

GEMS COMMERCIAL COMPANY LIMITED

ANNUAL REPORT 2014-2015

Directors:

Mr. Pankaj Baradia
Mr. Raj Kumar
Ms. Ritika Nanda

Managing Director:

Mr. Rajat Kumar

CFO:

Mr. Raj Kumar

Company Secretary:

Sudhir Chandra Sood

Auditors:

M. SIPPY & ASSOCIATES
Chartered Accountants,
New Delhi

Bankers:

Syndicate Bank
Rajendra Place
New Delhi

Registered Office:

11C, Ram Mohan Dutta Road,
Ground Floor,
Kolkata - 700020

Admin Office:

9/14, (First Floor)
East Patel Nagar,
New Delhi - 110008

Corporate Identification No:

L51109WB1983PLC035777

Notice

Notice is hereby given that the Thirty Second (32) Annual General Meeting of the members of Gems Commercial Co. Ltd. [CIN: L51109WB1983PLC035777] will be held at the registered office of the Company at 11C, Ram Mohan Dutta Road, Ground Floor, Kolkata-700020 on Friday, September 25, 2015 at 03.00 PM to transact the following business:

ORDINARY BUSINESS**Item No. 1: Adoption of Accounts**

To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended March 31, 2015 along with the Reports of Board and Auditors thereon.

Item No. 2: Re-appointment of Mr. Rajat Kumar (DIN: 06535125) as Director

To appoint a director in place of Mr. Rajat Kumar (DIN: 06535125) who retire by rotation and being eligible offer himself for re-appointment.

Item No. 3: Appointment of New Statutory Auditors in place of M/s. M. Sippy & Associates, who retire at ensuing Annual General Meeting.

To Appoint **M/s. Shiv & Associates, Chartered Accountants, (FRN No.009989N)**, as Statutory Auditors to hold the Office from the conclusion of 32nd Annual General Meeting to the Conclusion of 37th Annual General Meeting, in place of **M/s M Sippy & Associates, Chartered Accountants (FRN No. 015252N)** who retire at ensuing Annual General Meeting and not willing to continue thereafter and to authorize Board of Directors to fix the Remuneration of new auditors and if deem fit pass with or without modification(s) the following resolution as ordinary resolution.

“RESOLVED that pursuant to section 139, 142 and other applicable provisions of the companies Act 2013, if any read with Companies (Audit and Auditors) Rule 2014((including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Shiv & Associates, Chartered Accountants (FRN No. 009989N) be and are hereby appointed as Statutory Auditors of the Company from the conclusion of the 32nd Annual General Meeting to the Conclusion of 37th Annual general Meeting, subject to rectification by shareholders at every Annual General Meeting and Board of Directors of the Company be and are hereby authorised to fix the remuneration of the Auditors”

SPECIAL BUSINESS**Item No. 4: Approval of Appointment of Mr. Raj Kumar as Chief Financial Officer and Executive Director**

To consider and if thought fit, to pass with or without modification(s) the following Resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, the appointment of Mr. Raj Kumar (DIN: 06535325), as Executive Director & Chief Financial Officer of the Company, be and are hereby approved . “

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“**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to alter or modify scope of remuneration of Mr. Raj Kumar (Director and CFO), including monetary value thereof to the extent recommended by the Nomination and Remuneration Committee of the company as considered appropriate and under the limit specified in this resolution and under companies Act, 2013”

“Resolved further that any one of the Directors of the Company and/or company secretary be and are hereby authorised to do all such acts, deeds, matters and things as it may deem necessary, proper and expedient to give effect to this resolution.”

By Order of the Board

Place: New: Delhi
Date: 28th July, 2015

Rajat Kumar
(Managing Director)
(DIN: 06535125)

Notes

1. Explanatory Statement pursuant to section- 102 of the Companies Act, 2013 for item No. 4 & 5 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
A person can act as proxy on behalf of the member's upto and not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other shareholder.
3. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution.
4. The Transfer Books of the company remain closed from 18/09/2015 to 24/09/2015 (both days inclusive).
5. **E-voting:**
 - (i) In Compliance with section-108 read with rule 20 of the Companies (Management and Administration) Rules 2014, the company is pleased to provide e-voting facility to shareholders through Central Depository Services (India) Limited (CDSL) as an alternative to cast their vote electronically on the Resolutions set forth in the Notice.
 - (ii) A member may exercise his vote at any general meeting by electronic means.
 - (iii) During the e-voting period, members of the company holding shares as on the cut-off date i.e. 18th September, 2015, may cast their vote electronically. The voting rights of the shareholders shall be in proportion of their shares in paid-up equity share capital of the Company as on cut-off date.
 - (iv) The e-voting period commences at 9.00 AM on 22nd September, 2015 and ends at 5.00 PM on 24th September 2015. The e-voting shall be disabled by CDSL for voting thereafter.
 - (v) Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.

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(vi) The instructions for shareholders voting electronically are as under:

- (a) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (b) Click on **Shareholders**.
- (c) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (d) Next enter the Image Verification as displayed and Click on Login.
- (e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (f) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (g) After entering these details appropriately, click on “SUBMIT” tab.
- (h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (j) Click on the EVSN of Little Rock Trade & Investment Limited.
- (k) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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- (i) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (m) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (o) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (p) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (q) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney(POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (r) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
6. All the Documents referred to the notice and Explanatory Statement is available for inspection at the registered office of the Company during the business hours between 3 PM to 5 PM till the date of Annual General Meeting.
7. Members are requested to send their queries, if any atleast seven days in advance of the meeting so that the information can be made available at the meeting.

Explanatory Statement in respect of the special business pursuant to section 102 of the Companies Act, 2013.

Item No. 4

Mr. Raj Kumar, is an Executive Director of the Company. The Board of Directors had appointed her as Executive Director and Chief Financial Officer in terms of section 196, 203 and other applicable provisions, if any of the Companies Act, 2013. She is neither member of more than 10 committee nor chairman of more than 5 committee. She does not hold shares in the company.

His appointment is on following terms and conditions –

1. Salary- 48,000(forty Eight thousand rupees) per annum.
2. Perquisite- as applicable and decided by the Nomination and Remuneration Committee of the Company.

None of the Directors, except Mr. Raj Kumar is interested in above said resolution.

BOARD'S REPORT

To

The Members,

Your Directors are please to present the Thirty Second Annual Report together with audited Financial Statement of the Company for the Financial Year ended on March 31, 2015.

1. FINANCIAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2015(compared to the previous year ended on March 31, 2014).

Particulars	Amount in ("000")	
	As on March 31, 2015	As on March 31, 2014
Income from operations & other income	6,804	6,389
Profit Before Tax	2,218	5,301
Less- Contingency provisions for standard Assets	-	-
Add- Provision for standard and non-performing Assets written back	7,640	(4,768)
Surplus for the year	9,858	533

2. DIVIDEND

Due to losses in company, yours Directors not recommend any dividend for the Financial Year ended on March 31, 2015.

