexure – B.

- (g) 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 does not have any pending litigation which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which are required to be transferred to the investor education and protection fund by the company.

**For, Parth Shah & Associates.  
(Chartered Accountants)**

**CA. Parth Shah**  
(Proprietor)  
M No. :- 173468  
FRN No. :-144251W

Place: Ahmedabad  
Date: 30/05/2018

## **“Annexure – A” to the Auditors’ Report**

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. (This clause is not applicable to company, as there are no immovable property or any other property.)
- (ii) The Company is dealing in the business of Gold and Diamond.
- (iii) The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the book of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.
- (vii) The Company has not received loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(vii) of the Order is not applicable.
- (viii) The Company has raised Rs.7,56,00,000 by way of initial public offer. The company has issued and allotted 21,00,000 shares, face value of Rs. 10 each at a price of Rs. 36 per share (Rs. 26 being Securities premium).
- (ix) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (x) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company has not entered into transactions with the related parties as specified in sections 177 and 188 of the Act.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the provisions of clause 3(xiv) of the order are not applicable to the company. hence not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For, Parth Shah & Associates.  
(Chartered Accountants)**

**Place: Ahmedabad  
Date: 30/05/2018**

**CA Parth Shah  
(Proprietor)  
M No: 173468  
FRN No: 144251W**

## **ANNEXURE B TO THE AUDITOR'S REPORT**

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Gautam Gems Limited** ('the Company') as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR, PARTH SHAH AND ASSOCIATES  
CHARTERED ACCOUNTANTS**

**PARTH SHAH  
(Proprietor)  
FRN NO:- 144251W  
M. NO.:173468  
Place: Ahmedabad  
Date: 30.05.2018**

**GAUTAM GEMS LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Notes	2018	2017
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	5,49,11,080	1,00,000
(b) Reserves and Surplus	2	7,36,67,273	11,180
(c) Money received against share warrants		-	-
<b><u>(2) Share Application money pending allotment</u></b>			
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings			
(b) Deferred Tax Liabilities (Net)		98,881	-
(c) Other Long Term Liabilities			-
(d) Long Term Provisions			-
<b><u>(4) Current Liabilities</u></b>			
(a) Short-Term Borrowings	3	11,29,955	57,000
(b) Trade Payables	4	6,87,489	5,44,22,940
(c) Other Current Liabilities	5	1,21,672	55,78,657
(d) Short-Term Provisions	6	3,55,000	12,000
<b>Total Equity &amp; Liabilities</b>		<b>13,09,71,350</b>	<b>6,01,81,777</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
(i) Property, Plant and Equipments	7	70,99,145	55,78,657
(ii) Immovable Property		-	-
(iii) Capital work in progress		-	-
(b) Non-current investments			
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
<b><u>(2) Current Assets</u></b>			
(a) Current investments		-	-
(b) Inventories		3,74,26,489	5,44,22,940
(c) Trade receivables	8	8,07,31,334	-
(d) Cash and cash equivalents	9	31,72,653	1,76,480
(e) Short-term loans and advances		-	-
(f) Other current assets	10	25,41,729	3,700
<b>Total Assets</b>		<b>13,09,71,350</b>	<b>6,01,81,777</b>
<b>NOTES TO ACCOUNTS</b>		15	
<i>Schedules referred to above and notes attached there to form an integral part of Balance Sheet</i>			
<i>This is the Balance Sheet referred to in our Report of even date.</i>			
<b>FOR ,PARTH SHAH AND ASSOCIATES</b>		<b>FOR, GAUTAM GEMS LIMITED</b>	
<b>CHARTERED ACCOUNTANTS</b>			
<b>(CA. PARTH SHAH)</b>		<b>(DIRECTOR)</b>	<b>(DIRECTOR)</b>
<b>(PROPRIETOR)</b>			
<b>(MEMBERSHIP NO. 173468)</b>			<b>PLACE:AHMEDABAD</b>
<b>Firm Reg. No.:144251W</b>			<b>DATE : 30/05/2018</b>



