

Independent Auditors' Report

To the Members of

NATIONAL GEMS AND JEWELLERY COUNCIL OF INDIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NATIONAL GEMS AND JEWELLERY COUNCIL OF INDIA** ("the Company"), which comprise the Balance Sheet as at 31st March 2022 and the statement of income and expenditure and the cash flow statement for the period then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 2022 and its deficit and its cash flows for the period ended on that date.

Basis for Opinion

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

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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.

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

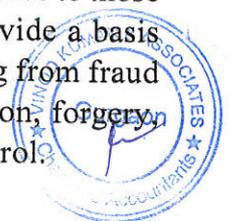
Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable to the company.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of income and expenditure and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with Accounting Standard the specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31st



March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act;

- (f) Being a Private Company, pursuant to the Notification No. GSR 464(E) dated 5th June, 2015, as amended by Notification No. GSR No.583(E) dated 13th June, 2017, issued by the Central Government of India, reporting requirement prescribed in clause (i) of sub-section (3) of section 143 of the Act is not applicable; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There have been no amounts required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or
 - on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv) (a) and (iv) (b) above contain any material misstatement.
 - v. The company has not declared and paid any dividend during the year and has not proposed final dividend for the year. Accordingly, reporting in this regard is not applicable to the Company.



3. With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is not a public company, accordingly provisions of Section 197 of the Act is not applicable to company.

For Vinod Kumar & Associates
Chartered Accountants
FRN-002304N

Mukesh Dadhich

Mukesh Dadhich
Partner

M.No. 511741

UDIN: 225117418 FMAJ M 1939

Date: 30th November, 2022

Place: New Delhi



National Gems and Jewellery Council of India

(A Company limited by guarantee not for profit Under Section 8 of Companies Act, 2013)

(CIN -U91990DL2021NPL390793)

Balance Sheet as at March 31,2022

Sr. No.	Particulars	Note No.	Amount (₹)
			As at 31 March, 2022
I	LIABILITY		
1	Corpus Fund	2	-
2	Reserves and Surplus	3	-42,649.00
			-42,649.00
3	Current Liabilities		
	(a) Short Term Liabilities		-
	(b) Other Current Liabilities	4	42,649.00
6			42,649.00
	TOTAL		-
II	ASSETS		
1	Current Assets		
	(a) Cash and Bank Balances	5	-
	(b) Other Current Assets		-
	TOTAL		-

See accompanying notes to the financial statements (Note No.1 to 7)
As per our report of even date attached

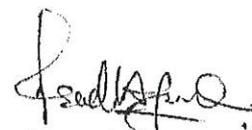
For VINOD KUMAR & ASSOCIATES
Chartered Accountants
Firm Registration No.-: 002304N

For and On behalf of the Board of Directors


Mukesh Dadhich
(Partner)
M.No.: 511741
Place: New Delhi
Date: 30-11-2022




Satish Bansal
(Director)
DIN - 00076521


Pramod Agarwal
(Chairman)
DIN- 00132661

National Gems and Jewellery Council of India
 (A Company limited by guarantee not for profit Under Section 8 of Companies Act, 2013)
 (CIN -191990DL2021NPL390793)

Statement of Income and Expenditure for the period from 3rd December, 2021 ended 31 March, 2022

Sr. No -	Particulars	Note No.	Amount (₹)
			For the year Period from 3rd December, 2021 to 31st March, 2022
			(₹)
	Income		
I	Revenue from Operations		-
	Total Revenue		-
	Expenses		
II	Other Expenses	6	42,649.00
	Total Expenses		42,649.00
III	Surplus / (Deficit) for the period before exceptional Items		(42,649.00)
	Exceptional Items		-
IV	Surplus / (Deficit) before Extraordinary Items and Tax		(42,649.00)
	Extraordinary Items		-
	Surplus / (Deficit) before Tax		(42,649.00)
	Tax Expense:		
	Current Tax Expense for Current Year		-
	Surplus / (Deficit) for the period		(42,649.00)

See accompanying notes to the financial statements (Note No.1 to 7)

As per our report of even date attached

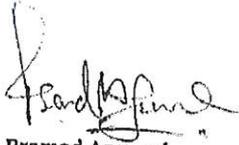
For VINOD KUMAR & ASSOCIATES
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 Firm Registration No.-: 002304N

For and On behalf of the Board of Directors


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 (Partner)
 M.No.: 511741
 Place : New Delhi
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National Gems and Jewellery Council of India
(A Company limited by guarantee not for profit Under Section 8 of Companies Act, 2013)
(CIN -U91990DL2021NPL390793)
Cash Flow statement for the Year ended 31st March, 2022

