

# Gautam Gems Ltd

"We stand for Quality"

Date: 07/09/2021

To  
The General Manager-Listing  
Corporate Relationship Department  
The BSE Limited  
Phiroz Jeejeebhoy Tower  
Dalal Street, Mumbai-400001

**Sub: Submission of Annual Report for the financial year 2020-21**

**REF: GAUTAM GEMS LIMITED (Scrip Code: 540936)**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2020-21 alongwith the Notice convening the Annual General Meeting scheduled to be held on Thursday, 30th September, 2021 at 12:00 PM. The above is also available on the website of the Company at [www.gautamgems.com](http://www.gautamgems.com).

Thanking you,

**For, GAUTAM GEMS LIMITED**



**GAUTAM PRAVINCHANDRA SHETH  
MANAGING DIRECTOR**



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

 +91 261 2538046  
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 [info@gautamgems.in](mailto:info@gautamgems.in)  
[compliancegg@gmail.com](mailto:compliancegg@gmail.com)  
 [www.gautamgems.com](http://www.gautamgems.com)





## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Gautam Pravinchandra Sheth  
Mrs. Nidhi Gautam Sheth  
Mrs. Kanchanben Pravimbhai Sheth  
Mr. Pravin Manilal Parekh  
Mr. Prakash Nanalal Mehta  
Mr. Harshit Hasmukhbhai Vadecha

Managing Director  
Whole-time Director  
Executive Director  
Non-Executive Director  
Non-Executive Independent Director  
Non-Executive Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. Sandip Vinodbhai Makwana

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Anilbhai Keshubhai Modhavadiya

### **STATUTORY AUDITORS**

Parth Shah and Associates  
Chartered Accountants

### **BANKERS TO THE COMPANY**

Bank of India  
Katargam Branch, Surat

### **REGISTERED OFFICE**

3<sup>rd</sup> Floor, Office - 301  
Sumukh Super Compound  
Vasta Devadi Road  
Surat - 395004

### **REGISTRAR & TRANSFER AGENT**

KFin Technologies Private Limited  
Selenium Building, Tower-B  
Plot No 31 & 32  
Financial District, Nanakramguda  
Serilingampally  
Hyderabad - 500032  
Rangareddi, Telangana



**NOTICE**

NOTICE is hereby given that the **8<sup>th</sup> Annual General Meeting** of the Members of the Company will be held on Thursday, September 30, 2021 at 12.00 P.M. at the Registered Office of the Company to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March 2021, together with reports of the Board and Auditors thereon.
2. To Appoint a Director in place of Mr. Pravin Manilal Parekh (DIN: 07919428) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider, and if thought fit, to pass with or without modification(s), the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the Consent of the Members be and is hereby accorded for revision in remuneration of Mr. Gautam Pravinchandra Sheth (DIN:06748854), Managing Director, with effect from April 1, 2021 for the remaining period of his tenure ending on August 25, 2022."

"RESOLVED FURTHER THAT the remuneration payable to Mr. Gautam Pravinchandra Sheth, Managing Director with effect from April 1, 2021 shall be as under:

- Salary: Not exceeding Rs.12,00,000/- per annum with effect from April 1, 2021 inclusive of all perquisite.

"RESOLVED FURTHER THAT the consent and ratification of the Members of the Company be and is hereby accorded that Mr. Gautam Pravinchandra Sheth, Managing Director of the Company be paid remuneration by way of Salary, Perquisites and allowances not exceeding Rs.12,00,000/- (Rupees Twelve Lakhs Only) per annum for the remaining period in case the Company has no profits or its profit are inadequate."

"RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time."

"RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mr. Gautam Pravinchandra Sheth, Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time."

"RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company shall remain unchanged

"RESOLVED FURTHER THAT the Board of Director be and are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board



may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

4. To consider, and if thought fit, to pass with or without modification(s), the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the Consent of the Members be and is hereby accorded for revision in remuneration of Mrs. Nidhi Gautam Sheth (DIN:06748877), Whole-Time Director, with effect from April 1, 2021 for the remaining period of her tenure ending on November 30, 2022."

"RESOLVED FURTHER THAT the remuneration payable to Mrs. Nidhi Gautam Sheth, Whole-Time Director with effect from April 1, 2021 shall be as under:

- Salary: Not exceeding Rs.12,00,000/- per annum with effect from April 1, 2021 inclusive of all perquisite.

"RESOLVED FURTHER THAT the consent and ratification of the Members of the Company be and is hereby accorded that Mrs. Nidhi Gautam Sheth, Whole-Time Director of the Company be paid remuneration by way of Salary, Perquisites and allowances not exceeding Rs.12,00,000/- (Rupees Twelve Lakhs Only) per annum for the remaining period in case the Company has no profits or its profit are inadequate."

"RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time."

"RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mrs. Nidhi Gautam Sheth, Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time."

"RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of her appointment as Whole-Time Director of the Company shall remain unchanged

"RESOLVED FURTHER THAT the Board of Director be and are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

**Place: Surat**

**Date: 07/09/2021**

**Registered Office:**

3<sup>rd</sup> Floor, Office-301  
Sumukh Super Compound  
Vasta Devadi Road  
Surat - 395004

**By Order of the Board of Directors**

Sd/-

**Gautam P. Sheth**  
**Managing Director**  
**(DIN: 06748854)**



## 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/HERSELF 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. A Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
3. 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.
4. Members / Proxies / Authorised Representatives are requested to bring their Attendance Slip, which is enclosed herewith. Members, who hold shares in electronic form, are requested to write their DP ID and Client ID number/s and those who hold shares in physical form, are requested to write their Folio Number/s in the Attendance Slip for attending the AGM to facilitate identification of Membership at the AGM.
5. The Register of Members and Share Transfer Books shall remain closed from **Friday, September 24, 2021 to September 30, 2021** (both days inclusive) for the purpose of Annual General Meeting (AGM).
6. 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.
7. 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.
8. 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.
9. 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. 5<sup>th</sup> December 2018 pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June 2018. Hence Shareholders are advised to get their physical shares transferred / dematerialized.
10. 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.

11. 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.
12. 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.
13. 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, KFin Technologies Private Limited for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
14. 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. 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).
15. All the Documents referred to in the notice are open for inspection at the registered office of the Company between 11:00 a.m. to 05:00 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.

#### 16. PROCEDURE OF VOTING AT AGM:

In addition to the remote e-voting facility as described below, the Company shall arrange voting facility at the venue of AGM through Ballot Paper and the members attending the meeting, who have not already cast their votes by remote e-voting, will be able to exercise their right at the meeting. Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again. Members will need to write on the ballot paper, inter alia, relevant Folio no., DP ID & Client ID and number of shares held etc.

#### 17. E-VOTING FACILITY:

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, as amended, the Company is pleased to provide to the Members, facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the ensuing AGM and accordingly, business as mentioned in this Notice shall be transacted through e-voting. Necessary arrangements have been made by the Company with NSDL to facilitate e-voting. The Company has appointed Mrs. Shikha Patel, Practicing Company Secretary (Membership no. 43955), to act as Scrutiniser for conducting the voting and e-voting process in a fair and transparent manner.



The remote e-voting period shall commence on **Monday, September 27, 2021** from 9:00 a.m. and ends on Wednesday **September 29, 2021** till 5:00 p.m. During this period, the members of the Company, holding shares either in physical form or dematerialised form, as on **the cut-off date i.e. September 23, 2021**, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.

A person who is not a member as on cut-off date should treat this Notice for information purpose only.

## **1. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on September 27, 2021 at 9:00 A.M.(IST) and ends on September 29, 2021 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 23, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 23, 2021.**

### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**





##### **A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “ <b>Beneficial Owner</b> ” icon under “ <b>Login</b> ” which is available under ‘ <b>IDeAS</b> ’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ <b>Access to e-Voting</b> ” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the



	<p>remote e-Voting period.</p> <ol style="list-style-type: none"><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li><li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li></ol> <div data-bbox="743 1285 1243 1579" style="text-align: center;"><p><b>NSDL Mobile App is available on</b></p><p> App Store       Google Play</p><div style="display: flex; justify-content: space-around;"></div></div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"><li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li><li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links</li></ol>





	<p>of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43</p>



## **B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email



ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



## **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.spatelasso@gmail.com](mailto:cs.spatelasso@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## **Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [complianceggl@gmail.com](mailto:complianceggl@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [complianceggl@gmail.com](mailto:complianceggl@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.



