

GEMS COMMERCIAL COMPANY LIMITED

ANNUAL REPORT 2013-2014

Directors:

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

Managing Director:

Mr. Rajat Kumar

Company Secretary:

Sudhir Chandra Sood

Auditors:**M. SIPPY & ASSOCIATES**

Chartered Accountants,
New Delhi

Bankers:

Syndicate Bank
Rajendra Place
New Delhi

Registered Office:

21F, Deodhar Street,
Kolkata - 700019

Admin Office:

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

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Company will be held at the Registered Office of the Company 21F, Deodhar Street Kolkata - 700019, on Tuesday the 30th September, 2014 at 10:00 AM. to transact the following business:

ORDINARY BUSINESS**ADOPTION OF STATEMENT OF PROFIT AND LOSS****ACCOUNT AND BALANCE SHEET**

1. To receive, consider and adopt the Statement of Profit & Loss Account for the period ended 31st March, 2014 and the Balance Sheet as on that date together with the Report of the Directors and Auditors thereon.

APPOINTMENT OF NEW STATUTORY AUDITORS

2. Resolved that M/s M. Sippy & Associates Chartered Accountants be and is hereby appointed as Statutory Auditors of company and Board of Directors be authorised to fix their remuneration.

SPECIAL BUSINESS**REGULARISATION OF APPOINTMENT OF
ADDITIONAL DIRECTORS**

3. Resolved that Mr. Pankaj Baradia who was appointed as a Additional Directors of company untill date of Annual General Meeting, be and are hereby appointed as Directors of Company, liable to retire by rotation.
4. Resolved that Mr. Raj Kumar who was appointed as a Additional Directors of company untill date of Annual General Meeting, be and are hereby appointed as Directors of Company, liable to retire by rotation.
5. Resolved that Ms. Ritika Nanda who was appointed as a Additional Directors of company untill date of Annual General Meeting, be and are hereby appointed as Directors of Company, liable to retire by rotation.

APPOINTMENT OF NEW MANAGING DIRECTOR

6. Resolved that Mr. Rajat Kumar be and is hereby appointed as Managing Director of Company. Remuneration & perquisite are as below:-
Basic Salary = 9,500/- Housing Allowance = NIL
Leave Entitlement = NIL Medical = NIL

By order of the Board

Raj Kumar

Place: New Delhi

Dated: 09/08/2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND ANY VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Member is requested to notify change in their address(es) if any to the Company.
3. The share transfer books of the Company shall remain closed from 23rd September to 29th September, 2014 (both days inclusive)

GEMS COMMERCIAL COMPANY LIMITED

Regd. Office : 21F, Deodhar Street, Kolkata-700 019.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Thirty First Annual Report and Audited Statement of Accounts for the year ending 31st March, 2014

FINANCIAL RESULTS for the year after providing for Non-Performing Assets amounting to Rs. 5,468 (000's) , and reversal of such provisions for Rs. 700 (000's) , resulted in a Profit Rs.533/- (000's) . Against t his loss for previous year was Rs. 4,750 (000's)

BUSINESS ACTIVITIES

The Company continued to carry on the business of Purchase and Sale of shares, securities and units of Mutual Funds and advancing monies to industrial and other bodies corporate. Provision for diminution in the value of stocks and for non-performing assets and Contingency provision for standard assets had to be made in accordance with Prudential norms prescribed by the Reserve Bank of India.

DIVIDENDS

In view of brought forward deficit and business needs your Directors refrain from recommending any Dividend.

DEPOSITS

The Company has not accepted any deposit from the public.

LISTING

The shares of the Company are listed in Calcutta Stock Exchange. Listing fees upto financial year 2013-14 has been duly paid while bills for later periods are awaited.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSIONS

Statement on Corporate Governance and Management Discussions are attached to this Report. Auditors certificate there on is also attached.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the provisions of Sec. 217 (2AA) of the Companies Act, your Directors declare that:

- (i) In the preparation of the annual accounts, applicable accounting standards have been followed and no departures have been made therefrom;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safe-guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) Directors had prepared Annual Accounts on a going concern basis.