3. DEPOSITS

Your Company not accepted any deposits, hence there is no outstanding amount as on balance sheet date.

4. EXTRACT OF ANNUAL RETURN

The extract of the Annual return for the financial year ended March 31 2015 as required under section 92(3) of Companies Act, 2013 and rules made there under in form **MGT-9** is annexed as **Annexure –I** with this report.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING/OUTGO

Your Company is a NBFC company and is not engaged in any manufacturing activity. The disclosure of information relating to conservation of energy and technology required under section 134(1)(m) of Companies Act, 2013 is not applicable on company.

There is no foreign exchange earning/outgo in the company.

6. COMPANY'S AFFAIRS

The Company continued to carry on the business of trading in shares, securities and units of mutual funds and advancing monies to industrial and other bodies corporate

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS

There are no significant material orders passed by regulators/courts which would impact the going concern status of the company and its future operations.

8. MATERIAL CHANGES AND COMMITMENTS OR CHANGE IN NATURE OF BUSINESS

There are no significant material changes or commitments occurred during the reporting period which affects the financial position of the company. There is no change in nature of business of the company.

9. SHARE CAPITAL

The Authorised Capital of the company is Rs. 7,00,00,000/- and paid up share capital is Rs. 6,23,50,000/- There is no change in share capital of the company during the reporting financial year.

10. RESERVES

Due to inadequate financial conditions, no amount transferred in reserves of the company.

11. LISTING/DELISTING OF EQUITY SHARES

The Equity shares of the company are listed on the Calcutta Stock Exchange. The Listing fee for the financial year is not paid due to non-receipt of bill from the Exchange.

12. MANAGEMENT DISCUSSION AND ANALYSIS

In term of clause 49(V) of Listing agreement, the detailed review of the operation, performance and future outlook of the company and its business is given in Management Discussion and Analysis Report, which form part of this Annual Report. The Report on Management Discussion and Analysis is annexed as **Annexure-II** with this report.

13. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement a compliance report on corporate Governance has been annexed as **Annexure-III**, as a part of this report with Auditor's Certificate.

14. VIGIL/WHISTLE BLOWER POLICY

The company documented the vigil/whistle blower policy to deal with instance of fraud and mismanagement, if any. The details of policy is explained in the Corporate Governance Report

15. RISK MANAGEMENT

Pursuant to Clause -49 of the listing agreement, the Company documented risk management policy to identify, evaluate business risks. The Key risks identified by the Company and its mitigation plans are as under-

Investment risks

The investment risk includes marketing risk, liquidity risk etc. and earning depend upon the market condition. To mitigate these risks the company invest in long term investment plan, mutual funds etc.

Interest rate risk

The company in business of providing loans to other companies, business institution. The interest rate risk is the risk where the change in interest in any way including change in market

rate of interest rate might adversely affect the company. To mitigate this risk, company provide short term loans on fixed interest rate. And the risk is considered at the time of deciding the rate of interest offered to customers.

16. Auditors and Audit Report

(i) STATUTORY AUDITORS & AUDIT REPORT

M/s M. Sippy & Associates, Chartered Accountants the auditors of the Company who retire at ensuing Annual General Meeting of the Company are eligible for re-appointment, but they express their unwillingness to continue as statutory auditors of the company after the ensuing Annual General Meeting. Hence M/s Shiv & Associates, chartered accountants, will be appointed as new statutory auditors of the company at ensuing Annual General Meeting.

The Auditor's Report are self-explanatory and no comment by Board is needed.

(ii) SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to section 204 of the Companies Act, 2013 and the Companies (appointment and remuneration of Managerial Personnel) rules, 2014 the company has appointed M/s Avi Sangal & Associates, Company Secretaries as Secretarial Auditor of the Company for the Financial Year ended on March 31, 2015. The Secretarial Audit Report given by Secretarial Auditor of the Company are self-explanatory and no comment by Board is needed. The report is annexed herewith as **Annexure-IV**

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Directors

Mr. Rajat Kumar director retire by rotation and being eligible offer himself for reappointment. The Board recommends her appointment at the ensuing Annual General Meeting.

Further the Board of Directors appoint Mr. Raj Kumar as CFO of the company at its meeting held on 24-03-2015 and company placing a proposal for confirmation of her appointment on ensuing Annual General Meeting.

(ii) Performance Evaluation Of Board And Its Committee And Individual Director

Pursuant to Companies Act, 2013 and Clause-49 of the Listing Agreement of the, The Board carried out an annual performance evaluation of its own, its directors individually and its committees and find it Satisfactory. The manner of evaluation has been explained in Corporate Governance Report.

(iii) Disclosure By Independent Directors

The disclosure by independent Directors received from the independent director of the Company.

(iv) Numbers Of Meeting Of Board Of Directors

The Board of Directors of your Company duly meets eight times, the details of Board meeting are as described in corporate governance Report.

(v) KEY MANAGERIAL PERSONNEL

Raj Kumar, CFO and Director of the Company and Mr. Rajat Kumar, Managing Director of the Company and Mr. Sudhir Chander Sood, Company Secretary are designated as Key Managerial I Personnel (KMP).

(vi) PARTICULARS OF EMPLOYEES AND DIRECTOR REQUIRED UNDER SECTION 197(5) OF THE COMPANIES ACT, 2013.

No Director or employee is in receipt of an income in excess of the limit prescribed under the Companies Act, 2013.

No Directors in your Company are in receipt of any income other than the sitting fee for attending the Board Meeting.

18. AUDIT COMMITTEE

The Audit committee of the Company, as required under section 177 of the Companies Act, 2013 and Rules made there under duly constituted on its Board Meeting held on 24-03-2015.

19. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee of the Company, as required under section 178 of the Companies Act, 2013 and Rules made there under duly constituted on its Board Meeting held on 24-03-2015.

The Board has, on the recommendation of the Nomination & Remuneration Committee proposed to frame a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

20. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

21. PARTICULAR OF LOANS/GUARANTEES, OR INVESTMENTS

There are no loans given, guarantee given/security provided or investment made in violation of section 186 of the Companies Act, 2013 and rules made there under.

The Company is NBFC Company and Loan given/ investment made in ordinary course of business.

22. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Company has adequate internal control system to ensure the safeguard of assets and to protect against any unauthorised use. Company appointed outside internal auditor to carry out concurrent internal audit and to maintain the objectivity, the audit function report to the Board of Directors of the Company.

23. SUBSIDIARY/JOINT VENTURE

There are no subsidiary/joint venture company.

24. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- iii) 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.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively

25. Your company had given loan of Rs. 31,13,030/- to M/s Rosebys Interiors India Ltd in normal course of business, but the company(M/s Rosebys Interiors India Ltd) gone under liquidation vide High Court of Gujarat order dated 15.07.2014.Hence, In view of this, sum of Rs. 31,13,030/- was treated as bad debts in the books of Accounts of the Company.

26. ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. We sure you will join your Directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment.

