

Independent Auditor's Report

To the Members of **GAUTAM GEMS LIMITED**
(FORMERLY KNOWN AS GAUTAM GEMS PRIVATE LIMITED)

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of GAUTAM GEMS PRIVATE LIMITED (FORMERLY KNOWN AS GAUTAM GEMS LIMITED ("the Company"), which comprise the Balance Sheet as at **31 March, 2017**, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (" the Act ") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at **31 March , 2017**;
- b) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 1. As required by The Companies (Auditors' Report) order 2015 (the "Order") issued by the Central Government of India in terms of section 143(11) of the Act, the said paragraph is not 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 dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. In our opinion with respect to internal financial control, the said para is not applicable to the company.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts.
 - iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, Parth Shah and Associates
(Chartered Accountants)**

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

**Place: Ahmedabad
Date: 01/09/2017**

GAUTAM GEMS LIMITED
(Formerly Know as Gautam Gems Private Limited)
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Notes	2017	2016
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	11,180	6,148
(c) Money received against share warrants		-	-
<u>(2) Share Application money pending allotment</u>			
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings			
(b) Deferred Tax Liabilities (Net)			-
(c) Other Long Term Liabilities			-
(d) Long Term Provisions			-
<u>(4) Current Liabilities</u>			
(a) Short-Term Borrowings	3	57,000	-
(b) Trade Payables	4	5,44,22,940	-
(c) Other Current Liabilities	5	55,78,657	-
(d) Short-Term Provisions	6	12,000	10,750
Total Equity & Liabilities		6,01,81,777	1,16,898
II. ASSETS			
<u>(1) Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
(i) Property, Plant and Equipments	7	55,78,657	-
(ii) Immovable Property		-	-
(iii) Capita work in progress		-	-
(b) Non-current investments			
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
<u>(2) Current Assets</u>			
(a) Current investments		-	-
(b) Inventories		5,44,22,940	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	8	1,76,480	1,04,388
(e) Short-term loans and advances		-	-
(f) Other current assets	9	3,700	12,510
Total Assets		6,01,81,777	1,16,898

NOTES TO ACCOUNTS

15

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

FOR, PARTH SHAH AND ASSOCIATES

FOR, GAUTAM GEMS LIMITED

CHARTERED ACCOUNTANTS

(CA. PARTH SHAH)

(DIRECTOR)

(DIRECTOR)

(PROPRIETOR)

(MEMBERSHIP NO. 173468)

PLACE: AHMEDABAD

Firm Reg. No.: 144251W

DATE : 01/09/2017

GAUTAM GEMS LIMITED
(Formerly Know as Gautam Gems Private Limited)

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 1 Share Capital

Sr. No	Particulars	2017	2016
1	<u>AUTHORIZED CAPITAL</u> 10000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
		1,00,000	1,00,000
2	<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> <i>To the Subscribers of the Memorandum</i> 10000 Equity Shares of Rs. 10/- each, Fully	1,00,000	1,00,000
	Total in `	1,00,000	1,00,000

Note : 2 Reserve & Surplus

Sr. No	Particulars	2017	2016
1	Capital Reserve		
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	-	-
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (Special Reserve)	-	-
8	Surplus (Profit & Loss Account)	11,180	6,148
	Balance brought forward from previous year	6,148	3,700
	Less: Prior Period adjustment	750	-
	Less: Tax on Regular Assessment Paid	-	-
	Less: Transfer to Profit and Loss A/c	-	-
	Add: Profit for the period	5,782	2,448
	Total in `	11,180	6,148

Note :3 Short-Term Borrowings

Sr. No	Particulars	2017	2016
A.)	<u>Unsecured</u>		
1	Gautam P Sheth	57,000	-
	Total in `	57,000	-

GAUTAM GEMS LIMITED
(Formerly Know as Gautam Gems Private Limited)

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note :4 Trade Payable

Sr. No	Particulars	2017	2016
1	Gautam Gems	5,44,22,940	-
	Total in `	5,44,22,940	-

Note :5 Other Current Liabilities

Sr. No	Particulars	2017	2016
A.)	<u>Unsecured</u>		
1	Gautam Gems	55,78,657	-
	Total in `	55,78,657	-

Note :6 Short-Term Provisions

Sr. No	Particulars	2017	2016
A.)	<u>Other Provisions</u>		
1	Audit Fees Payable	10,000	10,000
2	Provision for Tax	2,000	750
	Total in `	12,000	10,750