Auditors Qualification are self explanatory and do not require any comments.

AUDITORS

M/s. M. Sippy & Associates Chartered Accountants, retiring Auditors have expressed their inability to continue as Statutory Auditors of the Company.

EMPLOYEES REMUNERATION

During the year there has been no employee in receipt of remuneration in excess of the amounts mentioned under Sec. 217(2A) of the Companies Act, 1956.

For and on behalf of the Board

Rajat Kumar
Managing Director

Raj Kumar
Directors

Ritika Nanda
Directors

Place : New Delhi
Dated :30th June, 2014

Sudhir Chand Sood
Secretary

ANNEXURE TO DIRECTORS REPORT

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Your Company is committed to the principles of good governance. The spirit of corporate governance has prevailed in the Company since its inception. The Company's philosophy is shaped by the very values of transparency, professionalism and accountability.

BOARD OF DIRECTORS

Composition of Board (as on 31.03.2014)

The Board of Directors comprises of one Managing Director and three Non-Executive Directors. The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors. The brief profile of your Company's Board of Directors is as under:

Director	Brief Resume	Category	No. of other Directorships Held as at 31.3.2014	Committee/s Position as at 31.3.2014 Member/Chairman
Shri Rajat Kumar	B.Com.	Managing Director	1	1
Shri Raj Kumar	12th	Non-executive/ Independent	2	1
Ms. Ritika Nanda	12th	Non-executive/ Independent	1	2
Shri Sudhir Chand Sood	Company Secretary	Non-executive/ Independent	1	2

As mandated by revised cl. 49 of Listing Agreement, independent directors on the Companies board.

- apart from receiving directors sitting fees, do not have any material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management and associates, which may effect independence of Directors.
- not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been an executive of the Company in the immediately preceding three financial years.
- are not partners or executives or were not partners or executives during the preceding three years of the,
 - Statutory audit firm or the internal audit firm that is associated with the company.
 - legal firm(s) and consulting firm(s) that have a material association with the company.
- are not material suppliers, service providers or customers or lessors or lessees of the company which may affect independence of the Directors.
- are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares.

Details of the Board Meetings held during the financial year and attendance record of the Directors at Board/ Annual General Meetings;

The Board meets at least once in a quarter to consider amongst other business the quarterly performance of the Company and financial results. During the year five Board meetings were held on 14.05.2013, 21.06.2013, 14.08.2013, 13.11.2013 and 10.2.2014. Attendance of the Directors in the said Meetings was as under:

Sl. No.	Name of the Director	Attendance at No. of meetings held during tenure	Board Meetings No. of Meetings attended	Attendance at the last AGM held on 28.09.2013
1.	ShriRajat Kumar	6	6	Yes
2.	Shri Raj Kumar	6	6	No
3.	Ms Ritika Nanda	6	6	No
4.	Shri Pankaj Baradia	6	6	No

Committees of the Board :

1. Audit Committee

The Audit Committee of the Company comprised of two non-executive Directors viz Shri Raj Kumar and Ms. Ritiak Nanda and Secretary Shri Sudhir Sood as its members, with any two of them forming quorum for its Meetings and MR. Raj Kumar being its Chairman.

The role and power of the Audit Committee are as per guidelines as set out in the Listing Agreement with the Stock Exchange. The terms of reference of the Audit Committee are in line with Clause 49II (C) and (D) of the Stock Exchange Listing Agreement. The Committee acts as a link between the management, Auditors and Board of Directors of the Company and has full access to the financial information. Shri Sudhir Sood a member of the Committee is a qualified Company Secretary. The committee met five times during the year on 14th May, 2013, 21st June, 2013, 14th August, 2013, 13th November, 2013 and 10th February, 2014.

2. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance Committee of the Company comprised of Managing Director, Secretary and Shri Rajat Kumar as its members, with the Managing Director as its Chairman. The Committee met once on 13th August, 2013.

The Company Secretary of the Company will act as the Compliance Officer of the Committee. The main terms of reference of this Committee are to look into and redress Shareholders/Investors complaints pertaining to :

- Non-receipt of shares / certificates after transfer;
- Non-receipt of Annual Report;
- Non-receipt of Dividend, and
- Other matters relating to or arising out of Shareholders / investors services.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Location
2012-13	30.9.2013	1.00 P.M.	Registered Office
2011-12	28.9.2012	1.00 P.M.	Registered Office
2010-11	29.9.2011	1.00 P.M.	Registered Office
2009-10	29.9.2010	1.00 P.M.	Registered Office

DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or their relatives etc. that may have, potential conflict with interest of the Company at large.

- (i) Remuneration to Managing Director Rs. 1,18,340/-
- (ii) Directors sitting fees paid to Directors Rs. 18,000/-

(including Managing Director)

Other directorships of the Directors are :

Name of the Director	Other Directorship
Rajat Kumar	Hindustan Commercial Co. Ltd., Excellent Commercial Enterprises & Investment Ltd. and Harvatex Engineering & Processing Co. Ltd.
Raj Kumar	Moderate Investment and commercial Enterprises Ltd. and Carefree Investment Co. Limited
Ritika Nanda	International Resources Limited, Excellent Commercial Enterprises & Investment Ltd.

The Company has complied generally with the requirements of the Stock Exchange, SEBI and Statutory/Regulatory Authority/ies during the last three financial years on all matters related to Capital Markets and no penalties / strictures have been imposed on the Company.

MEANS OF COMMUNICATION

The Board of directors of the Company approve and takes on record the unaudited financial results in the proforma prescribed by the Stock Exchange within the period prescribed after the close of the quarter / half year and announces forthwith the results to the Stock Exchange where the shares of the Company are listed. Further the same were also published within 48 hours in two newspapers i.e. Financial Express/ Business standard in English and 'Kalantar Patrika' in Bengali (regional newspaper) as required.

All the details required to be forwarded to the Stock Exchanges are being sent by the Company from time to time.

The Company has not made any presentation to the Institutional Investors or to any Analyst during the year. The Management Discussions and Analysis Report form part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting
Date Time and Venue
30.9.2014 at 1.00 P.M.
21F, Deobhar Street
Kolkata-700 019
2. Financial Calender
Financial Year
Accounts Finalisation
Annual General Meeting
Quarterly Results
April - March
June
September
Before the end of the period prescribed following quarter
3. Date of Book Closure
21.9.2014 to 28.9.2014 (both days inclusive)
4. Listing on Stock Exchange
The shares of the Company are listed on the Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata-700 001
5. Stock Code
The Company has not made any application for admission of its securities to any Depository system.
N.A.
6. Market price data: There was no trading in the equity shares of the Company during this year.
7. Registrar and Share Transfer Agents
None
8. Share Transfer System
The Share transfers in the physical form are processed in house. The Company's Equity shares are not traded in dematerialised form as the

company has not made any application to NSDL/
CDSL for admission of its securities in Depository
mode

9. Distribution of Shareholding as on 31 st March, 2014:

No. of Equity Shares held	No. of share holders	% of share holders	No. of Shares held	% of share holding
Upto 500	1,858	96.87	39,84,700	6.39
5001 - 10000	10	0.52	71,300	0.12
10001 - 20000	—	—	—	—
20001 - 30000	—	—	—	—
30001 - 40000	—	—	—	—
40001 - 50000	—	—	—	—
50001 - 100000	8	0.42	6,50,000	1.04
100001 and above	42	2.19	5,76,44,000	92.45
Total	1,918	100.00	6,23,50,000	100.00

10. Categories of Shareholding (as on 31.3.2014) :

Particulars	No. of share-holders	% of share-holders	No. of shares held	% of share holding
Corporate Bodies	7	0.36	55,69,920	89.32
Individuals / Others	1,911	99.64	6,65,080	10.68
Total	1,918	100.00	62,35,000	100.00

11. Dematerialisation of Shares and Liquidity : Not Applicable
12. Outstanding GDRs / ADRs Warrants : Not Applicable
13. Address for correspondence : 9/14, (First Floor) East Patel Nagar,
Head Office : New Delhi – 110008

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 redressal 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. 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.