18. The results so declared along with Scrutiniser's Report shall be placed on the Company's website i.e. [www.gautamgems.com](http://www.gautamgems.com) and on the website of NSDL i.e. [www.nsdl.co.in](http://www.nsdl.co.in) and shall also be disseminated on the website of Stock Exchanges, where the Company's shares are listed.
19. Members holding shares in electronic form must inform about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Transfer Agent.
20. Members are requested to bring their copy of Annual Report at the meeting.
21. 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 are as follows:

<b>Particulars</b>	<b>Pravin Manilal Parekh</b>
Date of Birth	07-09-1975
Date of Appointment	25-08-2017
Qualification	Commerce Graduate
Brief Profile and Nature of Expertise	Mr. Pravin M. Parekh is a Professional Non-Executive Director of the Company. He is a Commerce Graduate and has around 10 years of experience in the field of sales and marketing. As a Director of the Company with corporate acumen, he brings value addition to the Company.
Terms & Conditions of Appointment / Re-appointment	Subject to such terms and conditions of appointment as Non-Executive Director
Remuneration last drawn	Nil
Relationships between Directors inter-se	--
Directorship held in other companies	--
Membership / Chairmanship of Committees in other Companies	--
No. of shares held in the Company	--
No. of Board Meetings attended during the Year	8 out of 8



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

**ITEM NO. 3**

Mr. Gautam Pravinchandra Sheth is the Promoter and Managing Director of the company. He has been appointed as the Director since February 18, 2014 and designated as Managing Director of the Company with effect from August 25, 2017.

Mr. Gautam Pravinchandra Sheth have successfully managed various phases of expansion and growth of our business and operations. He has vast experience in Jewellery Industry and has been instrumental in formulating growth strategy of our company.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Gautam Pravinchandra Sheth, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company has approved the proposal to increase the salary of Mr. Rohit Dalpatbhai Shah, Managing Director, subject to the approval of shareholders, as set out in the resolution being item no. 3 of the accompanying notice w.e.f. April 1, 2021 for the remaining period of his tenure i.e. upto August 25, 2022.

Where in any financial year, during the currency of the tenure of Mr. Gautam Pravinchandra Sheth as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no. 3 of the accompanying notice, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

Out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profit, the remuneration can be paid by the Company to its managerial personnel within the limits arrived at in accordance with the requirements of the said section II, subject to the following:

- (i) The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.
- (ii) There is no default in repayment of any of its debts or interest payable thereon.

The Nomination and Remuneration Committee at its meeting has already approved the above remuneration payable to Mr. Gautam Pravinchandra Sheth, Managing Director of the Company. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration.



# Gautam Gems Ltd

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company shall remain unchanged.

Considering Mr. Gautam Pravinchandra Sheth 's experience in Jewellery Industry and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and are commended for your approval.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of Members.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Gautam Pravinchandra Sheth, are in any way, concerned or interested in the said resolution.

The Board commends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval by the Members.

Statement containing the information as required under Section-II, Pari-II of Schedule V to the Companies Act, 2013

I.	General Information		
1	Nature of Industry	The Company is engaged in trading of precious metals and Jewellery Industry	
2	Date or expected date of Commencement of Commercial production	Commercial operations commenced in the year 2014	
	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	Not Applicable	
	Financial performance based on given indicators	Particulars	2020-21 (as per Audited Financials Report) (In Lakh)
		Paid up Capital	1006.71
		Reserves and Surplus	383.39
		Total Revenue from Operations	9,381.79
		Total Expenses	9,340.42
		Profit before Tax	41.37
		Tax Expenses including Deferred Tax	7.29
	Profit after Tax	34.09	
	Foreign investments or collaborators, if any	Not applicable	



II	Information about the Appointee:	
	Background detail	Mr. Gautam Pravinchandra Sheth has been on the board of the company since 2014. He is having valuable experience in Jewellery Industry and has been instrumental in formulating growth strategy of the company
	Past Remuneration (per annum)	Rs.3,00,000/-
	Job profile and his suitability	<p>As a Managing Director, Mr. Gautam Pravinchandra Sheth, is entrusted with to perform such duties and exercise such powers as have been or may from time to time be entrusted or conferred upon them by the Board.</p> <p>Mr. Gautam Pravinchandra Sheth is of proven caliber and skill and having wide ranging experience in the industry.</p> <p>Mr. Gautam Pravinchandra Sheth, shall have all powers and duties as the Board may determine from time to time.</p>
	Remuneration proposed	Not exceeding Rs.12,00,000/- (Rupees Twelve Lakhs Only) per annum
	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	Taking into consideration the size of the Company, profile of Mr. Gautam Pravinchandra Sheth, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies
	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	<p>Besides the remuneration AND as mentioned in form AOC-2, the Mr. Gautam Pravinchandra Sheth does not have any other pecuniary relationship with the Company.</p> <p>Mr. Gautam Pravinchandra Sheth is husband of Mrs. Nidhi Gautam Sheth, Whole-Time Director of the Company.</p> <p>Mr. Gautam Pravinchandra Sheth is promoter of the Company and his shareholding as on March 31, 2021 is 52,98,157 shares in the share capital of the Company.</p>





III	Other Information	
	Reasons of loss or inadequate profits	At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.
	Steps taken or proposed to be taken for improvement	The Company is always looking forward to take all such steps and measures including expansion, diversification, restructuring which are in the best interest of the company. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins.
	Expected increase productivity and profits measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profit in measurable terms.

#### ITEM NO. 4

Mrs. Nidhi Gautam Sheth, is the Promoter and Whole-Time Director of the company. He has been appointed as the Director since February 18, 2014 and designated as Whole-Time Director of the Company with effect from December 1, 2017.

Mrs. Nidhi Gautam Sheth have successfully managed various phases of expansion and growth of our business and operations. He has valuable experience in Jewellery Industry and has been instrumental in formulating growth strategy of our company.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mrs. Nidhi Gautam Sheth, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company has approved the proposal to increase the salary of Mrs. Nidhi Gautam Sheth, Whole-Time Director, subject to the approval of shareholders, as set out in the resolution being item no. 4 of the accompanying notice w.e.f. April 1, 2021 for the remaining period of his tenure i.e. upto November 30, 2022.

Where in any financial year, during the currency of the tenure of Mrs. Nidhi Gautam Sheth as Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no. 4 of the accompanying notice, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

Out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profit, the remuneration can be paid by the Company to its managerial personnel within the limits arrived at in accordance with the requirements of the said section II, subject to the following:



- (i) The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.
- (ii) There is no default in repayment of any of its debts or interest payable thereon.

The Nomination and Remuneration Committee at its meeting has already approved the above remuneration payable to Mrs. Nidhi Gautam Sheth, Whole-Time Director of the Company. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration.

Except for the aforesaid revision in salary, all other terms and conditions of her appointment as Whole-Time Director of the Company shall remain unchanged.

Considering Mrs. Nidhi Gautam Sheth's experience in Jewellery Industry and the trend in the industry, the terms of her remuneration are considered to be fair, just and reasonable and are commended for your approval.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of Members.

None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Nidhi Gautam Sheth, are in any way, concerned or interested in the said resolution.

The Board commends the Special Resolution set out at Item No. 4 of the accompanying Notice for the approval by the Members.

