

October 11, 2017

To,  
Listing Compliances  
BSE Limited  
P.J. Towers,  
Dalal Street, Fort,  
Mumbai- 400001.

**Scrip code: 531137**

**Subject: Annual Report for the Financial Year ended 31<sup>st</sup> March 2017.**

Dear Sir/ Madam,

The Annual General Meeting of the Company was held on 14<sup>th</sup> September, 2017. In terms of the requirement of Regulation 34(1) of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations, 2015, we are forwarding herewith the Annual Report 2016-2017.

You are requested to take the above information on record.

**For Gemstone Investments Limited**

*Dhara us*

**Dhara Brahmhatt  
Managing Director  
DIN: 06433270**



# Gemstone Investments Limited



Annual Report 2016-17

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## **CORPORATE INFORMATION**

### **Board of Directors**

Manali Bhuva	Chairman / Non-Executive Director
Dhara Brahmhatt	Managing Director
Tarun Brahmhatt	Non-Executive Director
Mamatha Shetty	Independent Director
Dharmesh Belani	Independent Director

### **Key Managerial Personnel**

Deepak Apraj	Chief Financial Officer
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### **Registrar and Share Transfer Agent**

#### **Sharex Dynamic (India) Pvt. Ltd.**

Unit no. 1, Luthra Industrial Premises,  
Safed Pool, Andheri- Kurla Road,  
Andheri (E), Mumbai- 400072.

**Phone:** 022-28515606/28515644

**Email:** sharexindia@vsnl.com

### **Bankers**

HDFC Bank Limited  
Dena Bank  
The Cosmos Co-operative Bank Limited

### **Statutory Auditor**

#### **Tejas Nadkarni & Associates**

Chartered Accountants  
24, 2<sup>nd</sup> Floor, X Central Mall,  
Mahavir Nagar, Kandivali (W),  
Mumbai- 400067.

### **Registered Office**

#### **Gemstone Investments Limited**

502-B, Padmavati Heights,  
5<sup>th</sup> Floor, Shraddhanand Road Ext,  
Vile Parle (E), Mumbai- 400057.

**Phone:** 022-65102060

**Email:** gemstoneltd@gmail.com

**Website:** [www.gemstoneltd.com](http://www.gemstoneltd.com)

**CIN:** L65990MH1994PLC081749

### **Committees of the Board**

#### **1. Audit Committee**

Mamatha Shetty	Chairman
Dharmesh Belani	Member
Manali Bhuva	Member

#### **2. Stakeholders Relationship Committee**

Mamatha Shetty	Chairman
Dharmesh Belani	Member
Manali Bhuva	Member

#### **3. Nomination & Remuneration Committee**

Mamatha Shetty	Chairman
Dharmesh Belani	Member
Manali Bhuva	Member

#### **4. Risk Management Committee**

Dhara Brahmhatt	Chairman
Mamatha Shetty	Member
Dharmesh Belani	Member

## **LETTER TO SHAREHOLDERS**

DEAR SHAREHOLDERS,

It is with great pleasure that I present to you Annual Report for the year ended March 31, 2017. It has been a mixed performance by the Company and recently there has been a structured change in the Board to align it to achieve the long terms goals of the Company. Financial Year 2016-17 was an eventful year with some unexpected developments like the Brexit referendum, Donald Trump's victory in the US Presidential elections and demonetization of high value Indian Currency notes. Consequently, the global economic recovery remained weak with a slowdown in international trade, increasing protectionism and heightened levels of uncertainty.

However, the Indian economy has shown resilience, despite the impact of demonetization. The overall macroeconomic parameters of the country have registered improvement with policy support, aiding structural strength and efficiency.

The Indian Government has demonstrated a welcome commitment to the reforms agenda, and signaled its intent to stick to fiscal consolidation. Continuing policy and structural reforms, larger than expected benefits from GST, a conducive economic environment with reasonably low international energy and commodity prices, will aid the growth momentum.

NBFC's are a key component for achieving India's financial inclusion. In terms of financial assets, NBFC's have recorded robust growth with a CAGR of 19% over the preceding few years. Demonetization did affect the credit cycle for the NBFC sector, however, the impact was short lived and it has been business as usual after March 2017.

Going forward, the outlook for the NBFC is expected to improve gradually with waning impact of demonetization and stronger economic growth. The demand for credit will improve with the expectation of another year of normal monsoon. As for the risks, growth in 2017-18 can be impacted by increasing competitive pressure from banks and slowdown in some key asset classes, including loan against property (LAP) and microfinance.

I am grateful to all our shareholders and the entire stakeholder fraternity for the support extended to the Company through all these years. We are grateful to Reserve Bank of India for having done much to bring about transparency and improve risk governance in the industry that is now beginning to bear fruit for all industry players. I seek your continued support, so that we can sustain and improve upon our performance; and at the same time fulfill our vision to become a dynamic NBFC.

With Best wishes,

**Dhara Brahmhatt**  
**Managing Director**

## **NOTICE**

**NOTICE** is hereby given that the Annual General Meeting of the members of Gemstone Investments Limited, for the FY 2016-17, will be held on Thursday, September 14, 2017 at the registered office of the Company situated at 502-B, Padmavati Heights, 5<sup>th</sup> Floor, Shraddhanand Road Ext, Vile Parle (E), Mumbai- 400057 at 9.30 a.m. to transact the following businesses:

### **Ordinary Businesses:**

1. To Consider and Approve Financial Statements consisting of Balance Sheet as at 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss Account for the year ended on that date, together with the Board's Report and Auditor's Report.
2. To appoint a director in place of Ms. Manali Bhuvra (DIN: 01818201) Director of the Company who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors M/s Tejas Nadkarni & Associates, Chartered Accountants, Mumbai (having firm Registration No. 135197W) be and are hereby appointed as the Statutory Auditors of the Company for a period of 4 years, from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company for the FY 2020-21, subject to ratification by shareholders at every annual general meeting to be held hereafter, on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.

**RESOLVED FUTHER THAT** the Board of Directors of the Company (including its committees thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution.”

### **SPECIAL BUSINESSES:**

4. **Service of Documents through the mode as requested by the shareholders:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said act and relevant rules prescribed thereunder, whereby a document may be served on any member by the company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such documents by the company to the shareholder.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the director of the company be and is hereby authorised to do all acts, deeds matters and things as they may in

their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that they may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to this resolution.”

**5. Appointment of Mr. Tarun Brahmhatt as a Non-Executive Director:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Mr. Tarun Brahmhatt (DIN: 07866769), who was appointed as an Additional Director by the Board of Directors effective July 12, 2017 pursuant to Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 be and is hereby appointed as a Non-Executive Director of the Company.

**RESOLVED FURHTER THAT** any of the Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution.”

**6. Appointment of Mr. Manish Joshi as a Non-Executive Director:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT Mr. Manish Joshi** (DIN: 07873456) in respect of whom a notice under Section 160 of the Companies Act, 2013 and as per Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 has been received from a Member of the Company, proposing his candidature to the Office of Director, be and is hereby appointed as a Non Executive Director of the Company, as per the Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, whose office is liable to retire by rotation.

**7. Increase the Borrowing Limits under section 180 (1) (c) of the Companies Act, 2013:**

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

“**RESOLVED THAT** pursuant to the provisions of section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with the companies (Meetings of the Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more banks, Financial Institutions and other persons, firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) over and above the aggregate of the paid-up share capital and its free reserves.

**RESOLVED FURTHER THAT** the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** any of the Directors be and are hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and to execute all documents and writings as may be necessary, proper desirable or expedient to give effect to this resolution.”

**8. Approval for payment of commission to Non-Executive Directors for a period of five years commencing from April 01, 2017:**

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

“**RESOLVED THAT** pursuant to section 197 and other applicable provisions, if any, of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of section 198 of the Companies Act, 2013 be paid to and distributed amongst the directors of the Company or some or any of them (other than the managing director and whole-time directors, if any) in such amounts, subject to such ceiling(s) and in such manner and in such respects, as may be decided by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing from April 01, 2017.”

**For and on behalf of the Board  
For Gemstone Investments Limited**

Sd/-

**Manali Bhuva  
Chairman**

**Place:** Mumbai  
**Date:** August 21, 2017

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company or if holding more than 10% of aggregate shareholding, then such a proxy shall not act as proxy for any other shareholder.