Sr. No.	Particulars	Amount (₹)
		For the year 31st March, 2022
		(₹)
A	CASH FLOW FROM OPERATIONS:	
	Net Surplus before tax and extraordinary items	(42,649.00)
	Adjustments to reconcile net surplus to net cash from operating activities	
	Operating surplus before working capital changes	-
	Adjustment for:	
	Changes in current liabilities	-
	Changes in Other Current Assets	42,649.00
	Net Surplus generated/ (used) from Operating activities	-
B	CASH FLOW FROM INVESTING ACTIVITIES:	
	Net Surplus from Investing activities	-
C	CASH FLOW FROM FINANCING ACTIVITIES:	
	Proceeds/ (Payments) from Short Term Borrowings	-
	Net Surplus generated/ (used) from Financing activities	-
	Net Increase/Decrease in Cash and Cash Equivalent	-
	Add: Opening cash and cash equivalent	-
	Closing Cash and Cash equivalent	-

Note: The above cash flow statement has been prepared using indirect method as per AS-3

As per our report of even date attached

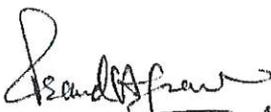
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Notes forming part of the financial statements

Note 1 & 2. Corporate Information and Significant Accounting Policies

Note	Particulars
1	<p>Corporate information</p> <p>The Company is incorporated as Section 8 company under Companies Act, 2013 on 3rd December, 2021. The Company has been promoted as an Apex Body for the development of Gems and Jewellery industry, trading, manufacturing, service providers in the field of Gems and Jewellery business in India and will represent lakhs of jewellers, artisans, gold smiths, and Karigars.</p> <p>Since the company was incorporated on 3rd December, 2021 and is in the process of commencing its activities, no previous figures are provided, this year being the first year of operation.</p>
2	<p>Significant accounting policies</p> <p>a. <u>Basis of Accounting</u></p> <p>These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.</p> <p>b. <u>Revenue Recognition</u></p> <p>Revenue from services represents income from services rendered to the members including membership fees and other receipts.</p> <p>Interest income is recognised using the time proportion method, based on underlying interest rates.</p> <p>The one time contribution by the promoter members is considered as contribution towards the corpus fund. Admission Fee paid by new members is also considered as contribution towards the corpus fund.</p> <p>c. <u>Accounting for Taxes on Income</u></p> <p>Income Tax comprises Current Tax & Deferred Tax. Current Tax is calculated at the amount expected to be paid for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.</p>

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d. Provisions and Contingencies

A provision is recognized in the financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

e. Employee Benefits

As per company's policy no retirement or other benefits are payable to employees and hence no provision in terms of AS-15 is considered necessary.

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National Gems and Jewellery Council of India

(A Company limited by share not for profit Under Section 8 of Companies Act, 2013)

(CIN -U91990DL2021NPL390793)

Notes Forming Part of the Financial Statements

Note 3. Corpus Fund

Particulars	Amount (₹)	
	As at 31 March, 2022	
	(₹)	
Opening balance		-
Add: Corpus receipt during the year		-
Closing balance		-

Note 4. Reserve and Surplus

Particulars	Amount (₹)	
	As at 31 March, 2022	
	(₹)	
Surplus / (Deficit) in Statement on Profit and Loss		-
Opening balance		-
Add: Surplus / (Deficit) for the year		(42,649.00)
Closing balance		(42,649.00)

Note 5. Other Current Liabilities

Particulars	Amount (₹)	
	As at 31 March, 2022	
	(₹)	
Audit Fees payable		25,000.00
Other Liabilities		17,649.00
Total		42,649.00

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Note 6. Cash and Bank Balances

Particulars	As at 31 March, 2022
	(₹)
Bank balance in Current Account	-
Total	-

Note: Bank Account was opened with a scheduled bank on 7th March' 2022, however there was no transaction in the period ended 31st March, 2022, accordingly the balance is NIL on 31st March' 2022

Note 7. Other Expenses

Particulars	For the period from 3rd December, 2021 to 31 March, 2022
	(₹)
Audit fee	25,000.00
Preliminary Expense Written-off	17,649.00
Total	42,649.00

As per our report of even date attached

For VINOD KUMAR & ASSOCIATES

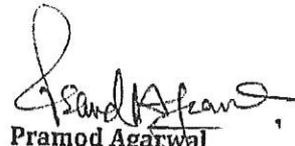
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Place : New Delhi
Date: 30-11-2022