Statement containing the information as required under Section-II, Pari-II of Schedule V to the Companies Act, 2013

I. General Information		
1	Nature of Industry	The Company is engaged in trading of precious metals and Jewellery Industry
2	Date or expected date of Commencement of Commercial production	Commercial operations commenced in the year 2014
	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	Not Applicable



Financial performance based on given indicators	Particulars	2020-21 (as per Audited Financials Report) (In Lakh)
	Paid up Capital	1006.71
	Reserves and Surplus	383.39
	Total Revenue from Operations	9,381.79
	Total Expenses	9,340.42
	Profit before Tax	41.37
	Tax Expenses including Deferred Tax	7.29
	Profit after Tax	34.09
Foreign investments or collaborators, if any	Not applicable	
<b>II Information about the Appointee:</b>		
Background detail	Mrs. Nidhi Gautam Sheth has been on the board of the company since 2014. She is having valuable experience in Jewellery Industry and has been instrumental in formulating growth strategy of the company	
Past Remuneration (per annum) for 2019-20	Rs.2,00,000/-	
Job profile and his suitability	<p>As a Whole-Time Director, Mrs. Nidhi Gautam Sheth, is entrusted with to perform such duties and exercise such powers as have been or may from time to time be entrusted or conferred upon them by the Board.</p> <p>Mrs. Nidhi Gautam Sheth is of proven caliber and skill and having wide ranging experience in the industry.</p> <p>Mrs. Nidhi Gautam Sheth, shall have all powers and duties as the Board may determine from time to time.</p>	
Remuneration proposed	Not exceeding Rs.12,00,000/- (Rupees Twelve Lakhs Only) per annum	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	Taking into consideration the size of the Company, profile of Mrs. Nidhi Gautam Sheth, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies	
Pecuniary relationship directly or indirectly	Besides the remuneration and as mentioned in form AOC-2, the Mrs. Nidhi Gautam Sheth does not have	



	with the company, or relationship with the managerial personnel, if any	<p>any pecuniary relationship with the Company.</p> <p>Mrs. Nidhi Gautam Sheth is wife of Mr. Gautam Pravinchandra Sheth, Managing Director of the Company.</p> <p>Mrs. Nidhi Gautam Sheth is promoter of the Company and his shareholding as on March 31, 2021 is 1,51,947 shares in the share capital of the Company.</p>
III	Other Information	
	Reasons of loss or inadequate profits	At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.
	Steps taken or proposed to be taken for improvement	The Company is always looking forward to take all such steps and measures including expansion, diversification, restructuring which are in the best interest of the company. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins.
	Expected increase productivity and profits measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profit in measurable terms.



Gautam Gems Ltd

Registered Office: 3<sup>rd</sup> Floor, Office - 301, Sumukh Super Compound, Vasta Devadi Road, Surat - 395004  
Email: [complianceggl@gmail.com](mailto:complianceggl@gmail.com) Tele. No.: 0261-2538046  
Website: [www.gautamgems.com](http://www.gautamgems.com)

**8<sup>th</sup> Annual General Meeting - Thursday, September 30, 2021**

**ATTENDANCE SLIP**

Folio No. / DP ID & Client ID:

Name of Shareholder:

Address of Shareholder:

I, hereby record my presence at the 8<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 30, 2021 at 12.00 P.M. at 3<sup>rd</sup> Floor, Office - 301, Sumukh Super Compound, Vasta Devadi Road, Surat - 395004, Gujarat, India.

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**Signature of the Member/Proxy**

**Notes:**

- A. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- B. Member/Proxy who wish to attend the meeting, must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- C. Member/Proxy should bring his/her copy of the Notice of the Meeting for reference at the meeting.



Registered Office: 3<sup>rd</sup> Floor, Office - 301, Sumukh Super Compound, Vasta Devadi Road, Surat - 395004  
Email: [complianceggl@gmail.com](mailto:complianceggl@gmail.com) Tele. No.: 0261-2538046  
Website: [www.gautamgems.com](http://www.gautamgems.com)

**Form MGT-11  
PROXY FORM**

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

**8<sup>th</sup> Annual General Meeting – Thursday, September 30, 2021**

Name of the shareholder(s):

Registered Address:

E-mail ID:

Folio No. / DP ID and Client ID:

I/We, being member(s) of Gautam Gems Limited, holding \_\_\_\_\_ share(s) 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: \_\_\_\_\_

As my/our proxy to attend and vote for me/us, on my/our behalf at the 8<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 30, 2021 at 12.00 P.M. at 3<sup>rd</sup> Floor, Office - 301, Sumukh Super



# Gautam Gems Ltd

Compound, Vasta Devadi Road, Surat - 395004, Gujarat, India and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Voting	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended on 31 <sup>st</sup> March 2021, together with reports of the Board and Auditors thereon.		
2	To Appoint a Director in place of Mr. Pravin Manilal Parekh (DIN: 07919428) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.		
<b>Ordinary Business</b>			
3	Revision in remuneration of Mr. Gautam Pravinchandra Sheth (DIN:06748854), Managing Director of the Company for not exceeding Rs.12,00,000/- per annum with effect from April 1, 2021 inclusive of all perquisite.		
4	Revision in remuneration of Mrs. Nidhi Gautam Sheth (DIN:06748877), Whole-Time Director of the Company for not exceeding Rs.12,00,000/- per annum with effect from April 1, 2021 inclusive of all perquisite.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

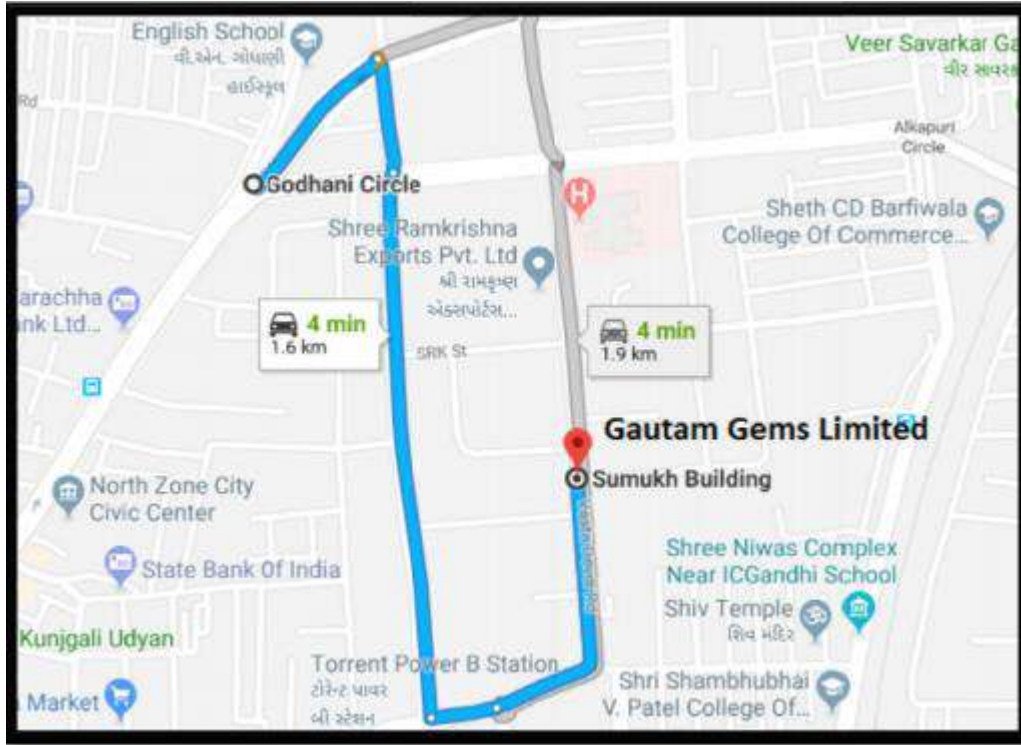
\_\_\_\_\_  
**Signature of Shareholder(s)/ Proxy holder(s)**

**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: 3<sup>rd</sup> Floor, Office - 301, Sumukh Super Compound, Vasta Devadi Road, Surat - 395004







## DIRECTORS' REPORT

To,  
The Members,

Your Directors present the Annual Report and the Company's Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2021.

### • FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year figures is given hereunder:

(Rs. in lakhs except per share data)

Particulars	2020-2021	2019-2020
Income for the year	9,381.79	32,878.11
Operating & Administrative expenses	9,340.42	32,803.15
Net Profit/(loss) before tax	41.37	74.95
Less: Provision for tax	7.29	15.00
Deferred Tax	-	2.59
Net Profit/(loss) after tax	34.09	57.36
Earnings per Share	0.34	1.04

### • OPERATION & REVIEW

Total Revenue from operation of the Company is Rs. 9,381.79 lakhs and Net Profit after Tax is Rs. 34.42 lakhs for the Financial Year 2020-21.

### • DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31<sup>st</sup> March 2021.

### • 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.

### • TRANSFER TO RESERVES

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

### • CHANGE IN THE NATURE OF BUSINESS

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



## • DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name of Director / KMP	Designation
1.	Gautam Pravinchandra Sheth	Managing Director
2.	Nidhi Gautam Sheth	Whole-time Director
3.	Kanchanben Pravinbhai Sheth	Executive Director
4.	Pravin Manilal Parekh	Non-Executive Director
5.	Prakash Nanalal Mehta	Non-Executive Independent Director
6.	Harshit Hasmukhbhai Vadecha	Non-Executive Independent Director
7.	Sandip Vinodbhai Makwana	Chief Financial Officer
8.	Anilbhai Keshubhai Modhavadiya	Company Secretary & Compliance Officer

Mr. Pravin Manilal Parekh is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

## • NUMBER OF BOARD MEETINGS

The Board of Directors met eight (8) times on 30<sup>th</sup> April 2020, 27<sup>th</sup> July 2020, 16<sup>th</sup> September 2020, 28<sup>th</sup> September 2020, 12<sup>th</sup> November 2020, 6<sup>th</sup> January 2021, 15<sup>th</sup> January 2021 and 30<sup>th</sup> March 2021 and in respect of said meetings, proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

The gap between two Board Meetings was within the maximum time gap prescribed under the Act and the Listing Regulations. The requisite quorum was present in all the meetings.

## • COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of Secretarial Standard 1 (relating to meetings of the Board of Directors) and Secretarial Standard 2 (relating to General Meetings) issued by the Institute of Company Secretaries of India.

## • 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.

## • DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- (b) the Directors had 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 and loss of the Company for that period;
- (c) the Directors had 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 had prepared the annual accounts on a going concern basis;
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- (f) 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.

## • **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.

## • **CHANGE IN CAPITAL STRUCTURE OF THE COMPANY**

During the year under review, the Company has issued and allotted 45,75,951 Bonus Shares of Rs. 10/- each to the existing equity shareholders of the Company in the proportion of 5 (five) equity shares for every 6 (six) existing equity shares held by the shareholders as on the record date i.e. 14<sup>th</sup> September 2020.

As on 31<sup>st</sup> March 2021, the paid up equity share capital of the Company was Rs. 10,06,70,590/- divided into 1,00,67,059 equity shares of the Company of Rs. 10/- each.

## • **MATERIAL CHANGES AND COMMITMENTS, IF ANY**

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report.

## • **ANNUAL RETURN**

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at [www.gautamgems.com](http://www.gautamgems.com).

## • **AUDITORS**

### **STATUTORY AUDITORS:**

The Company has appointed M/s. Parth Shah and Associates, Chartered Accountants (FRN: 144251W), Ahmedabad, as Statutory Auditors of the Company as per the Provisions of Section 139 of the Companies Act, 2013 for a period of Five Years and they will continue to hold the office till the conclusion of 10<sup>th</sup> AGM of the Company to be held in 2023.



The Company has received a confirmation from the 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 AUDITORS:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit is not applicable to the Company.

## **SECRETARIAL AUDITORS:**

In terms of Section 204 of the Act and Rules made thereunder, Practicing Company Secretary have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed to this report. The report is self-explanatory.

## ● **INTERNAL AUDIT & CONTROLS**

The Company has appointed external firm as its Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Findings of Internal Auditors are discussed with the process owners and suitable corrective actions were taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

## ● **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.

## ● **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

## ● **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In terms of the provisions of Section 135 of the Act and Rule 9 of the Companies (Accounts) Rules, 2014, the Company has not formulated and implemented any Corporate Social Responsibility Initiatives as the said provisions are not applicable to the Company.

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

During the year under review, the Company has not given any loan, made investment, provided guarantee or security to any entity falling under the provisions of Section 186 of the Act.



- **PARTICULARS REGARDING EMPLOYEES**

During the year under review, none of the employees were in receipt of remuneration exceeding the limit prescribed under Section 197 of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- **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 B**”. 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.

- **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 passed by regulators or courts or tribunals impacting the going concern status and company's operations in future.

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

Disclosures pertaining to conservation of energy, technology absorption and foreign exchange earnings & outgo, were not applicable to the Company during the year under review.

- **DETAILS OF COMMITTEES OF THE BOARD**

**AUDIT COMMITTEE:**

The Company has formed the Audit Committee as per the applicable provisions of 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. The composition of the Committee and details of meetings attended by the members are given below:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Mr. Prakash Nanalal Mehta	Chairman	Non-Executive Independent Director	5	5
Mr. Pravin Manilal Parekh	Member	Non-Executive Director	5	5
Mrs. Nidhi Gautam Sheth	Member	Whole-time Director	5	5
Mr. Harshit Hasmukhbhai Vadecha	Member	Non-Executive Independent Director	5	5



## **NOMINATION AND REMUNERATION COMMITTEE:**

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

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Mr. Prakash Nanalal Mehta	Chairman	Non-Executive Independent Director	1	1
Mr. Pravin Manilal Parekh	Member	Non-Executive Director	1	1
Mr. Harshit Hasmukhbhai Vadecha	Member	Non-Executive Independent Director	1	1

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 C”.

## **STAKEHOLDER’S RELATIONSHIP COMMITTEE:**

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

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Mr. Prakash Nanalal Mehta	Chairman	Non-Executive Independent Director	1	1
Mr. Harshit Hasmukhbhai Vadecha	Member	Non-Executive Independent Director	1	1
Mrs. Nidhi Gautam Sheth	Member	Whole-time Director	1	1

## **SEXUAL HARASSMENT COMMITTEE:**

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

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Mrs. Nidhi Gautam Sheth	Chairman	Whole-time Director	1	1
Mr. Pravin Manilal Parekh	Member	Non Executive Director	1	1
Mr. Prakash Nanalal Mehta	Member	Non-Executive Independent Director	1	1
Mrs. Kanchanben Pravinbhai Sheth	Member	Executive Director	1	1



- **MEETING OF INDEPENDENT DIRECTORS**

During the year under review, a separate meeting of Independent Directors was held on 30<sup>th</sup> March 2021, inter-alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors and
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

- **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has formulated and adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company always endeavors to create and provide an environment to its employees and external individuals engaged with the Company that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

During the year under review, there were no incidences of sexual harassment reported and received.

- **VIGIL MECHANISM**

The Company has established the vigil mechanism through Whistle Blower Policy for all the stakeholders of the Company, which also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases as per the Policy. The details of the Whistle Blower Policy is available on the website of the Company i.e. [www.gautamgems.com](http://www.gautamgems.com).

- **RISK MANAGEMENT**

The Company recognizes that risk is an integral part of business and is committed to managing the risks in proactive and efficient manner. The Company periodically assesses risk in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

The Company, through its risk management process, strives to contain impact and likelihood of the risk within the risk appetite as agreed from time to time with the Board of Directors.

Management Discussion and Analysis Report of the Annual Report identifies key risks, which can affect the performance of the Company.



The Company has adopted a Risk Management Policy for a systematic approach to control risks. The Risk Management Policy of the Company developed in line with the business strategy lays down procedures for risk identification, evaluation, monitoring, review and reporting.

- **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 Company's current working and future outlook. The Management Discussion and Analysis Report is annexed herewith as "**Annexure D**".

- **CORPORATE GOVERNANCE**

As per Regulation 15(2) of the Listing Regulations, the compliance with the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply, in respect of -

A listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

The paid up equity share capital of the Company is Rs. 10,06,70,590/- (Rupees Ten Crore Six Lakh Seventy Thousand Five Hundred Ninety Only) but the Net-worth of the Company is less than Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) as on the last day of the previous financial year ended on March 31, 2021. Accordingly, the provisions relating to Corporate Governance is not applicable to the Company.

- **ACKNOWLEDGEMENTS**

Your Directors places on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to the Company during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on the Company.