2. The instrument of proxy, in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
3. Members/Proxies/Authorised Representatives are requested to bring their depository account number for identification at the time of Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 7<sup>th</sup> day of September, 2017 to Thursday, the 14<sup>th</sup> day of September, 2017 (Both days inclusive) for the purpose of the Annual General Meeting.
5. A Statement setting out the material facts in respect of resolutions set out under “Special Businesses” of the notice pursuant to section 102 (1) of the Companies Act, 2013 is annexed hereto.
6. Members may send their requests for change / updation of Address, email address, Nominations



- i. For shares held in dematerialized form – to their respective Depository Participant
  - ii. For shares held in physical form – to the RTA, M/s Sharex Dymanic (India) Private Limited, Unit no. 1, Luthra Industrial Premises, Safed Pool, Andheri- Kurla Road, Andheri (E), Mumbai-400072.
7. Securities and Exchange Board of India (SEBI), has mandated the submission of Permanent Account number (PAN) by every participant in securities Market. Members holding shares in electronic form are requested to submit the PAN to their depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form are requested to submit their PAN details to the RTA of the Company.
  8. The shares of the Company are compulsorily traded in dematerialized form and therefore, the members are requested to dematerialize their shares to facilitate trading in the shares of the Company.
  9. A brief resume of the Directors of the company seeking appointment/re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of the Annual General Meeting.
  10. The relevant documents are available for inspection by the members at the Registered Office of the Company at any time during the working hours till the date of the meeting.
  11. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with rules made thereunder, the Annual Report 2016-17, Notice of the 23<sup>rd</sup> AGM and instructions for e-voting along with the Attendance Slip and Proxy Form are being sent by electronic mode only to those members whose email addresses are registered with the Company/Depository Participant(s) for communication unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.
  12. The Annual report duly circulated to the members of the Company, is also available on the Company's website [www.gemstoneltd.com](http://www.gemstoneltd.com)
  13. In terms of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.
- 14. The instructions for shareholders voting electronically are as under:**
- i. The voting period begins on Monday, 11<sup>th</sup> September, 2017 at 9:00 a.m. and ends on Wednesday, 13<sup>th</sup> September, 2017 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 07, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iii. Click on Shareholders / Members
  - iv. 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.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vii. If you are a first time user follow the steps given below:  
For Members holding shares in Demat Form and Physical Form

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Dividend Bank Details	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p>
<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both 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).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN "170818049" for Gemstone Investments Limited on which you choose to vote.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a 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.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**xix. 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](http://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](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- xx.** 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESSES IN PURSUANCE OF SECTION 102 (1) OF THE COMPANIES ACT, 2013:**

**Item No. 4:**

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the company. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc. Therefore, it is proposed that actual expenses borne by the company for such dispatch will be paid in advance by the member to the Company.

The Board recommends the resolution at item no. 4 for the approval of the shareholders.

No Director or Key Managerial Personnel or their relatives respectively are in any way concerned or interested in the proposed resolution.

**Item no. 5:**

Mr. Tarun Brahmhatt was appointed as an Additional Director w.e.f. July 12, 2017. As per the provisions of section 161 of the Companies Act, 2013, Mr. Tarun Brahmhatt will hold office only up to the date of the ensuing Annual General Meeting of the Company.

A notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Mr. Tarun Brahmhatt as a Non-Executive Director along with the deposit amount as prescribed under the Companies Act, 2013.

Mr. Tarun Brahmhatt is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013.

The Board recommends the resolution at item no. 5 for the approval of the shareholders.

**Item No. 6:**

**Appointment of Mr. Manish Joshi as a Non Executive Director:**

Pursuant to Section 152,160 and any other applicable provisions of Companies Act 2013, a notice in writing has been received from Mr. **Manish Joshi**, signifying his intention to be appointed as a Director of the Company along with a deposit of amount as prescribed under the Companies Act, 2013.

Mr. Manish Joshi is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013.

The Board recommends the resolution at item no. 6 for the approval of the shareholders.

**Item No. 7:**

Keeping in view, the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may require finance from various banks or financial institutions and/or lending institutions or bodies' corporates or other persons. Such borrowing may exceed the borrowing limits as prescribed under section 180 (1) (c) of the Companies Act, 2013.

Pursuant to section 180 (1) (c) of the Companies Act, 2013, the Board of Directors cannot borrow more than aggregate of the paid up capital and the free reserves of the company at any one time except with

the consent of the members of the company in a general meeting. Hence, it is proposed to increase the maximum borrowing limits up to Rs. 200,00,00,000/- (Rupees Two Hundred Crores only).

In order to facilitate securing the borrowing made by the company, it would be necessary to create charge on the assets or whole of the undertaking of the company. As the documents to be executed between the lenders and the Company may contain provisions to sell or lease substantial assets of the Company in certain events, it is necessary to pass a Special Resolution under section 180 (1) (a) of the act, for creation of charges/mortgages/hypothecations.

The Board recommends the resolution no. 6 of the Notice for approval of the Shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the resolution mentioned at item no. 6.

**Item No. 8:**

Section 197 of the Companies Act, 2013, permits the payment of remuneration to a director, who is neither a whole-time director nor a managing director of a company, by way of commission not exceeding one percent of the net profits of the company, if the company authorizes such payment by a special resolution.

In view of the increased demands on non-executive director's participation in Board and Committee meetings and the higher responsibilities they are expected to bear in the interest of higher levels of excellence in corporate governance on account of statutory and regulatory changes, it is proposed to pay commission to non-executive directors for a period of five years commencing from April 01, 2017 up to March 31, 2022 in accordance with the applicable provisions of the Companies Act and the remuneration policy of the Company.

None of the Directors/Key Managerial Personnel and/or their relatives, except the concerned non-executive directors; are directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them and their respective shareholding, if any, in the Company, in the resolution set out in item no. 7 of the notice.

**For and on behalf of the Board  
For Gemstone Investments Limited**

**Sd/-**

**Manali Bhuva  
Chairman**

**Place:** Mumbai.

**Date:** August 21, 2017.

**DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED**

<b>Name of the Director</b>	<b>Ms. Manali Bhuva</b>	<b>Mr. Tarun Brahmhatt</b>	<b>Mr. Manish Joshi</b>
DIN	01818201	07866769	07873456
Date of Birth	13.07.1983	19.12.1984	22.06.1969
Date of Appointment	Not Applicable	12.07.2017	-
Expertise in Special Functional	Business Development	Finance	Capital Market
Directorship held in other Public Limited Companies #	Golden Comsec Limited	None	None
Number of shares held	Nil	Nil	Nil
Inter se Relationship	None	None	None

## **BOARDS' REPORT**

To,  
The Members,  
**Gemstone Investments Limited**  
502-B, Padmavati Heights, 5<sup>th</sup> Floor,  
Shraddhanand Road Ext.,  
Vile Parle (East)  
Mumbai - 400 057.

The Directors have pleasure in submitting the Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2017.

### **FINANCIAL AND OPERATIONAL HIGHLIGHTS:**

Financial Results of the Company for the year under review along with the figures for previous year are as follows:

(Amt.in Rs.)

<b>Particulars</b>	<b>F.Y 2016-17</b>	<b>F.Y 2015-16</b>
<b>Total Revenue</b>	<b>20,786,038.00</b>	<b>22,916,702.00</b>
<b>Total Expenses</b>	<b>12,064,910.29</b>	<b>17,741,379.96</b>
<b>Profit Before Tax</b>	<b>8,721,127.71</b>	<b>5,175,322.04</b>
Current Year Tax	2,600,000.00	2,106,834.77
Deferred Tax	50,145.00	-
<b>Profit After Tax</b>	<b>6,070,982.71</b>	<b>3,068,487.27</b>
<b>Profit for the Year</b>	<b>6,070,982.71</b>	<b>3,068,487.27</b>

### **REVIEW OF OPERATIONS:**

The Company reported gross annual revenue of Rs. 207.86 lakhs viz-a-viz Rs. 229.16 lakhs in the previous year. However, the Company has nearly doubled the net profit after tax which stood at Rs. 60.70 lakhs as compared to Rs. 30.68 lakhs last year. The Earnings per share for the year ended March 31, 2017 doubled to Rs. 0.08 per shares versus Rs. 0.04 per share in the previous year.

Your company is a Non-Banking finance Company registered with the Reserve Bank of India.

### **DIVIDEND:**

Your directors do not recommend any dividend for the financial year in order to preserve funds for future business endeavors.

### **TRANSFER TO RESERVES:**

The company has not transferred any amounts of profits to the Reserves.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the demat account of Investor Education and Protection Fund (IEPF) Authority.

There is no such pending amount of unpaid or unclaimed dividend with the Company thus there is no obligation on the Company to transfer any amount to IEPF.