For and on Behalf of the Board of Directors of
Gems Commercial Company Limited

Place: New Delhi

Date: May 30, 2015

(Raj Kumar)
Director

(Rajat Kumar)
Mg. Director

Form No. MGT-9
EXTRACTS OF ANNUAL RETURN
As on the financial year ended on 31/03/2015

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- : L51109WB1983PLC035777
- ii) Registration Date: : 01/02/1983
- iii) Name of the Company : GEMS COMMERCIAL CO. LTD.
- iv) Category/ Sub-Category of the Company : Company Limited by Shares/ Indian Non-Government Company
- v) Address of the Registered office and contract details : 21F, Deodhar Street, Kolkata(WB)-700019
 Phone No. 011-25769111 Email Id : satishagarwal307@yahoo.com
- vi) Whether listed Company - Yes/No : Yes
- vii) Name, address and Contact details of Registrar and transfer agent, if any : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Investment in securities	99715190	
2	Loan	99711359	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	NIL	-	-	-	-

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt/State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	54,90,020	54,90,020	88.05	-	54,90,020	54,90,020	88.05	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	54,90,020	54,90,020	88.05	-	54,90,020	54,90,020	88.05	-
2. Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	54,90,020	54,90,020	88.05	-	54,90,020	54,90,020	88.05	-

B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	6,65,080	6,65,080	10.67	-	6,65,080	6,65,080	10.67	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	79,900	79,900	1.28	-	79,900	79,900	1.28	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	7,44,980	7,44,980	11.95	-	7,44,980	7,44,980	11.95	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	7,44,980	7,44,980	11.95	-	7,44,980	7,44,980	11.95	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	62,35,000	62,35,000	100	-	62,35,000	62,35,000	100	-

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mansarover Commercial Pvt Ltd	757680	12.15		757680	12.15		-
2	Pashupatinath Commercial Pvt Ltd	1277730	20.48		1277730	20.48		-
3	Sovereign Commercial Pvt Ltd	1152230	18.48		1152230	18.48		-
4	Swastik Commercial Pvt Ltd	873400	14.01		873400	14.01		-
5	Trishul Commercial Pvt Ltd	1303730	20.92		1303730	20.92		-
6	Little Rock Trade & Investment Ltd	125250	2.01		125250	2.01		-
	Total	5490020	88.05		5490020	88.05		

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the Year	-	-	-	-

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-
	At the End of the year	-	-	-	-	-

v INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/AWT/ Manager				Total Amount
		Mr. Rajat Kumar	-	-	-	
1	Gross salary	1,14,000	-	-	-	1,14,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission- as % of profit- others, specify...	-	-	-	-	-
5	Others, please specify- Meeting Fee	6,000	-	-	-	6,000
	Total (A)	1,20,000	-	-	-	1,20,000
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Pankaj Baradia				
	Fee for attending board committee meetings	6,000	-	-	-	6,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	6,000	-	-	-	6,000
2	Other Non-Executive Directors	Mr. Rajkumar	Ms. Ritika Nanda	-	-	
	Fee for attending board committee meetings	6,000	6,000	-	-	12,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	6,000	6,000	-	-	12,000
	Total (B)=(1+2)	12,000	6,000	-	-	18,000
	Total Managerial					-
	Overall Ceiling as per the Act					-

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	-	42,000	-	42,000
	(a) Salary as per provisions contained in section 17(1) of the Income-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	42,000	-	42,000

vii. Penalties / Punishment/ Compounding Of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company does not own any manufacturing, trading or processing unit. The main business of the Company is undertaking investment activities and earning income in the form of dividends, interest and profit on sale of investments and trading in shares, securities and units of mutual funds.

BUSINESS OPPORTUNITIES, RISKS AND CONCERNS

Amid the ups and downs in the Indian stock market, the Government is trying hard to carry the reforms process by adopting stricter controls and better mechanism for tracking irregular stock price movements. The current market situation is very volatile in which caution need to be exercised.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The entire operation of the Company relates to only one segment namely investment and financing activity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In order to strengthen the internal control system of the Company the Code of Corporate Governance was adopted by the Board w.e.f. 30.1.2003. The Company has set up an Audit Committee to keep a vigil on the financial performance and ensure authenticity of accounts. Shareholder Grievance Committee was also formed by the Company to ensure speedy reprisal of all investor complaints and impel transparency of operations. The Company has also adopted a Code of Conduct for prevention of insider trading in terms of SEBI, (insider Trading) Regulations, 1992 and any modification, amendments from time to time of in this regulations. All the Directors on the Board and their relatives as well as the senior level employees of the Company are governed by this Code.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Since the Company is not an industrial undertaking, the distinction between financial performance and operational performance cannot be made.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company has employed only two persons and hence material developments on human resources front is not applicable.

GEMS COMMERCIAL COMPANY LIMITED

Annexure – III of Board’s Report

Report on Corporate Governance:

In terms of compliance to Clause No. 49 of the Listing Agreement on Corporate Governance, your Company is complying with the guidelines. The Report of current year is as follows:

(1) Company’s Philosophy:

The Company’s policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the company efficiently and professionally.

(2) Board of Directors:

(i) Composition and Category of Directors as of March 31st, 2015 is as follows:

Category	Name of Directors	No of Directors
Promoter		NIL
Executive Directors	Mr. Rajat Kumar	2
	Mr. Raj Kumar	
Non-Executive- Independent Directors	Mr. Pankaj Baradia	2
	Ms. Ritika Nanda	
	Total no of Directors	4

(ii) Particulars of Directorship of other Companies

S.No	Name of Director	DIN	No of Directorship in other companies	No. of committee positions held as chairman in other public companies	No. of committee positions held as member in other public companies
1	Mr. Rajat Kumar	06535125	4	-	-
2	Mr. Raj Kumar	06535325	2	-	-
3	Ms. Ritika Nanda	06553679	2	-	-
4.	Mr. Pankaj Baradia	02696025	2		

(iii) Attendance of each Director at the Board Meeting and the last AGM During the year 2014-15

Name of Directors	No. of Board Meeting Attended	Last AGM Attendance Yes/No
Mr. Rajat Kumar	8	Yes
Mr. Raj Kumar	8	Yes
Ms. Ritika Nanda	8	Yes
Mr. Pankaj Baradia	8	Yes

GEMS COMMERCIAL COMPANY LIMITED

(iv) Number of Board Meeting held, Date on which held:

Eight Board meeting were held during the financial year from 1st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows:

1st April-2014, 12th May -2014, 30th June-2014, 09th August -2014, 29th September-2014, 10th November-2014, 09th February -2015 and 24th March-2015

(3) Committees of Board:

(i) Audit Committee:

The Audit Committee of the Company reconstituted on its Board Meeting held on 24th March 2015. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements, the audit of the financial statement of the company, appointment, independence and performance of the statutory auditors and internal auditors of company. The Audit committee of the company consist three Directors. Representative of Statutory auditors is permanent invitee.