**GAUTAM GEMS LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2018**

Sr. No	Particulars	Notes	2018	2017
I	Revenue from operations	11	28,66,48,645	4,35,315
II	Other Income			
III	<b>III. Total Revenue (I +II)</b>		<b>28,66,48,645</b>	<b>4,35,315</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed			
	Purchase of Stock-in-Trade	12	26,39,07,816	5,48,09,415
	Changes in inventories of finished goods, work-in-progress	13	1,69,96,451	5,44,22,940
	Employee Benefit Expense	14	26,24,016	18,500
	Financial Costs	15	6,443	1,033
	Depreciation and Amortization Expense		5,49,214	-
	Other Administrative Expenses	16	13,58,303	21,525
	<b>Total Expenses (IV)</b>		<b>28,54,42,243</b>	<b>4,27,533</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>12,06,402</b>	<b>7,782</b>
VI	Exceptional Items			-
VII	Profit before extraordinary items and tax (V - VI)		<b>12,06,402</b>	<b>7,782</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>12,06,402</b>	<b>7,782</b>
X	<b>Tax expense:</b>			
	(1) Current tax		3,10,000	2,000
	(2) Deferred tax		98,881	-
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	<b>7,97,521</b>	<b>5,782</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		<b>7,97,521</b>	<b>5,782</b>
	Add:- Transfer from reserve		-	-
	Less: Proposed Dividend		-	-
	Less: Tax on Dividend		-	-
	Balance Carried Forward to Balance Sheet		<b>7,97,521</b>	<b>5,782</b>
XVI	Earning per equity share:			
	(1) Basic		0.15	0.58
	(2) Diluted		0.15	0.58

**NOTES TO ACCOUNTS**

17

*Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement*

*This is the Profit & Loss Statement referred to in our Report of even date.*

**FOR ,PARTH SHAH AND ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**FOR, GAUTAM GEMS LIMITED**

**(CA. PARTH SHAH)**

**(PRPOPRIETOR)**

**Membership No. :173468**

**Firm Reg. No.:144251W**

**(DIRECTOR)**

**(DIRECTOR)**

**PLACE:AHMEDABAD**

**DATE : 30/05/2018**

## GAUTAM GEMS LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

### **Note : 1 Share Capital**

Sr. No	Particulars	2018	2017
1	<b>AUTHORIZED CAPITAL</b> 5600000 Equity Shares of Rs. 10/- each.	5,60,00,000	1,00,000
		5,60,00,000	1,00,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> 5491108 Equity Shares of Rs. 10/- each, Fully	5,49,11,080	1,00,000
	<b>Total in `</b>	<b>5,49,11,080</b>	<b>1,00,000</b>

Following Shareholders hold equity shares more than 5% of the Total equity shares of the company

Sr.	Share Holders Name	2018	2017
1	Gautam P. Sheth	3223008 58.79%	4,000 40%
2	Kanchanben P. Sheth	--	3,000 30%
3	Nidhi G. Sheth	--	3,000 30%
4	Linkup Fin. Cons. Pvt. Ltd.	279000 5.08%	--

### **Note : 2 Reserve & Surplus**

Sr. No	Particulars	2018	2017
1	Capital Reserve		
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	7,07,88,870	-
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	20,69,702	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (Special Reserve)	-	-
8	Surplus (Profit & Loss Account)	8,08,701	11,180
	Balance brought forward from previous year	11,180	6,148
	Less: Prior Period adjustment		750
	Less: Tax on Regular Assessment Paid	-	-
	Less: Transfer to Profit and Loss A/c	-	-
	Add: Profit for the period	7,97,521	5,782
	<b>Total in `</b>	<b>7,36,67,273</b>	<b>11,180</b>

### **Note :3 Short-Term Borrowings**

Sr. No	Particulars	2018	2017
<b>A.)</b>	<b>Unsecured</b>		
1	Gautam P Sheth	11,29,955	57,000
	<b>Total in `</b>	<b>11,29,955</b>	<b>57,000</b>

## GAUTAM GEMS LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

**Note :4 Trade Payable**

Sr. No	Particulars	2018	2017
1	Gautam Gems	6,87,489	5,44,22,940
<b>Total in `</b>		<b>6,87,489</b>	<b>5,44,22,940</b>

**Note :5 Other Current Liabilities**

Sr. No	Particulars	2018	2017
1	Gautam Gems	-	55,78,657
2	Tds payable	121672	-
<b>Total in `</b>		<b>1,21,672</b>	<b>55,78,657</b>

**Note :6 Short-Term Provisions**

Sr. No	Particulars	2018	2017
<b>A.)</b>	<b>Other Provisions</b>		
1	Audit Fees Payable	30,000	10,000
2	Provision for Tax	3,10,000	2,000
3	Salary Payable	15000	-
<b>Total in `</b>		<b>3,55,000</b>	<b>12,000</b>