COMPLIANCE CERTIFICATE FROM THE AUDITORS

The Company has obtained a certificate from the Statutory Auditor certifying Compliance of the mandatory requirements as per clause 49 of the Listing Agreement which is annexed.

Auditor's Report on Corporate Governance

To the Members,
Gems Commercial Co. Ltd.

We have examined the compliance of conditions of Corporate Governance by **Gems Commercial Co. Ltd.** for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **M. Sippy & Associates**
Chartered Accountants
Firm's Registration No. 015252N

(Narender Gupta)
Partner
Membership No.095860

Place: New Delhi
Dated:30th June, 2014

**Certificate of Compliance from Auditors as Stipulated Under Caluse 49 of the Listing Agreement
with the Stock Exchanges in India**

CERTIFICATE

To the members,

Gems Commercial Co. Limited.

We have examined the compliance of conditions of Corporate Governance by **Gems Commercial CO. Limited** for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of the 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 with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For M. Sippy & Associates
Chartered Accountants
Firm's Registration No. 015252N

(Narender Gupta)
Partner
Membership No.095860

Place: New Delhi
Dated:30th June, 2014

Independent auditor's report to the members of Gems Commercial Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Gems Commercial Company Limitedn ("the company"), which comprise the balance sheet as at March 31, 2014, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Basis for qualified opinion

The company's inventories of unquoted shares are carried in the Balance sheet at Rs. 12,155 (000's). Management has not stated these inventories at the lower of the cost and net realizable value but has stated them solely at cost which constitutes a departure with the accounting standards referred to in sub-section (3C) of section 211 of the Act. This is the method consistently followed by the company. However management has made sufficient provision in respect of diminution in value of inventories, if any, in accordance with Prudential Norms prescribed by the Reserve Bank of India, company being a Non-Banking Financial Company. Thus the treatment given for valuing these inventories will not have any effect on the cost of sales, income tax, net profit and shareholders' funds.

Qualified Opinion

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

- (a) in the case of balance sheet, of the state of affairs of the company as at March 31, 2014
- (b) in the case of the statement of profit and loss, of the Profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
 - c. the balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **M. Sippy & Associates**
Chartered Accountants
Firm's Registration No. 015252N

(Narender Gupta)