Term of reference:

The scope of the activity of the audit committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending for appointment, remuneration and terms of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;
 - a. Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of clause c of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements concerning financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loan and investments
10. Valuation of undertaking or assets of the company, wherever it is necessary.
11. Evaluation of internal financial control and risk management systems;

GEMS COMMERCIAL COMPANY LIMITED

12. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as is mentioned in terms of reference of the Audit Committee from time to time.

Executive summary of the Audit Committee are place before the immediate next Board Meeting held after the Audit Committee Meetings for deliberation. Dates of audit committee meetings are fixed in advance and agenda along with explanatory statements are circulated at least seven days before the meeting. In special or exceptional circumstances additional or supplementary item(s) on agenda are permitted.

S.No.	Name of Director	Position	No. of Meeting Held	No. of Meeting Attended
1.	Ms. Ritika Nanda	Chairman	1	1
2.	Mr. Raj Kumar	Member	1	1
3.	Mr. Pankaj Baradia	Member	1	1

(ii) Nomination and Remuneration Committee:

The Nomination and remuneration committee of the Company was duly constituted as per the requirement of the section 178 of the Companies Act, 2013 and rules made thereunder and Clause -49 of the Listing agreement to set a policy on remuneration and other terms of employment of the Executive directors as well as the commission and sitting fees of the Non-executive directors. During the Financial year the committee met only one once on March 24, 2015.

Composition and attendance of members at the meeting of Nomination and Remuneration committee held during the financial year ended on March 31, 2015			
Date of Meeting	Ms. Ritika Nanda	Mr. Raj Kumar	Mr. Pankaj Baradia
March 24, 2015	Yes	Yes	Yes
Whether attended Last AGM(Yes/No)	Yes	Yes	Yes

Remuneration Policy

Payment of remuneration to the managing director and Whole Time Directors(s) are governed by the uniform remuneration package approved by the board and the shareholders. The Remuneration structure comprises salary/commission linked to profits, perquisites and allowances etc.

The Non-Executive Directors do not draw any remuneration from the company other than the sitting fee and such commission as may be determined by the Board from time to time and calculated according to the provisions of Companies Act, 2013. The actual payment payable to each director is decided by the Board upon recommendation of the Remuneration committee.

GEMS COMMERCIAL COMPANY LIMITED

(iii) Stakeholders relationship committee:

The Board had constituted the Stakeholders Relationship committee which expedite the process of redressal of complaints like non- transfer of shares, non-receipts of Balance sheet dividend etc. Following committee of Directors looks after the investor Grievances:

Ms. Ritika Nanda -Chairman
Mr. Raj Kumar - Member

4) General Body Meeting:

The Last three Annual General Meetings of the company were held within the statutory time period and the details of the same are reproduced herein below:

Financial Year	Date	Time	venue
2013-14	30 th Sept-2014	10.00AM	21F, Debodhar Street, Kolkata (WB)-700019
2012-13	30 th Sept-2013	10.00AM	21F, Debodhar Street, Kolkata (WB)-700019
2011-12	28 th Sept-2012	1.00PM	7-A, Bentinck Street, 2 nd Floor, Old Wing, Kolkata-700001.

Extraordinary General Meeting held during the last three Financial Year – **NIL**

Special Resolution passed through Postal Ballot during the last Financial Year- **NIL**

(5) Disclosures:

(i) Disclosure on materially significant related party transitions

No transactions of material nature have been entered into by the company with its promoters, directors or the management, their relatives or their subsidiaries etc. that may have potential conflict with interest of the Company at large. The Particulars of transactions between the Company and the related parties for the year ended on March 31, 2015 are disclosed in the notes to the account in this Annual Report. None of these transactions have any conflict with the company's interest.

(ii) Disclosure of accounting treatment in preparation of financial statements

The Company has followed the Accounting Standards issued by the institute of Chartered Accountants of India and notified by the Government of India from time to time.

In line with the clarification issued by the Ministry of Corporate Affairs vide its General Circular 08/2014 dated April 4, 2014 financial statements (including the documents required to be attached thereto) auditor's report and Board's Report of the company in respect of financial year ended at March 31, 2015 has been prepared as per the relevant provisions/ Schedules/ rules of the Companies Act, 2013.

(iii) Cases of Non-Compliances/Penalties:

There has been no instance of non-compliance by the company on any matter markets. Hence, there are no penalties or strictures by SEBI or the Stock Exchange or any other statutory body on matters related to capital markets during the year.

GEMS COMMERCIAL COMPANY LIMITED

(iv) Risk Management

Pursuant to Clause-49 of the listing agreement, the company documented risk management policy to identify, evaluate business risks. The key risks identified by the Company and its mitigation plans are investment risks and interest rate risk.

(v) Vigil/whistle blower policy

The company documented the vigil/whistle blower policy to deal with instance of fraud and mismanagement, if any. The detail of policy is explained in corporate Governance Report.

(6) Means of Communication:

Quarterly, half-yearly and annual financial results of the company are communicated to the stock exchanges immediately after the same are considered by the Board and are published in the two newspapers i.e. Eco India in English & Apathik Lipi in Bengali(regional newspaper).

(7) Management Discussion and Analysis Report form part of this annual report

Management discussion and analysis report are placed in separate section of the Annual Report.

(8) General Shareholder's Information

S. No.	Particulars	Details		
1	Annual General Meeting	Friday, September 25, 2015	03:00	11C, Ram Mohan Dutta Road, Ground Floor, Kolkata-700020
2	Financial Calendar	1st April, 2015 to 31st March, 2016		
	Financial Reporting for – Quarter-I (ending June 30, 2015)	By last week of July, 2015		
	Financial Reporting for – Quarter-II (ending Sep 30, 2015)	By 2 nd Week of November, 2015		
	Financial Reporting for – Quarter-III (ending Dec 31, 2015)	By 2 nd Week of February, 2016		
	Financial Reporting for – Quarter-IV (ending Mar 31, 2016)	By last Week of May, 2016		
3	Date of Book Closure	18 th September, 2015 to 24 th September, 2015		
4.	Date of e-voting	22 nd September, 2015 to 24 th September, 2015		
5	Listing on Stock Exchange	Name and address of Stock Exchanges		File No
		The Calcutta Stock Exchange Association Ltd, 7, Lyons Range, Kolkata-700001		17131
6	Listing Fees	The Listing fee for above stock exchanges not paid for financial year ended March 31, 2015.		
7	Market Price details	There was no trading in the equity shares of the company during this year.		
8	Detail of registrar and Share Transfer Agent	NA		
9	Address for correspondence	9/14, First Floor, East Patel Nagar, New Delhi - 110008 Ph. no.- +911125769111 Email- sathagarwal307@yahoo.com		
10	Share Transfer system	Company process the share transfer on its own at its office.		
11	Dematerialization of Shares	The company's shares are in physical form and company not made any request to NSDL/CDSL for dematerialization of its shares		

GEMS COMMERCIAL COMPANY LIMITED

9) Shareholding Pattern as on 31.03.2015

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total Number of shares held	% of capital
A. Promoters and Promoters Group Holding					
1. Promoters					
Body Corporate	6	54,90,020	-	54,90,020	88.05
Individuals	-	-	-	-	-
2. Non Promoters Holdings					
Body Corporate	-	-	-	-	-
Individuals	1912	7,44,980	-	7,44,980	11.95
Total	1918	62,35,000	-	62,35,000	100

(10) Distribution of Shareholding as on 31st March, 2015

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	1857	3,97,870	6.38
501-1000	11	7,730	0.13
1001-2000	-	-	-
2001-3000	-	-	-
3001-4000	-	-	-
4001-5000	-	-	-
5001-10000	8	65,000	1.04
10001-and Above	42	57,64,400	92.45
Total	1918	62,35,000	100

GEMS COMMERCIAL COMPANY LIMITED

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2015.