**Place: Surat**  
**Date: 07/09/2021**

**For and on behalf of the Board of Directors**  
**Sd/-** **Sd/-**  
**Gautam P. Sheth** **Nidhi G. Sheth**  
**Managing Director** **Whole-time Director**



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of  
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
GAUTAM GEMS LIMITED (CIN: L36911GJ2014PLC078802)  
3RD FLOOR, OFFICE - 301,  
SUMUKH SUPER COMPOUND,  
VASTA DEVADI ROAD, SURAT - 395004

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GAUTAM GEMS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form in online system in view of the prevailing situation of COVID-19 in the country during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2021 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per **Annexure - A** for the Financial Year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 2018);
- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013
- (j) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015; and
- (k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

As informed to us, there are no other Sector specific laws which are specifically applicable to the Company. However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (d), (e), (g), (h) and (i) of para (v) mentioned hereinabove during the period under review.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- (vi) I further report that having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof made available to me in electronic form, on test-check basis, the Company has compliance management system for the sector specific laws in textile sector applicable specifically to the Company, however in view of the prevailing situation of COVID-19 in the country, physical verification was not possible:

During the period under review the Company has endeavored to establish the compliance management system to adhere to the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove.

Further, I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances of the laws and regulations mentioned hereinabove as applicable to the Company.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as required under Listing Regulations, 2015. No changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance

with the provisions of the Act. The Company had filed Form within prescribed time, as well as with payment of additional fees, during the year under Audit.

The company has endeavored to establish a system of sending adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda at least seven days in advance, and a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

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

**I further report that** during the audit period of the Company there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above more specifically related to:

- (a) During the year, the Company has increased Authorised Share Capital from Rs. 5,60,00,000/- to Rs. 10,07,00,000/-.
- (b) During the year, the Company has issued Bonus Share at proportion of 5(Five) new fully paidup Equity Shares of Rs. 10/- (Rupees Ten Only) each forevery 6(Six) existing Equity Shares of Rs. 10/- (Rupees Ten Only) each held as on record date.
- (c) During the year, the Company has made allotment of 45,75,951 Equity Bonus Shares.
- (d) Migration from SME Board to Main Board of BSE Limited pursuance to Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) and applicable SEBI (LODR) Regulations, 2015.

**For, PHD & ASSOCIATES  
Company Secretaries**

**Place : Dhrangadhra  
Date : 03/09/2021**

**CS Hitesh Patel  
(Proprietor)  
ACS No.:A60830  
C P No.: 22749  
UDIN: A060830C000886259**

**Note:** This report is to be read with my letter of even date which is annexed as **Annexure - B** and forms an integral part of this report.

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time.

**Annexure - B**

To,  
The Members  
GAUTAM GEMS LIMITED (CIN: L36911GJ2014PLC078802)  
3RD FLOOR, OFFICE - 301,  
SUMUKH SUPER COMPOUND,  
VASTA DEVADI ROAD, SURAT - 395004

Sir,

**Sub:** Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2021.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on the secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For, PHD & ASSOCIATES  
Company Secretaries**

**Place : Dhrangadhra  
Date : 03/09/2021**

**CS Hitesh Patel  
(Proprietor)  
ACS No.:A60830  
C P No.: 22749  
UDIN: A060830C000886259**



**Annexure B**  
**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 arm's length transaction under third proviso thereto.

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name(s) of the related party & nature of relationship	No such contracts/ transactions/ arrangements
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts/arrangements/transactions including the value, if any	
e)	Justification for entering into such contracts/arrangements/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**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Gautam P. Sheth</b>	<b>Nidhi G. Sheth</b>	<b>Gautam Gems(Proprietorship of MD)</b>
a)	Name(s) of the related party & nature of relationship	Managing Director	Whole-time Director	Proprietorship of MD
b)	Nature of contracts/ arrangements/ transactions	Remuneration of Rs. 3,00,000/- and Unsecured Loan taken of Rs, 2,13,14,045/-.	Remuneration of Rs. 2,00,000/-	Labour Purchase of Rs.58,96,179/-
c)	Duration of the contracts/ arrangements/ transactions	For the year	For the year	For the year
d)	Salient terms of the contracts/ arrangements/transactions including the value, if any	N.A.	N.A.	N.A.
e)	Date of approval by the Board	30/03/2021	30/03/2021	30/03/2021
f)	Amount paid as advances, if any	N.A.	N.A.	N.A.

**Date: 07/09/2021**  
**Place: Surat**

**For and on behalf of the Board**  
**Sd/-**  
**Gautam P. Sheth**  
**Managing Director**  
**DIN: 06748854**

**Sd/-**  
**Nidhi G. Sheth**  
**Whole-time director**  
**DIN: 06748877**



**Annexure C**  
**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 the Companies Act, 2013 and the Rules made thereunder.
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 the Companies Act, 2013 and the rules made thereunder 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 thereunder.

**Retirement:**

The Managing Director/ Whole-time Directors and Independent Directors of the Company shall be subject to retirement as per the applicable provisions of the Companies Act, 2013 and the Rules made thereunder. 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 the 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 as 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 the Companies Act, 2013 and the Rules made thereunder. 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 D

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **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 Havelli. Subsequently, it was converted into a public company and consequently name was changed to “Gautam Gems Limited” (GGL) vide fresh certificate of incorporation dated August 16, 2017 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.

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 the customers. It maintains stock of its various shaped diamonds depending on the customers demand.

It procure 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 depends on the kind of customers 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 Mrs. Nidhi G. Sheth have 18 years and 10 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

#### **Opportunities:**

Increasing middle class population is expected to drive growth in the future and is expected to lead an increase in demand for gold. Also, India`s population is increasingly becoming urbanised, which is expected to boost household income, thereby leading to higher demand for gold and other jewellery. The jewellery demand is also increasing steadily due to changes in its role from just being an item of adornment and as a store of value to a lifestyle and fashion accessory. Rising quality awareness of customers has provided a fillip to the organized retail segment, which is banking on its ‘reliability’ and ‘quality’ to compete against the highly fragmented



unorganized jewellers. The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle.

The Government of India has also launched the Sovereign Gold Bond Scheme to reduce the country's reliance on physical gold imports to meet the investment demand for gold by retail investors.

### **Threats:**

Some of the key challenges faced by the retail jewellery industry are:

- Adapting to fast changing consumer preferences and buying patterns
- Volatility in the market prices of gold and diamonds
- Limited availability of high end retail space
- The retail jewellery is a working capital intensive business and currently there are increasing restrictions by banks over lending in this sector

### **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 employee is assured. The total number of employees as on 31<sup>st</sup> March 2021 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.

The Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition. The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. Based on the assessment carried out by the management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate Internal Financial Control systems that are operating effectively as of March 31, 2021. There were no instances of fraud which necessitates reporting in the financial statements. Further, there have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.



## **Independent Auditor's Report**

**To the Members of Gautam Gems Limited**

**Report on the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Standalone financial statements of **Gautam Gems Limited**. ('the Company'), which comprise the Balance Sheet as at **31<sup>st</sup> March 2021**, the Statement of Profit and Loss (including other comprehensive income) and Cash Flow statement for the year then ended, and notes to financial Statement including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid standalone financial statement give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of state of affairs of the company as at **31<sup>st</sup> March 2021** and its profit (including other comprehensive income) and its cash flow for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **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 Companies Act 2013, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
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 (including other Comprehensive income) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Financial statements comply with the Indian 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<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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 and Associates**  
**Chartered Accountants**  
**FRN No. 144251W**

**S/d**  
**Parth N. Shah**  
**(Proprietor)**  
**Mem. No: 173468**  
**UDIN : 21173468AAAAIW8890**

**Date: 30/06/2021**  
**Place: Ahmedabad**

## **“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 2021, 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.
- (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 2021 for a period of more than six months from the date they became payable.
- (viii) The Company has taken loan from ICICI Bank for business purpose and company has not make any default in repayment of loan.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Company has issue 4575951 Bonus Shares of 10/- each.