Partner
Membership No.095860

Place: New Delhi
Dated:30th June, 2014

Annexure to the Independent Auditors' report dates 10th June 2014 of **M/S GEMS COMMERCIAL CO. LIMITED**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Fixed assets have been physically verified by the management at reasonable interval and no material discrepancies were noticed on such verification.
(c) No substantial part of the fixed assets has been disposed off during the year which affects going concern status of the company.
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. No material discrepancies were noticed on verification between the physical stocks and the book record except shortage of 60 shares of Golden Tobacco Company Limited. We were explained that the company has taken appropriate steps for getting duplicate shares.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firm or other parties covered under register maintained under section 301 of the Act, therefore sub clause (b), (c) and (d) of this clause are not applicable.
4. In our opinion, and according to the information and explanations given 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 and services. 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 given to us, there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, consequently sub clause (b) of this clause is not applicable.
6. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public falling within the purview of Section 58A, 58AA or any other relevant provision of the Act. No order has been passed by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanation given to us, the Central Government has not prescribed for the maintenance of cost records under clause (d) of sub-section(1) of Section 209 of the Act.
9. (a) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax Service-tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty, cess were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, except the income tax demand of Rs. 7,92,892/- and 6,38,343/- for assessment year 2009-10 and 2010-11 respectively 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. A.Y. 2010-11 Demand Rs. 6,38,343/- paid during the year.
10. In our opinion, the accumulated losses of the company are not more than 50% of its net worth. The company has not incurred cash losses during the financial year covered by our audit, but has not incurred cash loss in the immediately preceding financial year.
 11. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to the Financial Institution, Banks or Debenture holders.
 12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clauses 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
 14. In our opinion, the company is dealing in and trading in shares, securities, debentures and other investments and has made timely and proper entries of transactions and contracts except speculation contracts. As informed to us all shares, securities, debentures and other investments are held in the name of the company.
 15. In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
 16. According to the information and explanation given to us, the Company has not raised any term loan during the year under audit, accordingly provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
 17. According to the information and explanations given to us, no funds raised on short-term basis have been used for long term investment and vice versa.
 18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year.
 19. During the year under report, the Company is not indulged into any of the activities covered by clauses (xix) and (xx) of the Companies (Auditor's Report) Order,2003, therefore no comments are required in respect of these clauses.
 20. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **M. Sippy & Associates**
Chartered Accountants
Firm's Registration No. 015252N

(Narender Gupta)
Partner
Membership No.095860

Place: New Delhi
Dated:30th June, 2014

GEMS COMMERCIAL COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

₹ in thousand

	Notes	AS AT 31 March 2014	AS AT 31 March 2013
EQUITY AND LIABILITIES :			
Shareholder's Funds			
Share Capital	2.1	62,350	62,350
Reserves and Surplus	2.2	5,476	4,943
		67,826	67,293
Non-current liabilities			
Long-term borrowings	2.3	-	-
Current liabilities			
Other current liabilities	2.4	25,236	30,457
Short-term provisions	2.5	41,475	36,707
		66,711	67,164
TOTAL		134,537	134,457
ASSETS :			
Non-current assets :			
Fixed assets			
Tangible assets	2.6	-	1,490
Non-current investments	2.7	5,125	5,144
		5,125	6,634
Current assets			
Inventories	2.8	80,089	75,978
Trade Receivable	2.9	1,220	777
Cash and cash equivalents	2.10	5	473
Short-term loans and advances	2.11	48,097	50,594
Other current assets	2.12	1	1
		1,29,412	127,823
TOTAL		134,537	134,457

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

**For and on behalf of the Board of Directors of
Gems Commercial Company Limited**

(Narender Gupta)

Partner

Membership No. 095860

(Rajat Kumar)

Managing Director

(Raj Kumar)

Director

Place : New Delhi

Dated : 30.06.2014

(Ritika Nanda)

Director

Sudhir Sood

Secretary

GEMS COMMERCIAL COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹. in thousand

	Notes	For the year ended 31 March 2014	For the year ended 31 March 2013
INCOME :			
Revenue from operation	2.13	6 65	171
Other income	2.14	5,724	6,124
Total Revenue		6,389	6,295
EXPENSES :			
Purchase of stock-in-trade	2.15	-	225
(Increase)/decrease in inventories	2.16	-	3,640
Employee benefit expense	2.17	220	197
Finance cost	2.18	39	130
Depreciation and amortization expense	2.19	-	520
Other expenses	2.20	829	917
Total expenses		1,088	5,629
Profit/(loss) before tax for the year		5,301	666
Extra Ordinary items Provisions for			
a) For Diminution in value of stock		(5,468)	(10,222)
b) For Non-performing Assets written back		700	5,009
Tax expense		-	203
Profit/(loss) for the year		533	(4,750)
Earnings per equity share (₹)	2.21		
Basic & diluted - Par value of ₹10/- per share		0.09	(0.76)

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

**For and on behalf of the Board of Directors of
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(Narender Gupta)

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Director

Place : New Delhi

Dated : 30.06.2014

(Ritika Nanda)