Rajat Kumar
Managing Director
Place: New Delhi
Date: May 30, 2015

GEMS COMMERCIAL COMPANY LIMITED

CERTIFICATION UNDER CLAUSE 49(IX)

The Board of Directors
Gems Commercial Company Limited

We, the undersigned, certify to the Board that:

A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) These statements together present a true and fair view of the state of company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.

D. We have indicated to the auditors and to the audit committee:

- 1) Significant changes in internal control over financial reporting during the year;
- 2) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
- 3) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

For Gems Commercial Company Limited

Rajat Kumar
Managing Director

Raj Kumar
Director

Place: New Delhi
Date: May 30, 2015

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Gems Commercial Co. Ltd.

We have examined the compliance of conditions of Corporate Governance by Gems Commercial Co. Ltd. ("the Company") for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **M.Sippy & Associates**
Chartered Accountants
FRN: 015252N

(Narender Gupta)
(Partner)
(Membership No. 095860)

Place : New Delhi
Date: May 30, 2015

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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,
GEMS COMMERCIAL CO LTD
11C, Ram Mohan Dutta Road,
Ground Floor, Kolkata-700020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Gems Commercial Co Ltd** (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 M/s **Gems Commercial Co Ltd** 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 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 31.03.2015 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 M/s **Gems Commercial Co Ltd** ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; NA
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; NA
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; NA

- 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; NA
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; NA
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; NA
 - 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; NA
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; NA and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; NA
- vi. Law and guidelines applicable on **Non Banking Financial Company (NBFC)** issued by Reserve Bank of India.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. NA
- (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mention below:

1. The Company has not paid the listing fee to stock exchange.
2. There is no functional website of the company as required under clause -54 of the Listing Agreement

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. The 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists 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.

I further report that there are 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.

For **Avi Sangal & Associates**,
Company Secretaries

Avi Sangal
Proprietor
C.P. No.: 11984
Place: New Delhi
Dated: May 30, 2015

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To,

'Annexure A'

The Members,
Gems Commercial Co Ltd
11C, Ram Mohan Dutta Road,
Ground Floor, Kolkata-700020

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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 is the responsibility of management. Our 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 **Avi Sangal & Associates**,
Company Secretaries

Avi Sangal
Proprietor
C.P. No.: 11984
Place: New Delhi
Dated: May 30, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GEMS COMMERCIAL COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GEMS COMMERCIAL COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order

to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 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 A**".
- (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 has not provided any liability against pending litigations on its financial position in its financial statements

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 were required to be transferred to the Investor Education and Protection Fund by the Company.

For **M.Sippy & Associates**
Chartered Accountants
FRN: **015252N**

(Narender Gupta)
(Partner)
(Membership No. 095860)

Place: New Delhi
Date: May 30, 2015

Annexure referred to in Paragraph 4 of our report of even date of the accounts of Gems Commercial Company Limited for the year ended on March 31st, 2015

1. The Company does not have any fixed assets, hence sub-clause (a) & (b) of clause (i) of paragraph 4 of the company's Auditor Report Order 2015 are not applicable.
2.
 - a) The inventory has been physically verified during the year by the management at the regular interval. In our opinion frequency of physical verification is reasonable.
 - b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has granted unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. However terms & conditions are equivalent to prevailing in market.
 - a) These loans are temporary in nature where principle & interest are payable on demand. Henceforth these are treated as regular.
 - b) These loans are payable on demand. Henceforth question of recovery of principal and interest is 'not' applicable.
4. According to the information and explanations to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations to us, the company has not accepted any deposits from any person as envisaged under Section 73 to 76 of the Companies Act, 2013.
6. According to the information and explanations to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for any product of the company.
7.
 - a) According to the information and explanations to us, during the year under audit the provisions of the Provident Fund Act, ESI, Sales Tax, Wealth Tax, Excise Duty, VAT & Custom Duty are not applicable to the company. However Service tax is applicable to company where payments are regular.

- b) According to the information and explanations to us, on the last day of financial year, there was no amount outstanding in respect of undisputed Income Tax which were due for more than 6 months from the date they became payable.
- c) According to the information and explanation given to us, except the income tax demand of Rs. NIL against disallowance for assessment year 2011-2012 against which company has preferred an appeal before CIT(A), there are no other dues of Income-tax/ Sales-tax/ Wealth-tax/Custom duty/Excise duty/cess, which have not been deposited on account of any dispute during the year under report.
8. According to the information and explanations to us, in our opinion, clause (viii) of paragraph 4 of the order is not applicable as the accumulated losses at the end of the financial period are below 50% of net worth of the company.
9. According to the information and explanations to us, as the company has not taken any loan from Financial Institution / Banks / Debenture Holders, clause (ix) of paragraph 4 of the order is not applicable.
10. According to the information and explanations to us, the Company has pledged 25,00,000 Equity shares of Gujarat Heavy Chemicals Limited, in favor of India Bulls Securities Ltd against the loans advanced by them to four limited companies to the extent of value of these shares company is contingently liable. Present liabilities is unascertained.
11. According to the information and explanations to us, the company has not availed any term loan during the year, clause (xi) of paragraph 4 of the order is not applicable.
12. To the best of our knowledge and belief and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of audit.
13. M/s Rosebys Interiors India Ltd. is admitted for liquidation vide order dated 15.07.2014 of High Court of Gujarat at Ahmedabad. M/s Rosebys Interiors India Ltd. is to pay a sum of Rs. 31,13,030/- to the company. In view of admitted for liquidation, The company has decided to transfer a sum of Rs. 31,13,030/- as bad debts in books of accounts under consideration.