GAUTAM GEMS LIMITED (Formerly Know as Gautam Gems Private Limited)

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 7 Fixed Asset

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 31.03.2017	WDV as on 31.03.2016
A	Property, Plant and Equipment										
	AC (Ifb + O General)	-	307702	-	3,07,702	-	-	-	-	3,07,702	-
	Car Skoda Fabia	-	203119	-	2,03,119	-	-	-	-	2,03,119	-
	Car Toyota Fortuna	-	1848571	-	18,48,571	-	-	-	-	18,48,571	-
	Compuer Software Sarin Machine	-	20623	-	20,623	-	-	-	-	20,623	-
	Computer	-	174448	-	1,74,448	-	-	-	-	1,74,448	-
	Furniture	-	465322	-	4,65,322	-	-	-	-	4,65,322	-
	Machinery (Ghanti)	-	84489	-	84,489	-	-	-	-	84,489	-
	Machinery (Russian Brutter)	-	79666	-	79,666	-	-	-	-	79,666	-
	Metalar Weight (Kanti)	-	5965	-	5,965	-	-	-	-	5,965	-
	Microscope	-	449069	-	4,49,069	-	-	-	-	4,49,069	-
	Mobile Phone Instrument	-	13677	-	13,677	-	-	-	-	13,677	-
	Printer Canon 4350 D	-	5756	-	5,756	-	-	-	-	5,756	-
	Printer HP4500	-	2639	-	2,639	-	-	-	-	2,639	-
	Safe (Godrej)	-	25827	-	25,827	-	-	-	-	25,827	-
	Sarin Diamark Z Machine	-	1514903	-	15,14,903	-	-	-	-	15,14,903	-
	Sarin Dia Mention (Hardware)	-	92940	-	92,940	-	-	-	-	92,940	-
	Sarin I Machine	-	271597	-	2,71,597	-	-	-	-	2,71,597	-
	T V	-	6489	-	6,489	-	-	-	-	6,489	-
	Vehical-2 Wheeler	-	5855	-	5,855	-	-	-	-	5,855	-
	B Immovable Properties	-	-	-	-	-	-	-	-	-	-
	C Capital work in Progress	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	55,78,657	-	55,78,657	-	-	-	-	55,78,657	-

GAUTAM GEMS LIMITED
(Formerly Know as Gautam Gems Private Limited)

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 8 Cash & Cash Equivalent

Sr. No	Particulars	2017	2016
1	Cash-in-Hand		
	Cash Balance	1,74,788	1,04,388
	Sub Total (A)	1,74,788	1,04,388
2	Bank Balance		
	Induind Bank	1,692	-
	Sub Total (B)	1,692	-
	Total [A + B]	1,76,480	1,04,388

Note :9 Other Current Assets

Sr. No	Particulars	2017	2016
1	Preliminary Expense	3,700	12,510
	Total in `	3,700	12,510

GAUTAM GEMS LIMITED
(Formerly Know as Gautam Gems Private Limited)
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2017

Sr. No	Particulars	Notes	2017	2016
I	Revenue from operations	10	4,35,315	3,78,412
II	Other Income			
III	III. Total Revenue (I +II)		4,35,315	3,78,412
IV	Expenses:			
	Cost of materials consumed			
	Purchase of Stock-in-Trade	11	5,48,09,415	3,42,150
	Changes in inventories of finished goods, work-in-progress	12	(5,44,22,940)	-
	Employee Benefit Expense	13	18,500	17,850
	Financial Costs		-	-
	Depreciation and Amortization Expense		-	-
	Other Administrative Expenses	14	22,558	15,964
	Total Expenses (IV)		4,27,533	3,75,964
V	Profit before exceptional and extraordinary items and tax	(III - IV)	7,782	2,448
VI	Exceptional Items			-
VII	Profit before extraordinary items and tax (V - VI)		7,782	2,448
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		7,782	2,448
X	Tax expense:			
	(1) Current tax		2,000	750
	(2) Deferred tax		-	-
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	5,782	1,698
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		5,782	1,698
	Add:- Transfer from reserve		-	-
	Less: Proposed Dividend		-	-
	Less: Tax on Dividend		-	-
	Balance Carried Forward to Balance Sheet		5,782	1,698
XVI	Earning per equity share:			
	(1) Basic		0.58	0.17
	(2) Diluted		0.58	0.17