**SHARE CAPITAL:**

The paid up Equity Share Capital as at March 31, 2017 stood at Rs 7,47,50,000/-. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. Your Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options during the year under review.

**PUBLIC DEPOSITS:**

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 during the year. Neither there was any public deposit outstanding as at the beginning or end of the year ended on March 31, 2017.

**SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES**

Your Company does not have any subsidiary, associates or joint venture as on the financial year March 31, 2017.

In terms of Section 129 of the Companies Act, 2013 read with third proviso to Rule 5 of Companies (Accounts) Rules, 2014, the statement containing the salient feature of the financial statement of Associate Company in form AOC-1 is enclosed as “**Annexure 1**” which forms part of this report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The management of your Company has a healthy mix of youth and experienced individuals with a very strong Board of Directors to guide the business. Mrs. Dhara Brahmhatt, the Managing Director and Mr. Deepak Apraj, the Chief Financial Officer of the Company are the Key Managerial Personnel of the Company.

**CHANGES IN DIRECTORS:**

During the Financial Year under review Mr. Rohan Barot was relieved from the Post of CFO and Director and Mr. Deepak Apraj was appointed as the Chief Financial Officer w.e.f. September 03, 2016. Ms. Manali Bhuvva was appointed by the members as Non Executive Director of the Company pursuant to provisions of Section 160 of the Act w.e.f September 30, 2016

Mr. Nimesh Ganatra and Mr. Mahendra Dave tendered their resignations w.e.f. July 12, 2017. In order to restructure the Board, Mr. Tarun Brahmhatt was appointed as a non-Executive Director, Ms. Manali Bhuvva was appointed as the Chairman of the Board in place of Ms. Dhara Brahmhatt w.e.f. July 12, 2017.

**DIRECTORS RETIRING BY ROTATION:**

In accordance with the provisions of the Companies Act, 2013, Ms. Manali Bhuvvais liable to retire by rotation at this Annual General Meeting and being eligible, has offered herself for re-appointment. Her re-appointment is being placed for your approval at the AGM. Your Directors recommend her re-appointment. The resolution for her said reappointment forms a part of the notice to the Annual General Meeting.

**NUMBER OF BOARD MEETINGS:**

During the Financial Year under review, the Board met six times on 30/05/2016, 13.08.2016, 02.09.2016, 25.10.2016, 14.11.2016 and 13.02.2017 as against the minimum requirement of four meetings. The gap between any two meetings was not more than 120 days. The details regarding the dates of the meetings with the names of the directors who attended the meetings are summarized in Corporate Governance Report which forms a part of this Annual Report.



**DECLARATION BY INDEPENDENT DIRECTORS:**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force).

**COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

Your Company has been following well laid down policy on appointment and remuneration of Directors, KMP and Senior Management Personnel. The appointments of Directors are made pursuant to the recommendation of Nomination and Remuneration Committee.

The remuneration of Executive Directors comprises of Basic Salary and Perquisites and follows applicable requirements of the Companies Act, 2013. Approval of shareholders and the Central Government, if so required, for payment of remuneration to Executive Directors is sought, from time to time.

A brief of the Policy on appointment and remuneration of Directors, KMP and Senior Management is uploaded on the Company's website [www.gemstoneltd.com](http://www.gemstoneltd.com). The Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is enclosed as "**Annexure 2**" to this Report.

**PERFORMANCE EVALUATION OF DIRECTORS:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that:-

- i. In the presentation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. We 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 as at March 31, 2017 and of the profit and loss of the Company for the financial year ended on that date;
- iii. Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis;

- v. Internal financial controls have been laid down and the same are adequate and were operating effectively; and
- vi. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **COMMITTEES OF THE BOARD:**

The Company has duly constituted the Committees required under the Companies Act, 2013, read with applicable rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committees of the Board formed are as under:

- i. Nomination and Remuneration Committee
- ii. Stakeholders Relationship Committee
- iii. Audit Committee
- iv. Risk Management Committee

The details with respect to the composition, powers, roles, terms of reference, Meetings of all the relevant committees are provided in the report on corporate governance of the Company which forms part of this Annual Report.

#### **CORPORATE GOVERNANCE:**

As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Corporate Governance provisions are not applicable to your Company. However, the Company thinks that it a good practice to follow the governance to increase the stakeholders trust and provide you with a separate Report on Corporate Governance. The said report forms part of this Annual Report and also contains certain disclosures required under the Companies Act, 2013.

#### **VIGIL MECHANISM:**

Your Company has a Whistle Blower Policy for the employee to report genuine concerns/grievances. This Policy is uploaded on the Company's website [www.gemstoneltd.com](http://www.gemstoneltd.com). The Policy provides for adequate safeguards against the victimization of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

#### **STATUTORY AUDITOR & AUDIT REPORT:**

A casual vacancy was caused in the office of M/s. N. R. Gala & Associates due to non ratification of his appointment by the members in the Annual General Meeting held on 30<sup>th</sup> September, 2016. Pursuant to Section 139(8) of the Companies Act, 2013 the Board decided to fill the casual vacancy and appointed M/s. Tejas Nadkarni & Associates as a statutory auditor w.e.f. 25<sup>th</sup> October, 2016 to hold office till the conclusion of the ensuing AGM. The Board on recommendation of the Audit Committee proposes the appointment of M/s. Tejas Nadkarni & Associates, who shall hold the office as Statutory Auditors of the Company from the conclusion of this ensuing AGM till the conclusion of the Annual General Meeting of the Company for the FY 2020-21, subject to ratification by members at every AGM.

Necessary resolution seeking approval of the members for appointment of new statutory auditors has been incorporated in the Notice convening the Annual General Meeting forming part of this Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark and the Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments or require any explanations.

#### **SECRETARIAL AUDITOR & REPORT:**

The Board had appointed Ms. Swati Gupta, Practicing Company Secretaries, as the Secretarial Auditor, to conduct the secretarial audit for the financial year ended 31<sup>st</sup> March, 2017. The Report of the Secretarial Auditor is provided as **Annexure – 3** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**INTERNAL AUDITOR:**

Pursuant to provisions of Section 138 of the Companies Act, 2013 your Company appointed M/s. Agarwal Desai & Shah as Internal Auditor of the Company. To maintain his objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee.

The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control systems of your Company, its compliance with accounting procedures and policies of your Company. Based on the report of Internal Audit, the management undertakes corrective action and thereby strengthens controls.

**REPORTING OF FRAUDS BY AUDITOR:**

During the year under review, the Statutory Auditor and the Secretarial Auditor have not reported any instances of frauds committed by the Company by its officers or employees to the audit committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in the Annual Report.

**RBI REGULATIONS:**

The Company has complied with all the applicable regulations of the Reserve Bank of India (RBI) as on 31<sup>st</sup> March, 2017.

**RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website. The Policy intends to ensure proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

**PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Pursuant to Section 186(11) of the Companies Act, 2013, disclosure in the financial statements of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business, as required under the provisions of Section 186(4) of the Act, are exempted.

The details of investments made form part of the notes to financial statements.

**CORPORATE SOCIAL RESPONSIBILITY**

The conditions prescribed in the Section 135 of the Companies Act, 2013, requiring a Company to constitute a Corporate Social Responsibility Committee are not applicable to your Company. The Board of Directors periodically reviews the applicability of CSR rules to the Company.

**RISK MANAGEMENT**

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defense cover of the Company's risk management. The Company has a robust organisational structure for managing and reporting on risks.

Your Company has constituted a Risk Management Committee of the Board which is authorized to monitor and review risk management plan. The Committee is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. This Policy is also uploaded on the Company's website [www.gemstoneltd.com](http://www.gemstoneltd.com). The Risk Management Framework is been periodically reviewed to keep updated and address emerging challenges.

#### **INTERNAL FINANCIAL CONTROLS**

The Board of Directors of the Company is responsible for ensuring that Internal Financial Control have been laid down in the Company and that such control are adequate and operating effectively. The foundation of Internal Financial Control (IFC) lies in Gemstone's Code of Conduct, policies and procedures adopted by the Management, Corporate Strategies, annual business planning process, management reviews, management system certifications and the risk management framework.

The Company has IFC framework, commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operation information, complying with applicable laws, safeguarding with proper authorization and ensuing compliance with corporate policies.

The controls, based on the prevailing business conditions and processes have been tested during the year and certain aspect in the design or effectiveness which were observed by the auditor, would be taken care by the Board.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal controls systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective actions(s) thereon are presented to the Audit Committee.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

#### **PARTICULARS OF EMPLOYEES AND RELATED INFORMATION**

The information required pursuant to Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is disclosed in 'Annexure - 4' to this report.