Director

Sudhir 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, 2014

	₹ 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	533	(4,750)
Profit before tax		
Adjustments		
Depreciation and amortization from continuing operation	-	520
Operating Profit before working capital charges		
Increase/(decrease) short-term provisions	4,768	5,416
Increase/(decrease) in other current liabilities	(5,221)	(14,010)
Net Cash/flow/used in Operating Activities	80	(12,825)
Increase/(decrease) in Tangible Assets	(1,490)	-
Increase/(decrease) in Current Investment	(19)	-
Increase/(decrease) in trade receivables	443	(792)
Increase/(decrease) in inventories	4111	(3,640)
Increase/(decrease) in short-term loans and advances	(2,497)	(8,513)
Cash generating from/(used in) operations (A)	(468)	120
Net cash flow/Used in Operating activities	80	(12,825)
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)	(468)	120
Effect of exchanges differences on cash and cash equivalents		
Cash and cash equivalent at the beginning of the year	473	353
Cash and cash equivalent at the end of the year	5	473

As per report of even date attached

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

**For and on behalf of the Board of Directors of
Gems Commercial Company Limited**

(Narender Gupta)
Partner
Membership No. 095860

(Rajat Kumar)
Managing Director

(Raj Kumar)
Director

Place : New Delhi
Dated : 30.06.2014

(Ritika Nanda)
Director

Sudhir Sood
Secretary

GEMS COMMERCIAL COMPANY LIMITED

Significant accounting policies and notes on account for the year ended 31st March, 2014

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 : Depreciation on fixed assets is charged on written down value method as per the rates given in schedule XIV of the Companies Act, 1956.

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 : Fixed Assets are stated at cost of acquisition inclusive of related expenses less depreciation.

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.
- 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,2014

₹ in thousand

	As at 31 March 2014		As at 31 March 2013	
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 2014		As at 31 March 2013	
	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 2014	As at 31 March 2013
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	- 16,478	-11,728
Add: Profit for the year	533	-4,750
Balance at the end of the year (C)	- 15,945	-16,478
Total (A+B+C)	5,476	4,943

₹ in thousand

	Non-current		Current maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013

2.3 Long-term borrowings

Aditya Birla Finance Limited	-	-	-	4,163
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,163</u>
The above amount includes				
Secured borrowings	-	-	-	4,163
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "Other Current Liabilities" (note 2.4)	-	-	-	-4,163
Net Amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- * The company had taken loan of ₹ 50,00,00,000/- the balance outstanding including interest due there on as on the date of balance sheet is NIL, from Aditya Birla Finance Ltd. (Formerly known as Birla Global Finance Ltd.) by pledging shares of third parties. Consequent upon non recovery of loans advance by the lender company, the lender company has invoked third party pledge, sold their shares and adjusted sale proceed against their dues. Lender company has claimed interest of ₹ 2478/-, together with ₹ 10,56,725/- penal interest and ₹ 79,26,869/- as over due interest, and legal cost amounting to ₹ 8,50,000/-. Matter was taken in arbitration with regards to outstanding liabilities. Arbitrator has since awarded ₹ 1,01,29,292/- against the company. The company, however, has not adjusted the liabilities as an appeal against the same has been filed. Accordingly may be contingently liable for the payment of ₹ 1,01,29,292/-. Further, sale proceeds of pledged shares of third parties, which has been adjusted by the lender company against outstanding loan has been shown as current liabilities.

₹ in thousand

	As at 31.03.2014	As at 31.03.2013
--	---------------------	---------------------

2.4 Other current liabilities

Current maturities of long-term borrowings	4,163	4,163
Other payables	20,721	26,021
Expenses payable	344	273
Statutory liabilities	8	-
	<u>25,236</u>	<u>30,457</u>

2.5 Short term Provisions

Other Provisions		
Provision for taxation	16	16
Contingent provisions for standard assets	29	29
Diminution in the value of shares	13,811	10,068
Provision for non-performing assets as per RBI Directons	27,619	26,594
	<u>41,475</u>	<u>36,707</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.