## GAUTAM GEMS LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2018

Note : 7 Fixed Asset

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduc tion during the year	Value at the end	Value at the beginning	Addition during the year	Deduc tion during the year	Value at the end	WDV as on 31.03.2018	WDV as on 31.03.2017
<b>A</b>	<b><u>Property, Plant and Equipment</u></b>										
	AC ( Ifb + O General)	307702	-	-	3,07,702	58463	-	-	58,463	2,49,239	3,07,702
	Car Skoda Fabia	203119	-	-	2,03,119	19296	-	-	19,296	1,83,823	2,03,119
	Car Toyota Fortuna	1848571	-	-	18,48,571	175614	-	-	1,75,614	16,72,957	18,48,571
	Compuer Software Sarin Machine	20623	1107966	-	11,28,589	6531	350893	-	3,57,424	7,71,165	20,623
	Computer	174448	-	-	1,74,448	55248	-	-	55,248	1,19,200	1,74,448
	Furniture	465322	-	-	4,65,322	44206	-	-	44,206	4,21,116	4,65,322
	Machinery (Ghanti)	84489	20511	-	1,05,000	5348	1298	-	6,646	98,354	84,489
	Machinery (Russian Brutter)	79666	109334	-	1,89,000	5043	6921	-	11,964	1,77,036	79,666
	Metalar Weight (Kanti)	5965	-	-	5,965	567	-	-	567	5,398	5,965
	Microscope	449069	17523	-	4,66,592	28426	1109	-	29,535	4,37,057	4,49,069
	Mobile Phone Instrument	13677	-	-	13,677	2599	-	-	2,599	11,078	13,677
	Printer Canon 4350 D	5756	-	-	5,756	1094	-	-	1,094	4,662	5,756
	Printer HP4500	2639	-	-	2,639	836	-	-	836	1,803	2,639
	Safe (Godrej)	25827	-	-	25,827	1636	-	-	1,636	24,191	25,827
	Sarin Diamark Z Machine	1514903	751856	-	22,66,759	95894	47592	-	1,43,486	21,23,273	15,14,903
	Sarin Dia Mention (Hardware)	92940	153488	-	2,46,428	29434	48610	-	78,044	1,68,384	92,940
	Sarin I Machine	271597	390145	-	6,61,742	17192	24696	-	41,888	6,19,854	2,71,597
	T V	6489	-	-	6,489	1233	-	-	1,233	5,256	6,489
	Vehical-2 Wheeler	5855	-	-	5,855	556	-	-	556	5,299	5,855
											-
B	Immovable Properties	-	-	-	-	-	-	-	-	-	-
C	Capital work in Progress	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>55,78,657</b>	<b>25,50,823</b>	<b>-</b>	<b>81,29,480</b>	<b>5,49,216</b>	<b>4,81,119</b>	<b>-</b>	<b>10,30,335</b>	<b>70,99,145</b>	<b>55,78,657</b>

## GAUTAM GEMS LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

**Note : 8 Trade Recievables**

Sr. No	Particulars	2018	2017
A	Secured Considered Good	5,30,83,477	--
B	Adv from customers	2,76,47,857	
	<b>Total [ A + B ]</b>	<b>8,07,31,334</b>	--

**Note : 9 Cash & Cash Equivalent**

Sr. No	Particulars	2018	2017
1	<b>Cash-in-Hand</b>		
	Cash Balance	21,47,082	1,74,788
	Sub Total (A)	<b>21,47,082</b>	<b>1,74,788</b>
2	<b>Bank Balance</b>		
	Indusind Bank	10,25,571	1,692
	Sub Total (B)	<b>10,25,571</b>	<b>1,692</b>
	<b>Total [ A + B ]</b>	<b>31,72,653</b>	<b>1,76,480</b>

**Note :10 Other Current Assets**

Sr. No	Particulars	2018	2017
1	Deposits	756000	-
2	Preliminary Expense	13,00,754	-
3	GST Receivable	484975	-
4	Others	--	3,700
	<b>Total in</b>	<b>25,41,729</b>	<b>3,700</b>

# GAUTAM GEMS LIMITED

Notes Forming Part of the Profit & Loss Statement as at 31st March, 2018

## **Note : 11 Revenue from Operations**

Sr. No	Particulars	2018	2017
1	Sales Revenue	28,66,48,645	4,35,315
	<b>Total in `</b>	<b>28,66,48,645</b>	<b>4,35,315</b>

## **Note : 12 Cost of Material Consumed**

Sr. No	Particulars	2018	2017
a)	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Purchase	26,37,84,846	5,48,09,415
2	Stores spares and materials	1,22,970	
	<b>Total in `</b>	<b>26,39,07,816</b>	<b>5,48,09,415</b>