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The policy is gender neutral.

During the year under the review no complaints with allegations of sexual harassment was received by the Company.

#### **DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

#### **INVESTOR RELATIONS (IR):**

Your Company continuously strives for excellence in its investor relations. Your Company believes in building a relationship of mutual understanding with investors. Your company ensures that critical information about the company is available to all the investors by uploading all such information on the Company's website.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The Company carries out the business of a Non-Banking Finance Company. Thus, the particulars regarding conservation of energy & technology absorption as required to be disclosed pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

There were no foreign exchange earnings or outgo during the year under review.

**EXTRACT OF ANNUAL RETURN:**

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is appended as '**Annexure – 5**' to this Report

**HUMAN RESOURCES:**

Your Company's vision is to become an employer of choice by providing a compelling employee value proposition. It strives to attract the best talent and ensures employees' development, retention and contribution to the Company's success. The HR policies and practices are focused on creating Happy, Engaged and Productive workforce. It intends to continue investing in leadership development, employee engagement, training and employee assistance programs, etc.

**APPRECIATIONS AND ACKNOWLEDGMENTS:**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Directors also wish to place on record their appreciation for the dedication and contribution made by employees at all levels and look forward to their support in future as well.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its Bankers, Customers, Government, Regulatory Authorities, Stock Exchange, Vendors and Investors for their continued support during the year.

It will be your Company's endeavor to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

**For and on behalf of the Board  
For Gemstone Investments Limited**

**Sd/-**

**Manali Bhuva  
Chairman**

**Place:** Mumbai.  
**Date:** August 21, 2017.

**FORM AOC- 1**

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint Ventures**

**PART "A": SUBSIDIARIES**

<b>Sl.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the subsidiary	The Company does not have any subsidiaries, thus Part A of the form is not applicable to the Company.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

**For and on behalf of the Board  
For Gemstone Investments Limited**

Sd/-

**Manali Bhuva  
Chairman**

**Place:** Mumbai.

**Date:** August 21, 2017.

**PART "B": ASSOCIATE/JOINT VENTURE**

(Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

<b>Sl.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of Associate/Joint Ventures	The Company presently does not have any associate or joint venture companies as on 31 <sup>st</sup> March, 2017.
2.	Latest Audited Balance Sheet Date	
3.	<b>Shares of Associate/Joint Ventures held by the Company on the year end</b>	
	No. of shares	
	Amount of investment in Associate/Joint Venture	
	Extent of Holding %	
4.	Description of how there is significant influence	
5.	Reason why the associate/joint venture is not consolidated	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	
7.	<b>Profit/Loss for the year</b>	
	Considered in consolidation	
	Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations:** None
- Names of associates or joint ventures which have been liquidated or sold during the year:** None.

**For and on behalf of the Board  
For Gemstone Investments Limited**

Sd/-

**Manali Bhuva  
Chairman**

**Place:** Mumbai.

**Date:** August 21, 2017.

## NOMINATION AND REMUNERATION POLICY

### **Purpose:**

The Board of Directors in order to align with the provisions of the Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement renamed the “Remuneration Committee” as “Nomination and Remuneration Committee”. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel (SMP) has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company. This policy shall act as a guideline for determining, inter alia qualifications, independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

### **Applicability:**

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent
2. Key Managerial Personnel
3. Senior Management Personnel
4. Other Employees of the Company, as applicable.

### **Objective:**

The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the policy is:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To assist the Board in fulfilling responsibilities.

### **Constitution of Committee:**

The Nomination and Remuneration Committee constituted should consist of three or more non-executive directors out of which not less than one-half should be independent directors. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries. Minimum two (2) members shall constitute a quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report.



**Role of Committee:**

The Role and Powers of the Committee shall be as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**Definitions:**

- “**Act**” means Companies Act, 2013 and rules framed thereunder.
- “**Board**” means Board of Directors of the Company as constituted from time to time.
- “**Policy**” or “**This policy**” means Nomination and Remuneration Policy.
- “**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- “**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
- “**Key Managerial Personnel**” means:
  - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - ii. Chief Financial Officer;
  - iii. Company Secretary;
  - iv. And such other officer as may be prescribed.
- “**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.
- “**Independent Director**” means a Director referred to in Section 149 (6) of the Companies Act, 2013.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein

**Appointment and Removal of Director, KMP and Senior Management****1. Appointment Criteria and Qualifications:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- d) Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules framed thereunder.

## **2. Term / Tenure:**

- a) **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

## **3. Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals i.e. yearly or at such intervals as may be considered necessary. The same may however be delegated by the Committee.

## **4. Removal:**

Due to reasons for any disqualification as mentioned in the Act pursuant to section 164 or under any other applicable provisions, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations

## **5. Retirement:**

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **Remuneration to Directors / KMP/ SMP**

### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i. The Services are rendered by such Director in his capacity as the professional; and
  - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- d) Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.

**4) Familiarization Program for Independent Directors:**

The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.

**Proceedings of the Meeting**

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meeting will be circulated at the subsequent Board and Committee meeting for noting.

**Review and Amendment to the Policy**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

- The Committee or the Board may review the Policy as and when it deems necessary.
- The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

- This Policy may be amended or substituted by the Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

**Disclosure**

The details of this Policy and the evaluation criteria as applicable shall be disclosed in Annual Report as part of Board's Report.

**SECRETARIAL AUDIT REPORT**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**For The Financial Year Ended 31<sup>st</sup> March, 2017**

To,  
The Members,  
**Gemstone Investments Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **GEMSTONE INVESTMENTS LIMITED (hereinafter called “the Company”)**. The 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 books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, 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 **31<sup>st</sup> March, 2017**, 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 the Company for the financial year ended 31<sup>st</sup> March, 2017, according to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (not applicable to the Company during the Audit Period);
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable as the Company has not issued any shares during the financial year under review;**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not applicable as the Company has not issued any shares to its Employees during the financial year under review;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities;**
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted /propose to delist its equity shares from stock exchange during the financial year under review;**

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back or propose to buyback any of its securities during the financial year under review;**

VI. Reserve Bank of India Act, 1934:

- a. Non- Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

VII. I, in consultation with the company came to a conclusion that no specific laws were directly applicable with regard to the business activities of the Company during the period under review.

I have also examined compliance by the company of the following statutory provisions/standards/regulations:

- a. The Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015.  
b. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.  
c. The Listing Agreements entered into by the Company with Bombay Stock exchange Limited.  
d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. 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 and SEBI (LODR) Regulations, 2015.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed Notes on agenda are 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.

The compliance by the company of the applicable financial laws, like Direct and Indirect Tax Laws has not been reviewed in this audit since the same have been subject to review by Statutory Auditors and other designated professionals.

Majority decision is carried through, while the dissenting members' views are captured as and when required and are 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 as also represented by the management.

Sd/-

**Swati Gupta**

**Practicing Company Secretary**

**C.P No. - 15124**

**Place: Kolkata**

**Date: June 30, 2017.**

**Note: 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.**

**'Annexure A'**

To,  
The Members  
Gemstone Investments Limited  
502-B Padmavati Heights, 5<sup>th</sup> floor,  
Shraddhanand Road Ext, Vile Parle (E),  
Mumbai City MH 400057 IN

My 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. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practice and process 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.

I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.
4. Where ever required, I 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.

My 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.