For **M.Sippy & Associates**
Chartered Accountants
FRN: **015252N**

(**Narender Gupta**)
(Partner)
(Membership No. 095860)

Place : New Delhi
Date: May 30, 2015

GEMS COMMERCIAL COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

₹ in thousand

	Notes	AS AT 31 March 2015	AS AT 31 March 2014
EQUITY AND LIABILITIES :			
Shareholder's Funds			
Share Capital	2.1	62,350	62,350
Reserves and Surplus	2.2	15,334	5,476
		77,684	67,826
 Current liabilities			
Other current liabilities	2.3	132	25,236
Short-term provisions	2.4	33,836	41,475
		33,967	66,711
TOTAL		1,11,652	134,537
 ASSETS :			
Non-current assets :			
Fixed assets			
Non-current investments	2.5	5,125	5,125
		5,125	5,125
Current assets			
Inventories	2.6	81,846	80,089
Trade Receivable	2.7	1,688	1,220
Cash and cash equivalents	2.8	174	5
Short-term loans and advances	2.9	22,818	48,097
Other current assets	2.10	1	1
		1,06,527	129,412
TOTAL		1,11,652	134,537

Significant accounting policies and note on accounts

1&2

The accompanying notes form an integral part of the financial statements.

As per our report even date attached

For **M. SIPPY & ASSOCIATES**

Chartered Accountants

Firm's Registration No. 015252N

(Narender Gupta)

Partner

Membership No. 095860

Place : New Delhi

New Delhi : May 30, 2015

For and on behalf of Board of Directors

(Rajat Kumar)
Managing Director

(Raj Kumar)
CFO and Director

(Ritika Nanda)
Director

Sudhir Chander Sood
Secretary

GEMS COMMERCIAL COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

₹. in thousand

	Notes	For the year ended 31 March 2015	For the year ended 31 March 2014
INCOME :			
Revenue from operation	2.11	707	665
Other income	2.12	6,097	5,724
Total Revenue		6,804	6,389
EXPENSES :			
Purchase of stock-in-trade	2.13	2,488	-
(Increase)/decrease in inventories	2.14	(-) 1,758	-
Employee benefit expense	2.15	156	220
Finance cost	2.16	36	39
Other expenses	2.17	3,664	829
Total expenses		4,586	1,088
Profit/(loss) before tax for the year		2218	5,301
Extra Ordinary items Provisions for			
a) For Non-performing Assets written back		7,640	(4,768)
Tax expense		-	-
Profit/(loss) for the year		9,858	533
Earnings per equity share (₹)	2.18		
Basic & diluted - Par value of ₹10/- per share		1.58	0.09

**Significant accounting policies and
Notes on accounts**

1 & 2

The accompanying notes are an integral part of the financial statements

As per our report even date attached

For **M. SIPPY & ASSOCIATES**

Chartered Accountants

Firm's Registration No. 015252N

(Narender Gupta)

Partner

Membership No. 095860

Place : New Delhi

New Delhi : May 30, 2015

For and on behalf of Board of Directors

(Rajat Kumar)

Managing Director

(Raj Kumar)

CFO and Director

(Ritika Nanda)

Director

Sudhir Chander Sood

Secretary

GEMS COMMERCIAL COMPANY LIMITED

Annexure in Terms of Clause 32 of the Listing Agreement
Cash Flow Statement for the year ended 31st March, 2015

₹ in thousand

	Figure for the current reporting period	Figure for the previous reporting period
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operation	9,858	533
Profit before tax	-	-
Adjustments	-	-
Depreciation and amortization from continuing operation	-	-
Operating Profit before working capital charges		
Increase/(decrease) short-term provisions	(7,639)	4,768
Increase/(decrease) in other current liabilities	(25,104)	(5,221)
Net Cash/flow/used in Operating Activities	(22,885)	80
Increase/(decrease) in Tangible Assets	-	(1,490)
Increase/(decrease) in Current Investment	-	(19)
Increase/(decrease) in trade receivables	468	443
Increase/(decrease) in inventories	1,757	4,111
Increase/(decrease) in short-term loans and advances	(25,279)	2,497
Cash generating from/(used in) operations (A)	169	(468)
Net cash flow/Used in Operating activities	(22,885)	80
II. CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash flow from/Used in Investing activities (B)	-	-
III. CASH FLOW FROM FINANCIAL ACTIVITIES		
Repayment of long-term borrowings	-	-
Net cash flow from/Used in Financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	169	(468)
Effect of exchanges differences on cash and cash equivalents		
Cash and cash equivalent at the beginning of the year	5	473
Cash and cash equivalent at the end of the year ¹⁷⁴	5	

As per report of even date attached

For **M. SIPPY & ASSOCIATES**

Chartered Accountants

Firm's Registration No. 015252N

(Narender Gupta)

Partner

Membership No. 095860

Place : New Delhi

New Delhi : May 30, 2015

For and on behalf of Board of Directors

(Rajat Kumar)

Managing Director

(Raj Kumar)

CFO and Director

(Ritika Nanda)

Director

Sudhir Chander Sood

Secretary

GEMS COMMERCIAL COMPANY LIMITED

Significant accounting policies and notes on account for the year ended 31st March, 2015

Corporate Information

Gems Commercial Company Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. and also registered with Reserve Bank of India as NBFC Company classified, as Investment Company.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation : The financial statements of company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with accounting standards notified under the Companies (Accounting Standards) Rule, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for changes in accounting policies explained below.

1.2 Change in accounting policy

There is no change in accounting policy during the year.

1.3 Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future period.

1.4 Inventories : Inventories of quoted shares are valued at cost or market price whichever is lower and unquoted shares have been valued at cost but a separate provision for diminution in the value of shares is made.

1.5 Cash Flow Statements : Cash flow statement has been prepared under indirect method.

1.6 Contingencies and events occurring after balance sheet date : There are no contingencies and events after balance sheet date that effect the financial position of the company.

1.7 Depreciation Accounting : There being no fixed assets no depreciation has been provided.

1.8 Revenue Recognition : All incomes are recognized on accrual basis except dividend income that is recognized as and when declared by the respective company.

1.9 Fixed Assets : The Company did not hold any fixed assets at the close of the year.

1.10 Accounting for Investment : Investments are stated at cost. Provision for diminution in value is made only if such a decline is other than temporary in the opinion of the management.

1.11 Retirement Benefits : Contributions to Public Provident Fund are charged to the profit & loss account as incurred. However, gratuity and leave encashment are accounted for on cash basis.

1.12 Borrowing Cost : All borrowing cost is charged to the revenue except to the extent they are attributable to qualifying assets that are capitalized.

1.13 The company operates mainly in one segment i.e. investing activities. Therefore, there is no reportable segment.

GEMS COMMERCIAL COMPANY LIMITED

- 1.14** In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred Taxes resulting from timing differences between book and tax profits are accounted for at the current rate of tax to the extent the timing differences are expected to be crystalized.
- 1.15 Interim Financial Reporting :** Quarterly financial results are published in accordance with the requirement of listing agreement with stock exchange. The recognition and measurement principles as laid down in the standard have been followed in the preparation of these results.
- 1.16.** Earning per shares (EPS): Disclosure of Earning per shares have been made as per Accounting Standard-20 issued by the Institute of Chartered Accountants of India.