2.6 Non-current assets

Tangible fixed assets as at March 31,2014

₹ in thousand

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 01.04.2013	Addition/ Deletion	As on 31.03.2014	Up to 01.04.2013	For the year	Adjustment for the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
Car (BMW)	6,700	1,100	5,600	5,210	-	390	5,600	-	1,490
Total	6,700	1,100	5,600	5,210	-	390	5,600	-	1,490
Previous Year	6,700	-	6,700	4,690	520	-	5,210	1,490	2,010

₹ in thousand

As at
31 March 2014

As at
31 March 2013

2.7 Non-current investments

(valued at cost unless otherwise stated)

Non-trade investments

Time Shares Units

5,125	5,144
5,125	5,144

₹ in thousand

As at
31 March 2014

As at
31 March 2013

2.8 Inventories (At Lower of cost or net realisable value)

Equity shares (Quoted)

144500 (previous year 144500) shares of ₹ 10 each fully paid up in Golden Tobacco Limited

6,011

6,011

2862207 (previous year 2862207) shares of ₹ 10 each fully paid in Gujarat Heavy Chemical Limited .

61,677

61,677

67,688

67,688

Less: Provision for diminution in value of investment

3,865

3,865

Total (A)

63,823

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

	₹ in thousand	
	As at 31 March 2014	As at 31 March 2013
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 NIL) equity shares of ₹10 full paid up in Dalmia Health Care Ltd.	212	212
362300 (previous year 1300) equity shares of ₹10 fully paid up in Dalmia Health Care Ltd.	3623	13
6250(previous year NIL) equity shares of ₹10 each with Premium of ₹70 per share in Dalmia House Jeanie Pvt Ltd.	500	-
Total (B)	16,266	12,155
Total Inventories (A+B)	80,089	75,978
Aggregate book value of quoted shares (net of provision for diminution in the value of inventory)	63,823	63,823
Market value of quoted shares	1,26,799	1,08,410
Aggregate book value of unquoted Shares (net of provision for diminution in the value of inventory)	2,454	2,087
Aggregate provision for diminution in the value of inventory	17,676	13,933
* 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.		
2.9 Trade Receivable		
Interest receivable	635	624
Out Standing for more than six months	585	153
	<u>1,220</u>	<u>777</u>
2.10 Cash and cash equivalents		
Balance with banks in Current account scheduled bank	5	473
	<u>5</u>	<u>473</u>

	As at 31 March 2014	₹ in thousand As at 31 March 2013
2.11 Current loans and advances		
Other loans and advances	48,097	50,594
	<u>48,097</u>	<u>50,594</u>
Unsecured, considered good		
Loans to bodies corporate	3,850	3,850
other advances	44	78
Payment of Taxes	8,415	7,711
Doubtful*		
Loans to bodies corporate	25,803	25,960
Share application money	5,210	8,220
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.		
2.12 Other Current assets		
Interest receivable from Income Tax Department	1	1
	<u>1</u>	<u>1</u>
	As at 31 March 2014	As at 31 March 2013
2.13 Revenue from operations		
Interest on loans (TDS ₹ 66/- previous year ₹17/-)(₹ in '000)	665	171
	<u>665</u>	<u>171</u>
* Interest on over due loans is not accounted for as there is no stipulation for any income on such loan after contracted period.		
2.14 Other income		
Speculation profit in shares	-	400
Dividend income on Inventories	5,724	5,724
	<u>5,724</u>	<u>6,124</u>
2.15 Purchase of stock-in-trade		
Purchase of stock	-	225
	<u>-</u>	<u>225</u>
2.16 (Increase)/decrease in inventories		
Changes in inventories of stock in trade	-	3,640
	<u>-</u>	<u>3,640</u>