**Place: Kolkata**

**Date: June 30, 2017**

Sd/-  
**Swati Gupta**  
**Practicing Company Secretary**  
**C.P No. - 15124**

**INFORMATION AS PER RULE 5 (1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014:**

- ⊕ Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2016 – 17 is as follows:

Name of the Director	Total Remuneration (Rs)	Ratio of remuneration of director to the Median remuneration
Ms. Dhara Brahmhatt	3,60,000	1.20 : 1

- ⊕ Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer in the financial year 2016 – 17 are as follows:

Name	Designation	Remuneration		Increase/ (Decrease) (%)
		2016 – 17	2015 – 16	
Not Applicable				

- ⊕ Percentage increase in the Median Remuneration of all employees in the financial year 2016 – 17

Particulars	2016 – 17	2015 – 16	Increase (%)
Median remuneration of all employees per annum	3,00,000	1,01,050	66.32

- ⊕ Number of permanent employees on the rolls of company as of March 31, 2017: *Sixteen*
- ⊕ Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: *Not Applicable*
- ⊕ Affirmation that the remuneration is as per the remuneration policy of your Company: *The Company affirms that remuneration is as per the Remuneration Policy of your Company*

**Information pursuant to Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014:**

- ⊕ Employed throughout the year ended March 31, 2017, with remuneration aggregating to not less than Rs 1,02,00,000 per annum: *None*
- ⊕ Employed for part of the year ended March 31, 2017, with remuneration aggregating to not less than Rs 8,50,000 per month: *None*
- ⊕ The employee if employed throughout the financial year or part thereof was in receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of your Company: *None*

**For and on behalf of the Board  
For Gemstone Investments Limited**

Sd/-

**Manali Bhuva  
Chairman**

**Place:** Mumbai.  
**Date:** August 21, 2017.



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2016

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

Sr. No.	Particulars	Details
1.	CIN	L65990MH1994PLC081749
2.	Registration Date	05/10/1994
3.	Name of the Company	Gemstone Investments Limited
4.	Category/ <del>Sub-category</del> of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	502-B, Padmavati Heights, 5 <sup>th</sup> Floor, Shraddhanand Road Ext., Vile Parle (East), Mumbai – 400 057.  <b>Tel:</b> 022-65102060. <b>E-mail:</b> gemstoneltd@gmail.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Sharex Dynamic (India) Pvt. Ltd.</b>  Unit-1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, , Safed Pool, Andheri -Kurla Road, Andheri (West), Mumbai 400 072.  <b>Tel:</b> 022 28515606/ 28515644

**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):

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non Banking Financial Activities	64990	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)			
	Demat	Physical	Total	% of Total Share
<b>A. Promoter</b>				
<b>1) Indian</b>				
a) Individual/ HUF	868000	-	868000	1.16
b) Central Govt.	-	-	-	-
c) State Govt. (s)	-	-	-	-
d) Bodies Corp	-	-	-	-
e) Banks / FI	-	-	-	-
f) Any Other (Specify)	-	-	-	-
<b>Sub-total A(1):-</b>	<b>868000</b>	<b>-</b>	<b>868000</b>	<b>1.16</b>
<b>2) Foreign</b>				
1) NRIs-Individuals	-	-	-	-
2) Other-Individuals	-	-	-	-
3) Bodies Corp.	-	-	-	-
4) Banks / FI	-	-	-	-
5) Any Other	-	-	-	-
<b>Sub-total A(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter [A(1)+A(2)]</b>	<b>868000</b>	<b>-</b>	<b>868000</b>	<b>1.16</b>
<b>B. Public Shareholding</b>				
<b>1. Institutions</b>				
a) Mutual Funds	-	-	-	-
b) Banks / FI	-	-	-	-
c) Central Govt	-	-	-	-
d) State Govt(s)	-	-	-	-
e) Venture Capital Funds	-	-	-	-
f) Insurance Companies	-	-	-	-
g) FIIs	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-
i) Others (specify)	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non Institutions</b>				
a) Bodies Corp.				
(i) Indian	41376208	5000	41381208	55.359
(ii) Overseas	-	-	-	-
b) Individuals				
i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs	8447583	493850	8941433	11.962
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	23494979	-	23494979	31.431
c) Others (Specify):				
Non Resident Indians	64380	-	64380	0.086
Clearing Members	-	-	-	-
<b>Sub-total(B)(2)</b>	<b>73383150</b>	<b>498850</b>	<b>73882000</b>	<b>98.84</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>73383150</b>	<b>498850</b>	<b>73882000</b>	<b>98.84</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>74251150</b>	<b>498850</b>	<b>74750000</b>	<b>100.00</b>

Category of Shareholders	No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Share	
<b>A. Promoter</b>					
1) Indian	8000	-	8000	0.01	-1.15
a) Individual/ HUF	-	-	-	-	-
b) Central Govt	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-
e) Banks / FI	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>8000</b>	<b>-</b>	<b>8000</b>	<b>0.01</b>	<b>-1.15</b>
2) Foreign	-	-	-	-	-
a) NRIs-Individuals	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-
d) Banks / FI	-	-	-	-	-
e) Any Other	-	-	-	-	-
<b>Sub-total(A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter [A(1) + A(2)]</b>	<b>8000</b>	<b>-</b>	<b>8000</b>	<b>0.01</b>	<b>-1.15</b>
<b>B. Public Shareholding</b>	-	-	-	-	-
<b>1) Institutions</b>					
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)	-	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non Institutions</b>					
<b>a) Bodies Corp.</b>					
(i) Indian	42559478	5000	42554478	56.94	1.58
(ii) Overseas	-	-	-	-	-
<b>b) Individuals</b>					
i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	10474848	493850	10968698	14.67	2.70
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	21213824	-	21213824	28.38	(3.05)
<b>c) Others(Specify)</b>					
Non Resident Indians	-	-	-	-	-
Clearing Members	-	-	-	-	-
<b>Sub-total(B)(2)</b>	<b>74248150</b>	<b>498850</b>	<b>74737000</b>	<b>99.99</b>	<b>1.23</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>74248150</b>	<b>498850</b>	<b>74737000</b>	<b>99.99</b>	<b>1.23</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-

<b>Grand Total (A+B+C)</b>	<b>74256150</b>	<b>503850</b>	<b>7474500 0</b>	<b>100.00</b>	<b>0.00</b>
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**B) Shareholding of Promoter-**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	
1.	Nimesh Ganatra	868000	1.16	-	8000	0.01	-	-1.15
	<b>Total</b>	<b>868000</b>	<b>1.16</b>	<b>-</b>	<b>8000</b>	<b>0.01</b>	<b>-</b>	<b>-1.15</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. no	Particulars	Shareholding at the beginning of the year		Date	Inc/ Dec in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the co.				No. of shares	% of total shares of the company
1.	Nimesh Ganatra	868000	1.16	01.04.2016	Opening			
				15.07.2016	-860000	Sale		
				31.03.2017	Closing		8000	0.01

**D) Shareholding Pattern of top ten Shareholders:****(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Names of the Shareholders	Shareholding at the beginning of the year		Date	Increase Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the co.				No. of shares	% of total shares of the co.
1.	Kaushik Shah Shares And Sec Pvt. Ltd.	6000000	8.03	01.04.2016	Opening			
				31.03.2017	Closing		6000000	8.03
2.	Ashirwad	5030039	6.73	01.04.2016	Opening			

	Investments Private Limited			31.03.2017	<b>Closing</b>		5030039	6.80
3.	Arcadia Share & Stock Brokers Pvt. Ltd.	4322858	5.78	01.04.2016	<b>Opening</b>			
				29.04.2016	17383	Buy	4340241	5.81
				06.05.2016	1000	Buy	4341241	5.81
				13.05.2016	1000	Buy	4342241	5.81
				30.06.2016	-85396	Sold	4256845	5.70
				01.07.2016	1105	Buy	4257950	5.70
				08.07.2016	358098	Buy	4616048	6.18
				15.07.2016	137443	Buy	4753491	6.36
				22.07.2016	17999	Buy	4771490	6.38
				09.12.2016	26167	Buy	4797657	6.42
				23.12.2016	368700	Buy	5166357	6.91
				30.12.2016	4000	Buy	5170357	6.91
				06.01.2017	192050	Buy	5362407	7.17
				13.01.2017	120	Buy	5362527	7.17
				20.01.2017	100	Buy	5362627	7.17
				17.02.2017	-846899	Sold	4515728	6.04
				24.03.2017	48000	Buy	4563728	6.11
				31.03.2017	<b>Closing</b>		4563728	6.11
4.	Heena Mahesh Varde	4000000	5.35	01.04.2016	<b>Opening</b>			
				31.03.2017	<b>Closing</b>		4000000	5.35
5.	Leadage Trading Pvt. Ltd.	3700000	4.95	01.04.2016	<b>Opening</b>			
				31.03.2017	<b>Closing</b>		3700000	4.95
6.	Lalita Exports Private Limited	2154042	2.88	01.04.2016	<b>Opening</b>			
				30.06.2016	292994	Buy	2447036	3.27
				08.07.2016	-292994	Sold	2154042	2.88
				17.02.2017	846899	Buy	3000941	4.02
				31.03.2017	<b>Closing</b>		3000941	4.02
7.	IFCI Financial Services Ltd.	2947007	3.94	01.04.2016	<b>Opening</b>			
				31.03.2017	<b>Closing</b>		2947007	3.94
8.	Religare Securities Limited	2787059	3.73	01.04.2016	<b>Opening</b>			
				03.06.2016	-15	Sold	2787044	3.73
				30.06.2016	-2161	Sold	2784883	3.73
				31.03.2017	<b>Closing</b>		2784883	3.73
9.	Ashika Stock Broking Ltd. - Client	2937590	3.93	01.04.2016	<b>Opening</b>			
				17.03.2017	1058	Buy	2938648	3.93
				24.03.2017	-1058	Sell	2937590	3.93
				31.03.2017	<b>Closing</b>		2937590	3.93
10.	Labh Share And Stock Private Limited	2579585	3.45	01.04.2016	<b>Opening</b>			
				31.03.2017	<b>Closing</b>		2579585	3.45

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year	Cumulative Shareholding during the year

		No. of shares	% of total shares of the co.	No. of shares	% of total shares of the co.
1.	<b>Anant Palan @</b>				
	At the beginning of the year	50000	0.07		
	No Changes				
	At the end of the year			50000	0.07
2.	<b>Nimesh Ganatra</b>				
	At the beginning of the year	868000	1.16		
	Less: Transfer of Shares (15.07.2016)	860000	1.16		
	At the end of the year			8000	0.01

@ Mr. Anant Palan was the Non-Executive Director and the Chairman of the Board. On September 02, 2016 he resigned from the directorship of the Company.

