

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. SANDIP VINODBHAI MAKWANA

COMPLIANCE OFFICER

GAUTAM P. SHETH

STATUTORY AUDITORS**PARTH SHAH AND ASSOCIATES**

Chartered Accountant

BANKERS TO THE COMPANY**BANK OF INDIA**

Katargam Branch, Surat

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT**KARVY COMPUTERSHARE PRIVATE LIMITED**

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

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

Date : 29th day of September, 2018

Day : Saturday

Time : 3:00 P.M.

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

To transact the following business:

ORDINARY BUSINESS:

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

Place: Ahmedabad

Date: 01st September, 2018

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

Registered Office:

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

Sd/-

Gautam P. Sheth
Managing Director

NOTES:

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

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

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

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

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

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

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

Place: Ahmedabad

Date: 01st September, 2018

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

Registered Office:

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

Sd/-

**Gautam P. Sheth
Managing Director**

DIRECTORS REPORT

To,

The Members,

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

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

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

(Amount in Rs)

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

2. OPERATION & REVIEW

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

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

3. DIVIDEND

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

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

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

5. TRANSFER TO RESERVES

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

6. CHANGE IN THE NATURE OF THE BUSINESS

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

7. DIRECTORS & KEY MANAGERIAL PERSONNEL

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

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

8. NUMBER OF BOARD MEETINGS

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

9. BOARD EVALUATION

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

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

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit/loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

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

12. CHANGE IN CAPITAL STRUCTURE OF COMPANY

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

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

13. MATERIAL CHANGES AND COMMITMENTS, IF ANY

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

14. EXTRACT OF THE ANNUAL RETURN

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

15. AUDITORS AND THEIR REPORT

• **STATUTORY AUDITOR**

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

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

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

• **COST AUDITOR**

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

• **SECRETARIAL AUDITOR**

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

16. DEPOSITS

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

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

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

20. RELATED PARTY TRANSACTIONS

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

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

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

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

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

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

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

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

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

• **Audit Committee**

Constitution & Composition of Audit Committee:

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

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

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

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

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

• **Nomination and Remuneration Committee:**

Constitution & Composition of Remuneration Committee:

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

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

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

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

The Policy of nomination and Remuneration committee has been place on the website of the company at www.gautamgems.com and the salient features of the same has been disclosed under “Annexure – D”

- **Stakeholder’s Relationship Committee:**

Constitution & Composition of Stakeholders Relationship Committee:

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

The constituted Stakeholders Relationship Committee comprises the following members:

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

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

- **Sexual Harassment Committee**

Constitution & Composition of Sexual Harassment Committee:

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

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

24. MANAGEMENT DISCUSSION AND ANALYSIS

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

25. CORPORATE GOVERNANCE

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