- (x) 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.
- (xi) 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 been 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 and Associates**  
**Chartered Accountants**  
**FRN No. 144251W**

**S/d**  
**Parth N. Shah**  
**(Proprietor)**  
**Mem. No: 173468**  
**UDIN : 21173468AAAAIW8890**

**Date: 30/06/2021**  
**Place: Ahmedabad**



## **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<sup>st</sup> March 2021** 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<sup>st</sup> March 2021**, 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**  
**FRN No. 144251W**

**S/d**  
**Parth N. Shah**  
**(Proprietor)**  
**M No: 173468**  
**UDIN : 21173468AAAAIW8890**

**Date:30/06/2021**  
**Place: Ahmedabad**

# Gautam Gems Limited

Statement of Assets & Liabilities as at 31<sup>st</sup> March , 2021

Particulars	Note No.	2021	2020
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(i) Property, Plant And Equipment	1	22,351,936	5,094,711
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Intangible assets under development		-	-
<b>Non-Current Financial Assets</b>			
(a) Non-Current Investments		-	-
(b) Trade Receivables, Non-Current		-	-
(c) Loans, Non-Current		-	-
(d) Other Non-Current Financial Assets		-	-
Deffered tax assets (net)		-	-
<b>Total Non Current Assets</b>		<b>22,351,936</b>	<b>5,094,711</b>
<b>(2) Current Assets</b>			
Inventories		222,233,591	85,347,647
<b>Current Financial Assets</b>			
(a) Current investments		-	-
(b) Trade receivables	2	119,066,992	1,019,354
(c) Cash and cash equivalents	3	1,142,500	6,981,276
(d) Bank Balance other than Cash and cash equivalents		-	-
(e) Loans, Current		1,500,000	51,302,720
(f) Other Current Financial Assets		-	-
<b>Total Current Financial Assets</b>		<b>121,709,492</b>	<b>59,303,350</b>
Current Tax Assets (net)		-	-
Other Current Assets	4	6,247,749	3,142,899
<b>Total Current Assets</b>		<b>350,190,832</b>	<b>147,793,896</b>
<b>Total Assets</b>		<b>372,542,770</b>	<b>152,888,610</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity Share Capital	5	100,670,590	54,911,080
Other Equity	6	38,339,123	80,690,092
<b>Total Equity</b>		<b>139,009,713</b>	<b>135,601,172</b>
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Non-Current Financial Liabilities</b>			
(a) Borrowings , non current		-	-
(b) Trade Payables , non current		-	-
(c) Other non current financial liabilities		-	-
<b>Total Non-Current Financial Liabilities</b>		-	-
Provision, non current		-	-
Deffered tax liabilities (net)		518,882	518,882
Other non current liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>518,882</b>	<b>518,882</b>
<b>Current Liabilities</b>			
<b>Current Financial Liabilities</b>			
(a) Borrowings , current	7	58,778,614	6,970,315
(b) Trade Payables , current	8	-	-
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding dues of creditors other than Micro and Small Enterprises		173,398,252	7,946,343
(c) Other current financial liabilities		-	-
<b>Total Current Financial Liabilities</b>		<b>232,176,866</b>	<b>14,916,658</b>
Other Current liabilities		-	-
Provision, current	9	837,309	1,851,898
Current tax liabilities (net)		-	-
<b>Total Current Liabilities</b>		<b>233,014,175</b>	<b>16,768,556</b>
<b>Total Liabilities</b>		<b>233,533,057</b>	<b>17,287,438</b>
<b>Total Equity and Liabilities</b>		<b>372,542,770</b>	<b>152,888,610</b>
<b>NOTES TO ACCOUNTS</b>		17	
<i>Notes attached there to form an integral part of Statement of Assets &amp; Liabilities</i>			
<i>As per Report of Even Date</i>			
<b>For , Parth Shah and Associates</b>	<b>For, Gautam Gems Limited</b>		
<b>Chartered Accountants</b>			
<b>FRN No. 144251W</b>			
<b>S/d</b>	<b>S/d</b>		
<b>Parth N. Shah</b>	<b>Gautam P. Sheth</b>	<b>Nidhi G. Sheth</b>	
<b>(Proprietor)</b>	<b>( Managing Director)</b>	<b>(Whole Time Director)</b>	
<b>Mem. No. : 173468</b>	<b>DIN : 06748854</b>	<b>DIN : 06748877</b>	
<b>UDIN : 21173468AAAAIW8890</b>			
<b>Place: Ahmedabad</b>	<b>S/d</b>	<b>S/d</b>	
<b>Date : 30/06/2021</b>	<b>Anil Modhavadiya</b>	<b>Sandip Makwana</b>	
	<b>(Company Secretary)</b>	<b>(CFO)</b>	

# Gautam Gems Limited

## Statement of Profit & Loss for the Period Ended on 31<sup>st</sup> March, 2021

Sr. No.	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
	<b>Income</b>			
I	Revenue from operations	10	935,761,148	3,281,703,790
II	Other Income		2,418,309	6,107,006
III	<b>Total Income (I +II)</b>		<b>938,179,457</b>	<b>3,287,810,796</b>
	<b>Expenses</b>			
IV	Cost of materials consumed	11	1,064,531,680	3,339,908,137
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	(136,885,944)	(66,985,391)
	Employee Benefit Expense	13	2,322,500	3,301,700
	Financial Costs	14	551,793	26,115
	Depreciation and Amortization Expense	15	817,885	1,016,067
	Other Expenses	16	2,704,362	3,048,768
	<b>Total Expenses (IV)</b>		<b>934,042,276</b>	<b>3,280,315,396</b>
V	Profit before exceptional items and tax	(III - IV)	<b>4,137,181</b>	<b>7,495,400</b>
VI	Exceptional Items		-	-
VII	Profit before tax (V - VI)		<b>4,137,181</b>	<b>7,495,400</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	1,500,000
	(1) Earlier tax		728,640	-
	(2) Deferred tax		-	259,441
IX	Profit(Loss) from the period from continuing operations	(VII-VIII)	<b>3,408,541</b>	<b>5,735,959</b>
X	Profit/(Loss) from discontinuing operations before tax		-	-
XI	Tax expense of discounting operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X-XI)		-	-
XIII	Profit/(Loss) for the period (IX + XII)		<b>3,408,541</b>	<b>5,735,959</b>
XIV	Other Comprehensive Income net of tax		-	-
XV	<b>Total Comprehensive Income for the year</b>		<b>3,408,541</b>	<b>5,735,959</b>
XVI	<b>Details of equity share capital</b>			
	Paid up equity share capital		100,670,590	54,911,080
	Face value of equity share capital		10/-	10/-
XVII	<b>Earning per share:</b>			
	<b>Earning per equity share for continuing operations</b>			
	(1) Basic earnings (loss) per share from continuing operations		0.34	1.04
	(2) Diluted earnings (loss) per share from continuing operations		0.34	1.04
	<b>Earning per equity share for discontinued operations</b>			
	(1) Basic earnings (loss) per share from discontinued operations		-	-
	(2) Diluted earnings (loss) per share from discontinued operations		-	-
	<b>Earning per equity share:</b>			
	(1) Basic earnings (loss) per share from continuing and discontinued operations		0.34	1.04
	(2) Diluted earnings (loss) per share from continuing and discontinued operations		0.34	1.04

### NOTES TO ACCOUNTS

17

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

As per Report Of Even Date

For , Parth Shah and Associates

Chartered Accountants

FRN No. 144251W

S/d

Parth N. Shah

(Proprietor)

Mem. No. : 173468

UDIN : 21173468AAAAIW8890

Place: Ahmedabad

Date : 30/06/2021

For, Gautam Gems Limited

S/d

Gautam P. Sheth

( Managing Director)

DIN : 06748854

S/d

Anil Modhavadiya

(Company Secretary)

S/d

Nidhi G. Sheth

(Whole Time Director)

DIN : 06748877

S/d

Sandip Makwana

(CFO)