**V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	2578737	-	-	2578737
* Reduction	-	-	-	-
<b>Net Change</b>	<b>2578737</b>	-	-	<b>2578737</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2578737	-	-	2578737
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2578737</b>	-	-	<b>2578737</b>

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Dhara Brahmhatt (M.D)</b>	
<b>1</b>	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,60,000	3,60,000
	(b) Value of perquisites u/s 17(2) Income-tax	Nil	Nil

	Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify.	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	3,60,000	3,60,000
	Ceiling as per the Act	-	-

**B) Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2	Other Non-Executive Directors	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Overall Ceiling as per the Act</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Deepak Apraj (C.F.O)
1	Gross salary	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	Nil
	- as % of profit	Nil
	others, specify...	Nil
5	Others, please specify	Nil
	<b>Total</b>	<b>Nil</b>

**VI. 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)
<b>A. COMPANY</b>					
Penalty	NONE	NONE	NONE	NONE	NONE
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NONE	NONE	NONE	NONE	NONE
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NONE	NONE	NONE	NONE	NONE
Punishment					
Compounding					

**For and on behalf of the Board  
For Gemstone Investments Limited**

Sd/-  
**Manali Bhuva  
Chairman**

**Place:** Mumbai.  
**Date:** August 21, 2017.



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Against the backdrop of global volatilities, India macro fundamentals continued to fare well in FY 2017 and steady progress is being made with regard to India's own medium-term potential. FY 2017 was marked by two major domestic policy developments, demonetization of specified Bank Notes (SBNs) prevailing as on 8<sup>th</sup> November, 2016 and passage of the constitutional amendment and follow-up legislation, paving way for GST implementation. The surprise withdrawal of high denomination notes wiped out more than 85 percent of total currency in circulation. This resulted in decline or postponement of discretionary private consumption and investment during third (Oct-Dec) quarter of 2016-17. Otherwise, the growth was supported by high government expenditure and agriculture growth due to good monsoon.

The Government has been playing a vital role in improving economic environment by providing necessary structural reform measures. Some of the key structural reforms undertaken are Goods and Services Tax (GST), the ordinance to tackle the growing problem of nonperforming assets (NPA) within the financial system, in addition to the newly amended Insolvency and Bankruptcy Code 2016.

Overall, India is poised for a long term growth trajectory, powered by greater access to banking and financial services, GST rollout digital drives and other structural reforms.

### **Indian Financial Services Industry:**

India has a diversified financial sector which is currently undergoing a rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises Commercial banks, Insurance companies, Non-banking Financial Companies, Co-operatives, Pension funds, Mutual funds and other smaller financial entities.

NBFCs are a key component for achieving financial inclusion in India. Even though the unorganized sector contributes significantly to the economic growth, they struggle to get sound financial banking help. NBFC's fill the gap between the Banks and the unorganised market and play an important role in providing access to financial services that section of society which is not touched by banks. In terms of financial assets, NBFCs have recorded healthy growth with a CAGR of 19 per cent over the past few years. Demonetization had put breaks on the loan growth in the retail segment. However, the current situation is far better than what was feared at the start of the demonetization exercise.

Going forward the outlook for NBFC is expected to improve gradually with waning impact of demonetization and stronger economic growth. This is further supported by the current bull market which will attract risk capital from domestic as well as foreign investors. As for risks, growth in 2017-18 can be impacted by the increasing competitive pressure from banks and the slowdown in some asset classes including loan against property (LAP), Retail Credit, etc.

### **Financial Performance:**

During the year under review the Company recorded a stable performance. There was a marginal fall in the top line. However, the company managed to double its bottom line year on year. Company has been focusing on operational efficiency to maximize the resources. As on March 31, 2017, the Net-worth of the Company stood at Rs. 22.85 Crores vis a vis Rs. 22.25 Crores in the previous financial year. The management is hopeful about better performance in the following years.

### **Opportunities and Threats:**

#### **Investments:**

India had been a bright spot in the otherwise struggling global economies. Demonetization, along with effective implementation of Insolvency and Bankruptcy Code and Goods and Services Tax shall have a very

positive impact on the overall investment environment in the country. The stable government and progressive policies shall attract more domestic and foreign capital to the Equity Markets of India.

The growing economy along with the stellar performance by the capital markets augers well for the investments business. Your Company may consider this space depending on the risk reward ratio.

**Lending:**

Government's flagship Jan Dhan Yojna was a big step towards bringing the unbanked population within the banking system. As more people are getting comfortable with banking services along with the push towards digital banking shall reduce the dependence of the people on the un-organized sources of finance. This presents a great opportunity to the Non-Banking Finance Sector to expand their market share and also play a very important role in the financial inclusion agenda of the Government.

**Risk Management:**

The Company's risk management policy stems from a philosophy of pursuing sustainable growth and creating economic value, while calibrating and mitigating risks. It is integral to how we plan and execute business strategies.

**Credit Risk Management:**

- The Company possesses a robust risk management policy to manage risk associated with the business
- Customer selection is of paramount importance, and in this the company's business development and credit teams have the necessary expertise to ensure asset quality.
- Underwriting decisions are based on knowledge about the prospective customer's business as well as assessment of his cash flows and ensuring adequacy of collateral or guarantees

**Operational Risk Management:**

- The Company's Risk management Committee reviews and discusses all assets with significant risks, including deliberating on the sector-specific and systemic risks in the business environment.

**Human Resource Risk Management:**

- The Company offers a challenging and yet rewarding work environment to its workforce.
- Employees are trained to think like entrepreneurs and are rewarded monetarily as well as with career advancements for their achievements.

**Interest Rate Risk Management:**

- The Company's resources can be a blend of fixed, semi-fixed or floating rate loans, while its assets offerings may or may not be fixed rate products.
- Any risk arising from this situation is however mitigated by the Company choosing its lenders with care and with aggressive negotiation thereby ensuring the finest rates for itself; thereby keeping a positive Asset- Liability combination.

**Human Resources:**

People are the corner stone of our business. While we have all the processes in place, it is important that we have the right people at job to achieve the goals. Our employees are our most important assets. The competency development of our employees continues to be a key area of strategic focus for us. We encourage employees to upgrade their skill and knowledge to keep pace with the changing dynamics of the business.

We have an adaptive recruitment and induction process to suit the business requirements. In order to attract, retain and motivate talented and critical employees and to encourage employees to align individual performance with ownership, the Company may consider share-based benefits to high-performing executives and mid level managers.

**Internal Control Systems:**

The Company possess adequate internal control to ensure that all assets are protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly. An efficient internal audit team monitors adherence to these controls. Statutory auditors also present their suggestions to the appropriate committees of directors for improvements in control and compliance. The Audit committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

## **CORPORATE GOVERNANCE REPORT**

Your Company is generally complying with the requirements of the Corporate Governance Practices. Pursuant to the Listing Agreement read with Regulation 15(2) of the SEBI (LODR) Regulations 2016, the requirement of compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C , D and E of Schedule V is not mandatory to the Company. However, as a good Corporate Governance practice a report on the implementation of the Corporate Governance provisions by your Company is furnished below:-

### **COMPANY'S PHILOSOPHY:**

Your Company believes that Corporate Governance sets the goal of achieving the highest level of transparency, accountability in all its dealings with the stakeholders, employees and the government. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

We at Gemstone, practice a trustworthy, transparent, moral and ethical conduct, both internally and externally, and are committed towards maintaining the highest standards of Corporate Governance practices in the best interest of the Company.