GEMS COMMERCIAL COMPANY LIMITED

NOTES ON ACCOUNTS FOR YEAR ENDED 31ST MARCH,2015

₹ in thousand

	As at 31 March 2015	As at 31 March 2014		
2.1 Share Capital	Number of Share	Amount	Number of Share	Amount
		₹ in thousand		₹ in thousand
Authorised :				
Equity shares of ₹10/- each	7,000,000	70,000	7,000,000	70,000
	<u>7,000,000</u>	<u>70,000</u>	<u>7,000,000</u>	<u>70,000</u>
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10/- each fully paid up				
At the beginning of the year	6,235,000	62,350	6,235,000	62,350
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
At the end of the year	<u>6,235,000</u>	<u>62,350</u>	<u>6,235,000</u>	<u>62,350</u>

- a) The company has only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.
- b) The Company has not allotted any fully paid up equity shares without payment being received in cash or by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

Details of shareholders holding more than 5% shares:

Name of shareholders	As at 31 March 2015		As at 31 March 2014	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Equity shares of Rs. 10 each fully paid up held by				
Mansarover Commercial Private Limited	757,680	12%	757,680	12%
Pashupatinath Commercial Private Limited	1,277,730	20%	1,277,730	20%
Sovereign Commercial Private Limited	1,152,230	18%	1,152,230	18%
Swastik Commercial Private Limited	873,400	14%	873,400	14%
Trishul Commercial Private Limited	1,303,730	21%	1,303,730	21%

₹ in thousand

	As at 31 March 2015	As at 31 March 2014
2.2 Reserves and surplus		
General Reserve		
At the beginning of the year	19,800	19,800
Add: transferred during the year	-	-
Less: utilized during the year	-	-
At the end of the year (A)	19,800	19,800
Other Reserves		
Special Reserves		
At the beginning of the year	1,621	1,621
Add: transferred during the year	-	-
Less: utilized during the year	-	-
At the end of the year (B)	1,621	1,621
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(15,945)	(16,478)
Add: Profit for the year	9,858	533
Balance at the end of the year (C)	(6,087)	(15,945)
Total (A+B+C)	15,334	5,476

	As at 31.03.2015	As at 31.03.2014
2.3 Other current liabilities		
Current maturities of long-term borrowings	-	4,163
Other payables	-	20,721
Expenses payable	124	344
Statutory liabilities	8	8
	<u>132</u>	<u>25,236</u>

2.4 Short term Provisions

Other Provisions		
Provision for taxation	16	16
Contingent provisions for standard assets	33	29
Diminution in the value of shares	10,069	10,069
Provision for Written of doubtful assets	23,718	31,361
	<u>33,836</u>	<u>41,475</u>

Provision for Taxation

No provision for the current tax has been made after taking into account the benefit available to the company under the Income Tax Act, 1961.

**2.5 Short term Provisions
Non Current Investments**

Time Share Units	5,125	5,125
	<u>5,125</u>	<u>5,125</u>

₹ in thousand

	As at 31 March 2015	As at 31 March 2014
2.6 Inventories		
Equity shares (Quoted) Value at cost		
144500 (previous year 144500) shares of ₹ 10 each fully paid up in Golden Tobacco Limited	5,281	6,011
2891207(previous year 2862207) shares of ₹ 10 each fully paid in Gujarat Heavy Chemical Limited .	64,164	61,677
Total	69,445	67,688
Less: Provision for diminution in value of investment	3,865	3,865
Total (A)	65,580	63,823
Equity shares (unquoted) valued at cost		
232650 (previous per 232650) shares of ₹ 10 each full paid up in General Exports & Credits Limited	2,065	2,065
455500 (previous year 455500) equity shares of ₹ 10 fully paid up in Bharat Explosives Limited	4,555	4,555
47000 (previous year 47000) equity shares of ₹ 10 fully paid up in J & K Cigarettes Limited	470	470
6000 (previous year 6000) equity shares of ₹10 fully paid up in M. P. Tobacco Private Limited	60	60
17 (previous year 17) equity shares of ₹100 fully paid up in Pashupati Nath Comm (P) Limited	2	2
8000(previous year 8000) Equity Shares of ₹10 fully paid up in Purni Tobacco (P) Limited	80	80
2000 (previous year 2000) equity shares of ₹100 fully paid up in Raigarh Paper Mills Limited	200	200
20000 (previous year 20000) equity shares of ₹10 fully paid up in S.D.T. Enterprises Limited	200	200
71599 (previous year 71599) equity shares of ₹ 10 fully paid up in Bharatpur Nutritional Prod. Ltd. (Formerly-Dalmia Industries Ltd.)	505	505
17 (previous year 17) equity shares of ₹ 100 fully paid up in Swastik Comm (P) Limited	2	2
17 (previous year 17) equity shares of ₹ 100 fully paid up in Sovereign Comm (P) Limited	2	2
25000 (previous year 25000) equity shares of ₹ 10 fully paid up in World Growth Fund Limited	250	250
35000 (previous year 35000) equity shares of ₹ 100 fully paid up in Dalmia (Bros) Pvt. Ltd.	3,500	3,500
4000 (previous year 4000) equity shares of ₹10 fully paid up in Dalmia Health Care Ltd.	40	40
21200 (previous year 21200) equity shares of ₹10 full paid up in Dalmia Health Care Ltd.	212	212
362300 (previous year 362300) equity shares of ₹10 fully paid up in Dalmia Health Care Ltd.	3623	3623
6250(previous year 6250) equity shares of ₹10 each with Premium of ₹70 per share in Dalmia House Jeanie Pvt Ltd.	500	500
Total (B)	16,266	16,266
Total Inventories (A+B)	81,846	80,089

Market value of quoted shares	1,83,235	1,26,799
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* Company has pledged 25,00,000 Equited shares of Gujarat Heavy Chemicals Limited, in favour of India Bulls Securities Ltd against the loans advanced by them to four limited companies to the extent of value of these shares company is contingently liable. Present liabilities is unascertained.

* In the absence of fair market value of unquoted shares provisions for diminution in the value of shares has been made so as to value of unquoted shares @ ₹ 1/- each.