# Gautam Gems Limited

## Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2021

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
<b>A. Cash Flow from Operating Activity</b>		
Profit before Taxation	4,137,181	7,495,400
Add : Non Cash & Non Operating Expenses		
Depreciation Expense	817,885	1,016,067
Finance Cost	551,793	26,115
Other Income	(2,418,309)	(6,107,006)
Operating Profit before Working Capital Changes	3,088,550	2,430,576
Adjustment for;		
(Increase) / Decrease in Inventory	(136,885,944)	(66,985,391)
(Increase) / Decrease in Debtors	(118,047,638)	87,910,364
(Increase) / Decrease in Loans & Advances	49,802,720	(25,078,720)
(Increase) / Decrease in Current Assets	(3,104,850)	(1,627,381)
(Increase) / Decrease in Short Term Borrowings	51,808,299	5,502,704
Increase / (Decrease) in Current Liabilities	-	107,398
Increase / (Decrease) in Trade Payables	165,451,909	(5,815,227)
Increase / (Decrease) in Provisions	(1,014,589)	1,020,000
Cash Generated from Operation	11,098,457	(2,535,677)
Taxes Paid	728,640	1,500,000
<b>Net Cash Flow from Operating Activities</b>	<b>10,369,817</b>	<b>(4,035,677)</b>
<b>B. Cash Flow from Investing Activity</b>		
(Increase) / Decrease in Fixed Assets (net)	(18,075,110)	-
(Increase) / Decrease in Investments & Accrued Interest Thereon	-	-
Finance Cost	(551,793)	(26,115)
Other Income	2,418,309	6,107,006
<b>Net Cash Flow from Investing Activities</b>	<b>(16,208,594)</b>	<b>6,080,891</b>
<b>C. Cash Flow from Financing Activity</b>		
Proceeds from Issue of Shares	45,759,510	-
Proceeds from Securities Premium	(45,759,510)	-
Adjustments in Reserves and Surplus	-	(91,414)
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>91,414</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	<b>(5,838,776)</b>	<b>1,953,807</b>
Opening Balance of Cash & Cash Equivalents	6,981,276	5,027,469
Closing Balance of Cash & Cash Equivalents	1,142,500	6,981,276
Net Increase / (Decrease) in Cash & Cash Equivalents	<b>(5,838,776)</b>	<b>1,953,807</b>

For , Parth Shah and Associates

Chartered Accountants

FRN No. 144251W

S/d

Parth N. Shah

(Proprietor)

Mem. No. : 173468

UDIN : 21173468AAAAIW8890

Place: Ahmedabad

Date : 30/06/2021

For, Gautam Gems Limited

S/d

Gautam P. Sheth  
( Managing Director)

DIN : 06748854

S/d

Anil Modhavadiya  
(Company Secretary)

S/d

Nidhi G. Sheth  
(Whole Time Director)

DIN : 06748877

S/d

Sandip Makwana  
(CFO)

# Gautam Gems Limited

Notes Forming Integral Part of the Assets & Liabilities as at 31<sup>st</sup> March, 2021

Note : 1 Property , Plant & Equipments

Amount in `

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2021	WDV as on 31.03.2020
<b>A</b>	<b><u>Tangible Assets</u></b>										
1	AC ( Ifb + O General)	356920	-	-	356,920	159088	29675	-	188,763	168,157	197,832
2	Car Skoda Fabia	203119	-	-	203,119	63271	20977	-	84,248	118,871	139,848
3	Car Toyota Fortuna	1848571	-	-	1,848,571	575829	190911	-	766,740	1,081,831	1,272,742
4	Compuer Software Sarin Machine	1128589	-	-	1,128,589	880345	99298	-	979,643	148,946	248,244
5	Computer	174448	-	-	174,448	136077	15348	-	151,425	23,023	38,371
6	Furniture	465322	-	-	465,322	126103	33922	-	160,025	305,297	339,219
7	Machinery (Ghanti)	105000	-	-	105,000	27048	11693	-	38,741	66,259	77,952
8	Machinery (Russian Brutter)	189000	-	-	189,000	48689	21047	-	69,736	119,264	140,311
9	Metalar Weight (Kanti)	5965	-	-	5,965	1859	616	-	2,475	3,490	4,106
10	Microscope	466592	-	-	466,592	120198	51959	-	172,157	294,435	346,394
11	Mobile Phone Instrument	13677	-	-	13,677	6470	1081	-	7,551	6,126	7,207
12	Printer Canon 4350 D	5756	-	-	5,756	2723	455	-	3,178	2,578	3,033
13	Printer HP4500	2639	-	-	2,639	1817	123	-	1,940	699	822
14	Safe (Godrej)	25827	-	-	25,827	5528	2030	-	7,558	18,269	20,299
15	Sarin Diamark Z Machine	2266759	-	-	2,266,759	583940	252423	-	836,363	1,430,396	1,682,819
16	Sarin Dia Mention (Hardware)	246428	-	-	246,428	169639	11518	-	181,157	65,271	76,789
17	Sarin I Machine	661742	-	-	661,742	170471	73691	-	244,162	417,580	491,271
18	T V	6489	-	-	6,489	3069	513	-	3,582	2,907	3,420
19	Star Corner 301	-	5,213,470	-	5,213,470	-	-	-	-	5,213,470	-
20	Star Corner 304	-	4,465,560	-	4,465,560	-	-	-	-	4,465,560	-
21	Star Corner 305	-	4,230,900	-	4,230,900	-	-	-	-	4,230,900	-
22	Star Corner 306	-	4,165,180	-	4,165,180	-	-	-	-	4,165,180	-
23	Vehical-2 Wheeler	5855	-	-	5,855	1823	605	-	2,428	3,427	4,032
	<b>TOTAL</b>	<b>8,178,698</b>	<b>18,075,110</b>	<b>-</b>	<b>26,253,808</b>	<b>3,083,987</b>	<b>817,885</b>	<b>-</b>	<b>3,901,872</b>	<b>22,351,936</b>	<b>5,094,711</b>

# Gautam Gems Limited

*Notes Forming Integral Part of the Assets & Liabilities as at 31st March, 2021*

**Note : 2 Trade Receivables**

Sr. No.	Particulars	2021	2020
(A)	<b>Outstanding for More than six months</b>		
i	Secured, Considered Good :	-	-
(B)	<b>Outstanding for less than six months</b>		
i	Secured, Considered Good :	-	19,354
ii	Unsecured, Considered Good :		
1	Advance to Creditors	1,000,000	1,000,000
2	Other Trade Receivables	118,066,992	-
	<b>Total in `</b>	<b>119,066,992</b>	<b>1,019,354</b>

**Note : 3 Cash & Cash Equivalent**

Sr. No.	Particulars	2021	2020
(A)	<b>Cash-in-Hand</b>		
1	Cash Balance	1,045,960	1,163,966
	<b>Sub Total (A)</b>	<b>1,045,960</b>	<b>1,163,966</b>
(B)	<b>Bank Balance</b>		
1	Indusind Bank	14,915	4,759,455
2	Axis Bank	14,384	15,420
3	Bank of India	2,411	5,184
4	Central Bank of India	11,829	6,022
5	ICICI Bank	51,623	-
6	Yes Bank	1,378	1,031,229
	<b>Sub Total (B)</b>	<b>96,540</b>	<b>5,817,310</b>
	<b>Total in `{ A+B}</b>	<b>1,142,500</b>	<b>6,981,276</b>

**Note : 4 Other Current Assets**

Sr. No.	Particulars	2021	2020
(A)	<b>Other Current Assets</b>		
1	Misc. Expense (To the extent not written off)	1,990,680	960150
2	Deposits	-	50,000
3	TCS Receivable	354,875	-
4	TDS Receivable	36,923	-
5	GST Receivable	3865271	2,046,649
6	Others	-	86,100
	<b>Total in `</b>	<b>6,247,749</b>	<b>3,142,899</b>

# Gautam Gems Limited

Notes Forming Integral Part of the Assets & Liabilities as at 31<sup>st</sup> March, 2021

## Statement of Change in Equity

Equity Share Capital	
Particulars	Amount
<b>As at April 01, 2019</b>	<b>54911080</b>
Changes in equity share capital	-
<b>As at March 31, 2020</b>	<b>54911080</b>
Changes in equity share capital	45,759,510
<b>As at March 31, 2021</b>	<b>100,670,590</b>

## Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Revaluation Reserve	Retain Earnings	
<b>As at April 01, 2019</b>	<b>70788870</b>	<b>1588585</b>	<b>2668092</b>	<b>75045547</b>
Profit for the year	-	-	5735959	5735959
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>5735959</b>	<b>5735959</b>
Increase / Decrease in Securities Premium Reserve	-	-	-	-
Other Adjustments	-	-	91,414	91,414
<b>As at March 31, 2020</b>	<b>70788870</b>	<b>1588585</b>	<b>8312637</b>	<b>80690092</b>
Profit for the year	-	-	3408541	3408541
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>3408541</b>	<b>3408541</b>
Increase / Decrease in Securities Premium Reserve	45759510	-	-	45759510
Other Adjustments	-	-	-	-
<b>As at March 31, 2021</b>	<b>25029360</b>	<b>1588585</b>	<b>11721178</b>	<b>38339123</b>

## Note : 5 Equity Share Capital

Sr. No.	Particulars	2021	2020
<b>(A)</b>	<b>AUTHORIZED CAPITAL</b>		
1	5600000 Equity Shares of Rs. 10/- each	-	56,000,000
2	10070000 Equity Shares of Rs. 10/- each	100,700,000	-
		100,700,000	56,000,000
<b>(B)</b>	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	<i>To the Subscribers of the Memorandum</i>		
1	5491108 Equity Shares of Rs.10/- each	54,911,080	54,911,080
2	4575951 Bonus Shares of Rs.10/- each	45,759,510	-
	Total in `	<b>100,670,590</b>	<b>54,911,080</b>

Following Shareholders hold equity shares more than 5% of the total equity shares of the Company.