Gemstone believes that it not only has legal, contractual and social responsibilities, but also has obligations towards its stakeholders such as bankers, regulators, government agencies, employees, investors, creditors and customers, among others. Gemstone strives to ensure that all its stakeholders have an access to clear, adequate and factual information relating to the Company at all times. It promotes accountability of its management and the Board of Directors acknowledges its responsibilities towards its stakeholders for creation and safeguarding their wealth.

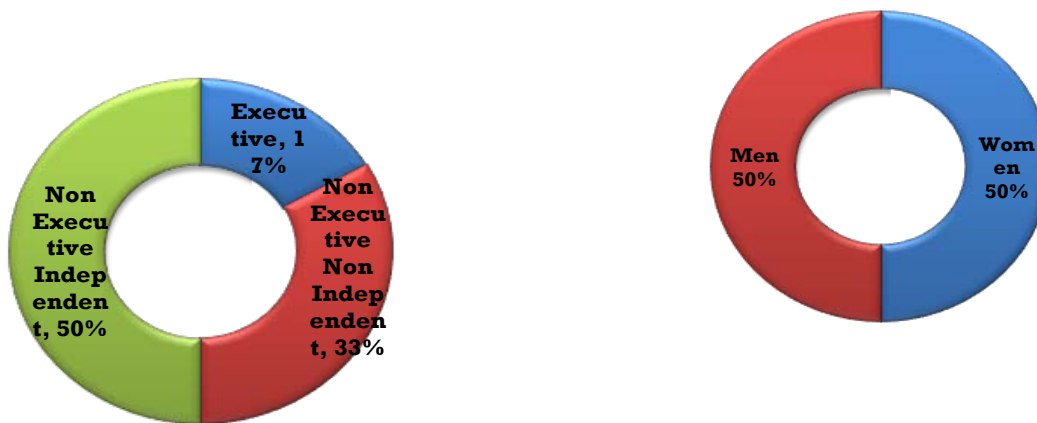
The Company continues to focus on its resources, strengths and strategies to achieve the vision of the Company while upholding the core values of Quality, Trust, Leadership and Excellence.

Your Company is fully committed to practice sound Corporate Governance and uphold the highest business standards in conducting business. The Company has always worked towards building trust with all its stakeholders based on the principles of good corporate governance. Your Company is guided by a key set of values for all its internal and external interactions. The Company is open, accessible and consistent with its communication.

### **BOARD OF DIRECTORS:**

#### **1. Composition & Category of Directors:**

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and provisions of Companies Act, 2013 as amended from time to time. The Board has an optimum combination of executive and non executive directors. The Board periodically evaluates the need for change in its composition and size. The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements.



The Management of the Company is entrusted in the hands of the Key Managerial Personnel, headed by the Executive Chairman, who operate under the supervision and control of the Board. Ms. Dhara Brahmbhatt is the Chairman & Managing Director of the Company.

#### Composition and Category of Directors:

Name of Directors/ KMP	Category	Designation
Nimesh Ganatra!	PROMOTER	Non-Executive Director
Anant Palan@	NON-PROMOTERS	Non-Executive Director
Dhara Brahmbhatt@@		Managing Director
Rohan Barot*		Executive Director
Manali Bhuv#		Non-Executive Director
Tarun Brahmbhatt~		Non-Executive Director
Mahendra Dave^		Non Executive Independent Director
Mamatha Shetty		Non Executive Independent Director
Dharmesh Belani		Non Executive Independent Director
Deepak Apraj**		Chief Financial Officer

#### NOTES:

! Mr. Nimesh Ganatra was an executive director. He was re-designated as a Non – Executive Director w.e.f. September 03, 2016. Mr. Nimesh Ganatra resigned from the Directorship w.e.f July 12, 2017.

@ Mr. Anant Palan was the Non Executive Director and the Chairman of the Board. On September 02, 2016 he resigned from the directorship of the Company.

@@ On Resignation of Mr. Anant Palan as the director of the Company. Ms. Dhara Brahmbhatt was appointed as the chairman of the Board w.e.f. September 02, 2016. She stepped down from the post of the Chairman w.e.f July 12, 2017.

\* Mr. Rohan Barot resigned from the Company as the Director and CFO w.e.f. September 02, 2016.

# Ms. Manali Bhuv# was appointed as a Non-Executive Director by the Members in the Annual General Meeting held on September 30, 2016. She is appointed as the Chairman of the Board w.e.f July 12, 2017.

~ Mr. Tarun Brahmbhatt was appointed as a Non-Executive Additional Director w.e.f July 12, 2017.

^ Mr. Mahendra Dave resigned from the Board w.e.f July 12, 2017.

\*\* Mr. Deepak Apraj was appointed as the CFO of the Company w.e.f. September 03, 2016.

**None of the Directors are inter-se related.**

## 2. Board Meetings and Procedure:

The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional Board Meetings are convened to address the specific needs of the Company. In case of urgent business exigencies some resolutions are also passed by circulation, as permitted by law, which is confirmed in the subsequent Board Meeting. Time gap between two consecutive meetings does not exceed 120 days. All the agenda items are backed by comprehensive agenda notes and relevant supporting papers containing all the vital information, so as to enable the Directors to have focused discussion at the meeting and take informed decisions.

In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman. The meetings of the Board are generally held at its Registered Office.

Last year the Annual General Meeting of members of your company was held on September 30, 2016 and all the eligible directors were present at the Meeting. The Details of the Board Meetings and AGM attended by the directors are given in the appended table:

Name of the Directors/ KMP	Attendance at the Board Meetings (2016-2017)						AGM
	30 <sup>th</sup> May	13 <sup>th</sup> Aug	02 <sup>nd</sup> Sept	25 <sup>th</sup> Oct	14 <sup>th</sup> Nov	13 <sup>th</sup> Feb	30 <sup>th</sup> Sept
Anant Palan	Yes	Yes	-	-	-	-	-
Dhara Brahmhatt	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rohan Barot	Yes	Yes	Yes	-	-	-	-
Nimesh Ganatra	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mahendra Dave	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mamatha Shetty	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dharmesh Belani	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Manali Bhuva	-	-	-	Yes	Yes	Yes	-
Deepak Apraj*	-	-	-	-	Yes	Yes	-
Tarun Brahmhatt	NA	NA	NA	NA	NA	NA	NA

- denotes director was not eligible to attend the said meeting due to his/her resignation or non appointment on the said date.

\* Being a CFO he attends only the meetings wherein the agenda of financials are considered.

## 3. Other Directorships & Committee Position Held in Other Companies:

None of the Directors on the Board is a member of the Board of more than **twenty** companies, is a Member of more than **ten** committees and Chairman of more than **five** committees across all companies in which they are directors. None of the Independent Directors served as Independent Director in more than **seven** listed Companies.

None of the Director who serves as a Whole-Time Director in any listed Company serves as an Independent Director in more than **three** listed Companies.

The numbers of Directorships and Committee Chairmanship / Membership held by the Directors/ KMP, in other Companies is appended below:

Name of the Directors/ KMP	No. of Directorships in other Public Co.'s	No. of committee position held in other Public Co.'s	
		Chairman	Member
Dhara Brahmhatt	-	-	-
Deepak Apraj	-	-	-
Nimesh Ganatra	-	-	-
Mahendra Dave	-	-	-
Mamatha Shetty	-	-	-
Dharmesh Belani	-	-	-
Manali Bhuva	1	-	-
Anant Palan	1	-	-
Rohan Barot	-	-	-
Tarun Brahmhatt	-	-	-

**Note:**

- Ⓞ *Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.*
- Ⓞ *Committees considered to reckon the limit are Audit Committee and Stakeholders Relationship Committee in public (listed and unlisted) Companies.*
- Ⓞ *Position held in Gemstone Investments Limited as a Director and/or Member/ Chairman has been excluded in the above table.*

**4. Induction and Familiarization program for Board Members:**

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly board meetings of the Company held during the financial year 2016-17, the Independent Directors have been updated on the developments in the Company and the Company's performance.

A new director is welcomed to the Board of Directors of the company by sharing various documents and information of the Company for his/her reference such as brief introduction to the Company and Profile of Board of Directors of the Company, Details of various committees of the Board, Latest Annual Reports, Code of Conduct (Directors, Senior Management & Employees), Code of Conduct for Prevention of Insider Trading etc. The details of these familiarization programs have been hosted on the Company's website [www.gemstoneltd.com](http://www.gemstoneltd.com).