## **Note : 13 Change in Inventories**

Sr. No	Particulars	2018	2017
1	Opening Stock	5,44,22,940	-
2	Closing Stock	3,74,26,489	5,44,22,940
	<b>Total in `</b>	<b>1,69,96,451</b>	<b>(5,44,22,940)</b>

## **Note : 14 Employees Benefit Cost**

Sr. No	Particulars	2018	2017
1	Salary	21,24,016	18,500
2	Directors Remuneration	5,00,000	
	<b>Total in `</b>	<b>26,24,016</b>	<b>18,500</b>

## **Note : 15 Finance Cost**

Sr. No	Particulars	2018	2017
1	Bank Charges	6,443	1,033
	<b>Total in `</b>	<b>6,443</b>	<b>1,033</b>

## **Note : 16 Other Administrative Expenses**

Sr. No	Particulars	2018	2017
1	Audit Fees	60,000	10,000
2	Advertisement Exps	96,411	-
3	Rent Exps	40,000	-
4	post and courier	4,480	-
5	Printing and Stationary	-	3,350
6	Preliminary Expense written off	3,28,888	3,700
7	Prior Period Expenses	-	4,475
8	BSE,CDSL NSDL, ROC EXP	3,43,073	-
9	Conveyance exps and petrol	51,482	-
10	office exp and tea ref	92,547	-
11	Telephone exps	16,253	-
12	Legal and Professional fees	48,766	-
13	Computer Parts Exps	22,500	-
14	Commission exps	9,667	-
15	Electricity exps	1,67,725	-
16	Printing and Stationary	26,906	-
17	Repairs and maintenance	47,815	-
18	Income tax	1,790	-
	<b>Total in `</b>	<b>13,58,303</b>	<b>21,525</b>

# **GAUTAM GEMS LIMITED**

**(FORMERLY KNOWN AS GAUTAM GEMS PRIVATE LIMITED)**

## **Significant Accounting Policies and Notes forming parts of Accounts**

### **Note : 15**

#### **NOTES ON ACCOUNTS**

1. Previous year's figures are regrouped/rearranged wherever necessary.
2. All the Opening Balances are taken as per previous year audit report.
3. Contingent liability in respect of claims against the company not acknowledged as debts against which the company has counter claims aggregating to Rs. is Nil.
4. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the Balance sheet, if realized in the ordinary course of business.
5. Information pursuant to paragraph 2, 3, 4, 5 of Part II of the schedule III is given as under so far as it applies to the company

#### **a) Payment to Statutory Auditors**

	Current Year	Previous Year
1. Audit Fees	Rs.60,000/-	Rs.10,000/-

6. Provision for Taxation for the current year has been made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

**FOR, PARTH SHAH AND ASSOCIATES.  
CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF THE BOARD**

**PARTH SHAH  
(Proprietor)  
FRN NO:-144251W  
M.NO.: 173468**

**(Director)**

**(Director)**

**Place: Ahmedabad  
Date: 30.05.2018**

**Place: Ahmedabad  
Date: 30.05.2018**

## **Significant Accounting Policies**

### **A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial statements are prepared under the historical cost convention and on accrual basis in accordance with applicable accounting standards referred to in section 133 read with rule 7 of the Companies (Accounts) rules, 2014.

Accounting policies not specifically referred to otherwise are consistent and in accordance with the generally accepted accounting principles

### **B. REVENUE RECOGNITION**

Sales are recorded exclusive of Taxes and when risk is transferred to customer.

### **C. RETIREMENT BENEFITS**

- As certified by the management, the company has no liability under the Provident Fund & Super Annuation Fund Act as the said acts do not apply to the company.
- It is explained to us that the company does not provide for any leave encashment and any liability arising thereon shall be paid and dealt with in the books of accounts at the actual time of payment.

### **D. REVENUE RECOGNITION**

- Revenue in respect of dividend and gain on sales of shares is recognized as and when the same is materialized.

### **E. INVESTMENTS**

- Long are carried at cost less provision for permanent diminution if any in the value of such investment. There were no such investments during the year.

### **F. BORROWING COSTS**

- Borrowing costs are charged to the Profit and Loss A/c in the year in which they are incurred. There was no such cost during the year.

### **G. CONTINGENT LIABILITIES**

- As certified by the Management, there is no contingent liability on the company and all known and estimated liabilities have been provided for in the books of accounts.

### **H. APPLICABILITY OF AS-22**

- Provision for the deferred tax has been created on timing difference. During the year there was no such timing difference.