Sr. No.	SHARE HOLDER'S NAME	2021	2020
1	Gautam P. Sheth	5,298,157 52.63%	3,223,008 58.70%
2	Highgrowth Vincon Pvt. Ltd.	-	362,000 6.59%



# Gautam Gems Limited

*Notes Forming Integral Part of the Assets & Liabilities as at 31<sup>st</sup> March, 2021*

## **Note : 6 Other Equity**

Sr. No.	Particulars	2021	2020
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	25,029,360	70,788,870
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	1,588,585	1,588,585
6	Shares Option Outstanding Account	-	-
7	Other Reserve (Special Reserve)	-	-
8	Surplus (Profit & Loss Account)	11,721,178	8,312,637
	Balance brought forward from previous year	8,312,637	2,668,092
	Less: Tax on Regular Assessment	-	-
	Add: Excess Provision Reversed	-	-
	Less: Adjustment of Earlier Period	-	91,414
	Less: Profit / (Loss) for the period	3,408,541	5,735,959
	Total in `	<b>38,339,123</b>	<b>80,690,092</b>

## **Note : 7 Borrowings , Current**

Sr. No.	Particulars	2021	2020
<b>(A)</b>	<b><u>From Bank</u></b>		
1	ICICI Bank - 338	23,866,854	-
2	ICICI Bank - 474	9,944,523	-
<b>(B)</b>	<b><u>From Others</u></b>		
1	Gautam P. Sheth	24,967,237	3,653,192
2	Kanchanaben P. Sheth	-	600,000
3	Nidhi G. Sheth	-	927,123
4	Bharat Rasiklal Shah	-	100,000
5	Ravi Ornaments	-	200,000
6	R. O. Jewels Ltd	-	750,000
7	Shah Sibhum	-	50,000
8	Aarav Finance Services	-	690,000
	Total in `	<b>58,778,614</b>	<b>6,970,315</b>

## **Note : 8 Trades Payable , Current**

Sr. No.	Particulars	2021	2020
1	Balance of Sundry Creditors	173,398,252	7,946,343
	Total in `	<b>173,398,252</b>	<b>7,946,343</b>

## **Note : 9 Provisions, Current**

Sr. No.	Particulars	2021	2020
<b>(A)</b>	<b><u>Other Provisions</u></b>		
1	Provision for Income Tax	-	1500000
2	TDS Payable	139994	107398
3	TCS Payable	376427	-
4	Other Provisions	388	-
5	Audit Fees Payable	118,000	90000
6	Salary Payble	202,500	154,500
	Total in `	<b>837,309</b>	<b>1,851,898</b>

# Gautam Gems Limited

*Notes Forming Part of Statement of Profit & Loss Accounts for the year ended 31<sup>st</sup> March, 2021*

**Note : 10 Revenue from Operations**

Sr. No.	Particulars	2021	2020
1	Sales	935,761,148	3,281,703,790
<b>Total in `</b>		<b>935,761,148</b>	<b>3,281,703,790</b>

**Note : 11 Purchase of Stock -in-Trade**

Sr. No.	Particulars	2021	2020
(A)	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Purchase	1,058,068,565	3,331,348,674
2	Stores Spares & Materials	24,250	59,303
3	Other Direct Expenses	6,438,865	8,500,160
<b>Total in `</b>		<b>1,064,531,680</b>	<b>3,339,908,137</b>

**Note : 12 Change in Inventories**

Sr. No.	Particulars	2021	2020
1	Opening Stock	85,347,647	18,362,256
2	Closing Stock	222,233,591	85,347,647
<b>Total in `</b>		<b>(136,885,944)</b>	<b>- 66,985,391</b>

**Note : 13 Employment Benefit Expenses**

Sr. No.	Particulars	2021	2020
1	Salary Expenses	1,822,500	2,801,700
2	Directors Remuneration	500,000	500,000
<b>Total in `</b>		<b>2,322,500</b>	<b>3,301,700</b>

**Note : 14 Financial Cost**

Sr. No.	Particulars	2021	2020
1	Bank Charges	30,652	26,115
2	Interest Expenses	521,141	-
<b>Total in `</b>		<b>551,793</b>	<b>26,115</b>

**Note : 15 Depreciation & Amortised Cost**

Sr. No.	Particulars	2021	2020
1	Depreciation	817,885	1,016,067
<b>Total in `</b>		<b>817,885</b>	<b>1,016,067</b>

**Note : 16 Other Administrative Expenses**

Sr. No.	Particulars	2021	2020
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# Gautam Gems Limited

## Notes Forming Part of Statement of Profit & Loss Accounts for the year ended 31<sup>st</sup> March, 2021

1	Audit Fees	35,000	30,000
2	BSE , CDSL , NSDL , ROC Expenses	788,629	386,139
3	Conveyance & Petrol Expenses	86,897	341,120
4	Computer Expenses	4,424	22,725
5	Electricity Expenses	178,385	173,426
6	Legal & Professional Fees	700,000	773,100
7	Office Expenses & Tea Refreshment Expenses	50,602	229,624
8	Other Expenses	550,022	308,061
9	Post & Courier Expenses	64,895	183,125
10	Printing & Stationary Expenses	18,942	61,969
11	Preliminary Expenses W/OFF	90,000	54,000
12	Rent Expenses	75,000	345,000
13	Repairing & Maintenance Expenses	54,871	89,755
14	Telephone Expenses	6,695	50,725
	<b>Total in `</b>	<b>2,704,362</b>	<b>3,048,769</b>



## **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 Indian accounting standards referred to in section 133 of The Companies Act , 2013 and other relevant provision of the Act.

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. INVESTMENTS**

- Long Investments 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.

### **E. BORROWING COSTS**

- Borrowing costs are charged to the Profit and Loss A/c in the year in which they are incurred.

### **F. 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.

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

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

### **H. FOREIGN CURRENCY TRANSACTIONS**

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

### **I. C I F VALUE OF IMPORT RAW MATERIALS**

- NIL

#### **J. EXPENDITURE IN FOREIGN CURRENCY**

- NIL

#### **K. 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.

#### **L. DEPRECIATION**

- Depreciation is provided on WDV method as per The Income Tax Act, 1961

#### **M. APPLICABILITY OF AS - 18**

In accordance with the requirements of relevant Indian Accounting Standards, the following transactions are considered as Related Party transactions:-

<b>Sr. No.</b>	<b>Name</b>	<b>Amount</b>	<b>Relationship</b>	<b>Nature of transaction</b>
1.	Gautam P. Sheth	3,00,000/-	Director	Remuneration paid
2.	Nidhi G. Sheth	2,00,000/-	Director	Remuneration paid
3.	Gautam P. Sheth	2,13,14,045/-	Director	Unsecured Loan Taken
4.	Gautam Gems	58,96,179/-	Proprietorship of Director	Labour Purchase

**N. Earning per Share:** The Earning Per Share has been computed as under:-

(a) Profit after tax	Rs. 3408541/-
(b) No. of Equity Share	10067059
(c) Nominal value of share	Rs. 10 per share
(d) EPS	0.34/-

**For, Parth Shah And Associates**  
**Chartered Accountants**  
**FRN No:-144251W**

**S/d**  
**Parth Shah**  
**(Proprietor)**  
**Mem.No.: 173468**  
**UDIN : 21173468AAAAIW8890**  
**Place: Ahmedabad**  
**Date: 30.06.2021**

**For And On Behalf Of The Board**

**S/d** **S/d**  
**(Managing Director) (Whole Time Director)**

**S/d** **S/d**  
**(Company Secretary) (CFO)**