NOTES TO ACCOUNTS

15

*Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement
This is the Profit & Loss Statement referred to in our Report of even date.*

FOR ,PARTH SHAH AND ASSOCIATES
CHARTERED ACCOUNTANTS

FOR, GAUTAM GEMS LIMITED

(CA. PARTH SHAH)
(PRPOPRIETOR)

(DIRECTOR)

(DIRECTOR)

Membership No. :173468
Firm Reg. No.:144251W

PLACE:AHMEDABAD
DATE : 01/09/2017

GAUTAM GEMS LIMITED
(Formerly Know as Gautam Gems Private Limited)

Notes Forming Part of the Profit & Loss Statement as at 31st March, 2017

Note : 10 Revenue from Operations

Sr. No	Particulars	2017	2016
1	Sales Revenue	4,35,315	3,78,412
	Total in `	4,35,315	3,78,412

Note : 11 Cost of Material Consumed

Sr. No	Particulars	2017	2016
a) 1	PURCHASES OF RAW MATERIALS AND STORES Purchase	5,48,09,415	3,42,150
	Total in `	5,48,09,415	3,42,150

Note : 12 Change in Inventories

Sr. No	Particulars	2017	2016
1	Opening Stock	-	-
2	Closing Stock	5,44,22,940	-
	Total in `	(5,44,22,940)	-

Note : 13 Employees Benefit Cost

Sr. No	Particulars	2017	2016
1	Salary	18,500	17,850
	Total in `	18,500	17,850

Note : 14 Other Administrative Expenses

Sr. No	Particulars	2017	2016
1	Audit Fees	10,000	10,000
2	Bank Charges	1,033	-
3	Printing and Stationary	3,350	3,214
4	Preliminary Expense written off	3,700	2,750
5	Prior Period Expenses	4,475	-
	Total in `	22,558	15,964

GAUTAM GEMS LIMITED

(FORMERLY KNOWN AS GAUTAM GEMS PRIVATE LIMITED)

Significant Accounting Policies and Notes forming parts of Accounts

Note : 15

NOTES ON ACCOUNTS

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

a) Payment to Statutory Auditors

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

6. Provision for Taxation for the current year has been made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
7. SBN (Specified Bank Notes):

During the year, the company had Specified Bank Notes (SBNs) or other Denomination notes as defined in the MCA Notification, G.S.R. 308(E), dated March 31, 2017. The Details of SBNs held And Transacted during the Period from November 8, 2016 to December 30, 2016, the denomination –wise SBNs and other notes as per the notification are as follows:

(Amount in Rupees)

Particular	SBN	Other Denomination Notes	Total
Cash in hand on 08.11.2016	-	85638	85638
(+) Permitted Receipts	-	-	-
(-) Permitted payment	-	3000	-
(-) Amount Deposited in Bank	-	-	-
Closing Cash on 30.12.2016	-	82638	82638

For the purposes of the clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the government of India, in the ministry of finance, department of Economic Affairs Number S.O. 3407(E), dated November 08, 2017.

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

FOR AND ON BEHALF OF THE BOARD

(Director)

(Director)

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

**Place: Ahmedabad
Date: 01.09.2017**

**Place: Ahmedabad
Date: 01.09.2017**

Significant Accounting Policies

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

B. REVENUE RECOGNITION

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

C. RETIREMENT BENEFITS

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

D. REVENUE RECOGNITION

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

E. INVESTMENTS

- Long 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.

F. BORROWING COSTS

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

G. CONTINGENT LIABILITIES

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

H. APPLICABILITY OF AS-22

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

I. FOREIGN CURRENCY TRANSACTIONS

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

J. C I F VALUE OF IMPORT RAW MATERIALS

- NIL

K. EXPENDITURE IN FOREIGN CURRENCY

- NIL

L. PROPERTY, PALNT AND EQUIPMENT

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

M. DEPRICIATION

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

N. APPLICABILITY OF AS - 18

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

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

Related Party Transactions	Key Management Personnel & Relatives	Others
Purchases	Gautam P Sheth - Director	5,44,22,940/-

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

(a) Profit after tax	Rs. 5782/-
(b) No. of Equity Share	10000
(c) Nominal value of share	Rs. 10 per share
(d) EPS	Rs. 0.58/-

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

FOR AND ON BEHALF OF THE BOARD

(Director)

(Director)

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

**Place: Ahmedabad
Date: 01.09.2017**

**Place: Ahmedabad
Date: 01.09.2017**