	₹ in thousand	
	As at 31 March 2014	As at 31 March 2013
2.17 Employee benefit expense		
Salaries, wages and bonus	220	189
Contribution to provident and other fund	-	8
	<u>220</u>	<u>197</u>
* No provision for gratuity has been made, gratuity, if any payable will be accounted for in the year of payment.		
2.18 Finance cost		
Interest expense	39	130
	<u>39</u>	<u>130</u>
2.19 Depreciation and amortization expense		
Depreciation on tangible assets	-	520
	<u>-</u>	<u>520</u>
2.20 Other expenses		
Payment to Auditors (Refer details Below)	37	38
Legal & Professional Fees	84	419
Miscellaneous expenses	708	460
	<u>829</u>	<u>917</u>
Payment to auditor		
As auditor	14	17
For other services	23	21
	<u>37</u>	<u>38</u>
* Payment to Auditor is inclusive of service tax.		
2.21 Note on EPS		
Profit After Tax available to Equity Shareholders	533	-4,750
Weighted average number of 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 (₹)	0.09	(0.76)

2.22 Related Party Disclosures

As per accounting standard 18 on "Related party Disclosure" issued by the institute of 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 Director sitting fees aggregating to 14250/-.

2.23 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 2013-2014	Financial Year 2012-2013
i)	The principal 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 interest 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

- 2.24** 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.
- 2.25** 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.
- 2.26** As per the policy of the company, there is incidence of deffered tax asset, however the same has not been created on prudence.
- 2.27** Previous year figures have been regrouped/rearranged wherever considered necessary

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

***For and on behalf of the Board of Directors of
Gems Commercial Company Limited***

(Narender Gupta)
Partner
Membership No. 095860

(Rajat Kumar)
Managing Director

(Raj Kumar)
Director

Place : New Delhi
Dated : 30.06.2014

(Ritika Nanda)
Director

Sudhir Sood
Secretary

GEMS COMMERCIAL COMPANY LIMITED

Schedule to the Balance Sheet Dated 31.03.2014
as required in terms of Paragraph 13 of Non-Banking Financial (Non-Accepting Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007

(₹ in Lakhs)

Particulars		
Liabilities Side :		
1.	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount Outstanding
		Amount Overdue
	(a) Debentures : Secured	NIL
	: Unsecured (Other than falling within the meaning of public deposits*)	NIL
	(b) Deferred Credit	NIL
	(c) Term Loans	NIL
	(d) Inter-corporate loans and borrowing	NIL
	(e) Commercial Paper	NIL
	(f) Public Deposits*	NIL
	(g) Other Loans (specify nature)	41.63
2.	Break-up of (1) (f) above (outstanding public deposits inclusive of Interest accrued thereon but not paid) :	NOT APPLICABLE
	(a) In the form of Unsecured debentures	
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	
	(c) Other Public deposits	
Assets Side :		Amount Outstanding
3.	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):	
	(a) Secured	NIL
	(b) Unsecured	396.82
4.	Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities	NOT APPLICABLE
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial Lease	
	(b) Operating lease	
	(ii) Stock on hire including hire charges under sundry debetors:	
	(a) Assets on hire	
	(b) Repossessed Assets	

- (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	163.25	163.25
Total	NIL	163.25	163.25

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	51.25	51.25
Total	51.25	51.25

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

8. Other Information

Particulars	Amount
(i) Gross Non-performing Assets	357.88
(a) Related parties	NIL
(b) Other than related parties	357.88
(ii) Net Non-Performing Assets	261.22
(a) Related parties	NIL
(b) Other than related parties	261.22
(iii) Assets acquired in satisfaction of debts	NIL

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

*For and on behalf of the Board of Directors of
Gems Commercial Company Limited*

(Narender Gupta)
Partner
Membership No. 095860

(Rajat Kumar)
Managing Director

(Raj Kumar)
Director

Place : New Delhi
Dated : 30.06.2014

(Ritika Nanda)
Director

Sudhir Sood
Secretary