	₹ in thousand	
	As at 31 March 2015	As at 31 March 2014
2.7 Trade Receivable		
Interest receivable	1,106	635
Out Standing for more than six months	<u>582</u>	<u>585</u>
	<u>1,688</u>	<u>1,220</u>
2.8 Cash and cash equivalents		
Balance with banks in		
Current account scheduled bank	<u>174</u>	<u>5</u>
	<u>174</u>	<u>5</u>
2.9 Current loans and advances		
Loan and Advances to Related Parties	<u>22,818</u>	<u>48,097</u>
	<u>22,818</u>	<u>48,097</u>
Unsecured, considered good		
Loans to bodies corporate	3,420	3,850
other advances	44	44
Payment of Taxes	7,380	8,415
Doubtful*		
Loans to bodies corporate	1,989	25,803
Share application money	5,210	5,210
Advance to others	4,775	4,775
* Company is NBFC and as per the provisions of Non-Banking Financial Companies prudential norms of RBI, other loans and advances have been classified as either good, doubtful or bad and the provisions against these classification has been made and reflected in statement of profit and loss as well as under provisions in the balance sheet in stead of deducting provisions from respective loans and advances.		
2.10 Other Current assets		
Interest receivable from Income		
Tax Department	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

GEMS COMMERCIAL COMPANY LIMITED
NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

₹ in thousand

	As at 31 March 2015	As at 31 March 2014
2.11 Revenue from operations		
Interest on loans (TDS ₹ 60/- - previous year ₹66/-)(₹ in '000)	707	665
	<u>707</u>	<u>665</u>
* Interest on over due loans is not accounted for as there is no stipulation for any income on such loan after contracted period.		
2.12 Other income		
Dividend income on Inventories	5,748	5,724
Interest on Income Tax Refund	103	-
Other	246	-
	<u>6,097</u>	<u>5,724</u>
2.13 Purchase of stock-in-trade		
Purchase of stock	2,488	-
	<u>2,488</u>	<u>-</u>
2.14 (Increase)/decrease in inventories		
Changes in inventories of stock in trade	-1,758	-
	<u>-1,758</u>	<u>-</u>
2.15 Employee benefit expense		
Salaries, wages and bonus	156	220
	<u>156</u>	<u>220</u>
* No provision for gratuity has been made, gratuity, if any payable will be accounted for in the year of payment.		
2.16 Finance cost		
Interest expense	36	39
	<u>36</u>	<u>39</u>
2.17 Other expenses		
Payment to Auditors (Refer details Below)	33	37
Legal & Professional Fees	174	84
Miscellaneous expenses	3,457	708
	<u>3,664</u>	<u>829</u>
Payment to auditor		
As auditor	16	14
For other services	17	23
	<u>33</u>	<u>37</u>
* Payment to Auditor is inclusive of service tax.		

2.18 Note on EPS

Profit After Tax available to Equity Shareholders	9,858	533
Weighted average number fo equity shares	6,235	6,235
Number of Equity Share	6,235	6,235
Face Value per share (₹)	10	10
Basic & diluted Earning per share (₹)	1.58	0.09

2.19 Related Party Disclosures

As per accounting standard 18 on "Related party Disclosure" issued by the Institute of Chartered Chartered Accountants of India the disclosure of transactions with the related party is as under:

a) Related Party where control exists:

b) Related Party disclosures:-

- i) Rajat Kumar (Director in Hindustan Commercial Co. Ltd., Excellent Commercial Enterprises & Investment Ltd. and Harvatex Engineering & Processing Co. Ltd. ,Raj Kumar (Director in Moderate Investment and commercial Enterprises Ltd. and Carefree InvestmentCo. Limited ,Ritika Nanda (Director in International Resources Limited, ,Excellent Commercial Enterprises & Investment Ltd.)
- ii) There are certain advance given and taken at interest rate as prevailing in market. However Managing Director has been paid remuneration.
- iii) Directors have been paid Directors sitting fees aggregating to Rs.24,000/-
- iv) M/s Rosebys Interiors India Ltd. is admitted for liquidation vide order dated 15.07.2014 of High Court of Gujarat at Ahmedabad. M/s Rosebys Interiors India Ltd., is to pay a sum of Rs. 31,13,030/- to our company. In view of admitted for liquidation, our company has decided to transfer a sum of Rs. 31,13,030/- as bad debts in books of accounts under consideration.

2.20 The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors, according to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

S.N.	Particulars	Financial Year 2014-2015	Financial Year 2013-2014
i)	The princinal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year		
	- Principal amount	NIL	NIL
	- Interest thereon	NIL	NIL
ii)	The amount of interest paid by the buyer In terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to supplier beyond the appointed day during each accounting year	NIL	NIL
iii)	The amount of interst due and payable for the year of delay in making payment (which have been paid but beyond the Appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

- | | | | |
|-----|---|-----|-----|
| iv) | The amount of interest accrued and remaining Unpaid at end of each accounting year; and | NIL | NIL |
| v) | The amount of further interest remaining due and payable even in the succeeding years, Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowances as a deductible Expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL |

2.21 No provision for the income tax has been made in respect of dispute pending in appeal. A demand of 6,38,343/- has been raised for assessment year 2010-11 which is not admitted by company and also contested in appeal and CIT(appeal) has passed order in favour of company which is pending for granting an appeal effect by Income Tax Department in their records.

2.22 Schedule in terms of paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 and cash flow statement in terms of clause 32 of Listing Agreement are attached.

2.23 As per the policy of the company, there is incidence of deffered tax asset, however the same has not been created on prudence.

2.24 Previous year figures have been regrouped/rearranged wherever considered necessary

For **M. SIPPY & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 015252N

(Narender Gupta)
Partner
Membership No. 095860

Place : New Delhi
New Delhi : May 30, 2015

For and on behalf of Board of Directors

(Rajat Kumar)
Managing Director

(Raj Kumar)
CFO and Director

(Ritika Nanda)
Director

Sudhir Chander Sood
Secretary

- (iii) Hypothecation loans counting towards EL/HP activities
 - (a) Loans where assets have been repossessed
 - (b) Loans other than (a) above

5. Break-up of Investments :
Current Investments :

(1) Quoted :		
i) Shares : (a) Equity		NIL
	(b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of mutual funds		NIL
iv) Government Securities		NIL
v) Others (Please specify)		NIL
(2) Unquoted :		
i) Shares : (a) Equity		NIL
	(b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of mutual funds		NIL
iv) Government Securities		NIL
v) Others (Please specify)		NIL

Long term Investments :

(1) Quoted :		
i) Shares : (a) Equity		NIL
	(b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of mutual funds		NIL
iv) Government Securities		NIL
v) Others (Please specify)		NIL
(2) Unquoted :		
i) Shares : (a) Equity		NIL
	(b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of mutual funds		NIL
iv) Government Securities		NIL
v) Others (Please specify) Time Share Unit		51.25

6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:

Category	Amount net of provisions		
	Secured	Unsecured	Total
(1) Related parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
(2) Other than related parties	NIL	0	0
Total	NIL	0	0

7. Investor group-wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted) :

Please see not 3 below

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)
(1) Related Parties**		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
(2) Other than related parties	0	0
Total	0	0

** As per Accounting Standard of ICAI (Please see Note 3)

8. Other Information

Particulars	Amount
(i) Gross Non-performing Assets	0
(a) Related parties	NIL
(b) Other than related parties	0
(ii) Net Non-Performing Assets	0
(a) Related parties	NIL
(b) Other than related parties	0
(iii) Assets acquired in satisfaction of debts	NIL

For **M. SIPPY & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 015252N

(Narender Gupta)
Partner
Membership No. 095860

Place : New Delhi
New Delhi : May 30, 2015

For and on behalf of Board of Directors

(Rajat Kumar)
Managing Director

(Raj Kumar)
CFO and Director

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