### **I. FOREIGN CURRENCY TRANSACTIONS**

- There are no such foreign currency transactions during the year.

### **J. CIF VALUE OF IMPORT RAW MATERIALS**

- NIL

### **K. EXPENDITURE IN FOREIGN CURRENCY**

- NIL



## L. PROPERTY, PLANT AND EQUIPMENT

- Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

## M. DEPRICIATION

- No depreciation is provided as during the year asset has not been used.

## N. APPLICABILITY OF AS - 18

- In accordance with the requirements of Accounting Standard -18 (AS – 18) “Related Party Transactions” issued by the Institute of Chartered Accountants of India, the following person are considered as Related Party as defined in AS –18:

Following transactions were carried out with related parties in the ordinary course of business:

Related Party Transactions	Key Management Personnel & Relatives	Others
Purchases	Gautam P Sheth - Director	1,40,37,083/-
Remuneration	Gautam P Sheth - Director	3,00,000/-
Remuneration	Nidhi G Sheth- Director	2,00,000/-

**O. Earning per Share:** The Earning Per Share (AS-20) has been computed as under:

(a) Profit after tax	Rs. 797521/-
(b) No. of Equity Share	5491108
(c) Nominal value of share	Rs. 10 per share
(d) EPS	Rs. 0.15/-

**FOR, PARTH SHAH AND ASSOCIATES.  
CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF THE BOARD**

**(Director)**

**(Director)**

**PARTH SHAH  
(Proprietor)  
FRN NO:-144251W  
M.NO.: 173468**

**Place: Ahmedabad  
Date: 30.05.2018**

**Place: Ahmedabad  
Date: 30.05.2018**



Registered Office: 3rd Floor, Office – 301, Sumukh Super Compound,  
Vasta Devadi Road, Surat – 395004, Gujarat

Email- [complianceggl@gmail.com](mailto:complianceggl@gmail.com) Tel. No.- 0261 253 8046 Website: [www.gautamgems.com](http://www.gautamgems.com)

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**5<sup>th</sup> Annual General Meeting – Saturday, 29<sup>th</sup> September, 2018**

**ATTENDANCE SLIP**

<b>Folio No. /Client Id:</b>	
<b>Name of Shareholder:</b>	
<b>Address of Shareholder:</b>	

I, hereby record my presence at the Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> September, 2018 at 3.00 PM at **3rd Floor, Office – 301, Sumukh Super Compound, Vasta Devadi Road, Surat – 395004, Gujarat**

\_\_\_\_\_  
**Signature of the Member**

**Notes:**

- A. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- B. Member/Proxy who wishes to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.

Member/Proxy should bring his/her copy of the Notice of Extraordinary General Meeting for reference at the meeting.

**Registered Office: 3rd Floor, Office – 301, Sumukh Super Compound,  
Vasta Devadi Road, Surat – 395004, Gujarat**

**Email- [complianceggl@gmail.com](mailto:complianceggl@gmail.com) Tel. No.- 0261 253 8046 Website: [www.gautamgems.com](http://www.gautamgems.com)**

**Form MGT-11 PROXY FORM**

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

**5<sup>th</sup> Annual General Meeting – Saturday, 29<sup>th</sup> September, 2018**

Name of the shareholder(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Folio No ./Client Id : \_\_\_\_\_ DP ID : \_\_\_\_\_

I/We, being member(S) of **Gautam Gems Limited**, holding \_\_\_\_\_ share of the company, hereby appoint

A: Name \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

B: Name \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

C: Name \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

As my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the 5<sup>th</sup> Annual General Meeting of the Company to be held on – Saturday, 29<sup>th</sup> September, 2018 at 3.00 PM at **3rd Floor, Office – 301, Sumukh Super Compound, Vasta Devadi Road, Surat – 395004, Gujarat** And/or at any adjournment thereof in respect of such resolutions as are indicated below:

Resol ution No.	Resolution	VOTING	
		FOR	AGAINST
<b>ORDINARY BUSINESS</b>			
1.	To receive, consider and adopt Audited Financial Statement of the Company for the financial year ended on March 31 <sup>st</sup> , 2018 together with Report of Board of Directors and Auditors' Report thereon.		
2.	To appoint a Director in place of <b>Mrs. Kanchanben Pravinbhai Sheth (DIN: 06748900)</b> , who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.		

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING**

**Registered Office: 3rd Floor, Office – 301, Sumukh Super Compound,  
Vasta Devadi Road, Surat – 395004, Gujarat**