**5. Reappointment of Directors liable to retire by rotation:**

Details of director seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Listing Regulations is annexed to the Notice conveying the Annual General Meeting and forms the part of this Annual Report.

## 6. Details of Equity Shares held by Non-Executive Directors as on March 31, 2017:

There were no outstanding stock options held by Non- Executive Directors and the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2017 is appended below:

Sr. No.	Name of the Director	Number of Equity Shares
1.	Nimesh Ganatra	8000
2.	Manali Bhuva	-
3.	Mamatha Shetty	-
4.	Dharmesh Belani	-

## 7. Inter-se Relationship with Directors:

None of the Directors are related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

## COMMITTEES OF THE BOARD:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has currently established the following statutory and non-statutory Committees:

- Audit Committee:** The Audit Committee is duly constituted in accordance with the Listing Agreement read with SEBI (LODR) Regulations 2016 and of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

### ❖ Composition and category of Directors:

Name of Directors	Category	Designation
Mamatha Shetty	Independent Non Executive	Chairman
Dharmesh Belani	Independent Non Executive	Member
Nimesh Ganatra*	Non-Executive	Member
Manali Bhuva#	Non-Executive Director	Member

\* Ceased to be the member of the committee due to resignation from the Board w.e.f. July 12, 2017.

# Appointed as a member of the Audit Committee w.e.f. July 12, 2017.

Two third of the members are Independent Directors and all the members are financially literate. All the members of the Audit Committee have vast experience and knowledge and possess financial/ accounting expertise /exposure. The composition of the audit committee meets with the requirements of Section 177 of the Act and Regulation 18(1) of SEBI (Listing Obligations Disclosure Requirement) Regulations 2016.



❖ **Meetings and Attendance:**

Name of the Committee Members	Attendance at the Meetings (2016-2017)					
	30 <sup>th</sup> May	13 <sup>th</sup> Aug	02 <sup>nd</sup> Sept	25 <sup>th</sup> Oct	14 <sup>th</sup> Nov	13 <sup>th</sup> Feb
Mamatha Shetty	Yes	Yes	Yes	Yes	Yes	Yes
Dharmesh Belani	Yes	Yes	Yes	Yes	Yes	Yes
Nimesh Ganatra	Yes	Yes	Yes	Yes	Yes	Yes
Manali Bhuva	NA	NA	NA	Yes	Yes	Yes

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the queries of shareholders. The meetings of Audit Committee are also attended by the Chief Financial Officer and Internal Auditor as special invitees.

The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

❖ **Terms of Reference:**

The terms of reference of the Audit Committee have been in line with Regulation 18 of SEBI Listing Obligations and Disclosure Requirement, Regulations, 2016 and Section 177 of the Companies Act, 2013. The Audit Committee, *inter alia*, provides reassurance to the Board on the existence of an effective internal control environment.

The terms of reference of the Committee are briefly described below:

- φ Oversight of the Company's financial reporting process and the disclosure of its financial information.
- φ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- φ Reviewing and monitoring the auditor's independence and performance.
- φ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- φ Reviewing, with the management, the annual financial statements and quarterly financial statements.
- φ Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
- φ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and frequency of internal audit.
- φ Discussing with internal auditors any significant findings and follow-up thereon.
- φ 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.
- φ Discussion with statutory auditors before the audit commences.
- φ 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.
- φ To review the functioning of the Whistle Blower mechanism.
- φ Approval or any subsequent modification of transactions of the Company with related parties.
- φ To evaluate internal financial controls and risk managements systems.
- φ Approval of appointment of CFO.

- 2. Stakeholders Relationship Committee:** Committee performs various functions conferred under the listing regulations and Section 178 of the Act which mainly covers ensuring resolution of grievances of security holders of the Company.

It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

❖ **Composition and category of Directors:**

Name of Directors	Category	Designation
Mamatha Shetty	Independent Non Executive	Chairman
Dharmesh Belani	Independent Non Executive	Member
Nimesh Ganatra*	Non-Executive	Member
Manali Bhuv#	Non-Executive Director	Member

\* Ceased to be the member of the committee due to resignation from the Board w.e.f. July 12, 2017.

# Appointed as a member of the Committee w.e.f. July 12, 2017.

❖ **Meetings and Attendance:**

Name of the Committee Members	Attendance at the Meetings (2016-2017)			
	30 <sup>th</sup> May	13 <sup>th</sup> Aug	14 <sup>th</sup> Nov	13 <sup>th</sup> Feb
Mamatha Shetty	Yes	Yes	Yes	Yes
Dharmesh Belani	Yes	Yes	Yes	Yes
Nimesh Ganatra	Yes	Yes	Yes	Yes
Manali Bhuv#	NA	NA	NA	NA

- ❖ **Terms of Reference:** The terms of reference of the Stakeholders' Relationship Committee have been in line with Regulation 20 of SEBI Listing Obligations and Disclosure Requirement, Regulations, 2016 and Section 178 of the Companies Act, 2013.

The terms of reference of the Committee are briefly described below:

- φ Oversee and review all matters connected with the transfer of the Company's securities.
- φ Monitor redressal of investors' / shareholders' / security holders' grievances including but not limited to complaints related to transfer of shares, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends;
- φ Oversee the performance of the Company's Registrar and Transfer Agents.
- φ Recommend methods to upgrade the standard of services to investors.
- φ Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

❖ **Investor/ Shareholder Complaints Received:**

Investors Complaint	Year Ended 31 <sup>st</sup> March 2017
Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed Off during the year	Nil
Pending at the end of the year	Nil

- ❖ **Compliance Officer:** Ms. Dhara Brahmhatt Managing Director has been designated as a Compliance Officer for complying with the requirements of Securities Laws, Listing Regulations

and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2016.

- 3. Nomination and Remuneration Committee:** The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as identifying persons who may be appointed at senior management levels and also devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees.

❖ **Composition and category of Directors:**

Name of Directors	Category	Designation
Mamatha Shetty	Independent Non-Executive	Chairman
Dharmesh Belani	Independent Non-Executive	Member
Mahendra Dave*	Independent Non-Executive	Member
Manali Bhuv#	Non-Executive Director	Member

\* Ceased to be the member of the committee due to resignation from the Board w.e.f. July 12, 2017.

# Appointed as a member of the Committee w.e.f. July 12, 2017.

❖ **Meetings and Attendance:**

Name of the Committee Members	Attendance at the Meetings (2016-2017)
	29 <sup>th</sup> August, 2016
Mamatha Shetty	Yes
Dharmesh Belani	Yes
Mahendra Dave	Yes
Manali Bhuv#	NA

❖ **Terms of Reference:**

The terms of reference of the Nomination & Remuneration Committee have been in line with Regulation 19 of SEBI Listing Obligations and Disclosure Requirement, Regulations, 2016 and Section 178 of the Companies Act, 2013.

The terms of reference of the Committee are briefly described below:

- φ To identify persons for Directorships & senior management positions and to recommend their appointments/removals.
- φ To form criteria for qualifications/independence of directors.
- φ To recommend Policy for remuneration to Directors/Key Managerial Personnel (KMP) and other employees.
- φ To form criteria for evaluation of Directors.
- φ To devise policy on Board Diversity.

- 4. Risk Management Committee:** Risk Management Committee was constituted voluntarily by the Company in conformity with the provisions of Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations. The Company's risk-management strategy is to identify, assess and mitigate any significant risks. The Committee reviews and monitors the risk management plan and ensures its effectiveness. It lays down various risk mitigating practices that your Company is required to implement in the Company.

❖ **Composition and category of Directors:**

Name of Directors	Category	Designation
Dhara Brahmbhatt	Executive Managing Director	Chairman
Mamatha Shetty	Independent Non Executive	Member
Dharmesh Belani	Independent Non-Executive	Member

❖ **Meetings and Attendance:**

Name of the Committee Members	Attendance at the Meetings (2016-2017)
	13 <sup>th</sup> August, 2016
Dhara Brahmbhatt	Yes
Mamatha Shetty	Yes
Dharmesh Belani	Yes

❖ **Terms of Reference:**

- φ To review and monitor the Risk Management Policies and Procedures;
- φ To review the Risk Monitoring System;
- φ To report critical risks to the Board in detail on yearly basis;
- φ To review and verify adherence to various risk parameters set-up for various Operations/ Functions;
- φ To undertake such other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

**PERFORMANCE EVALUATION:**

The Board has laid down policy for evaluation of Board, Committees and Independent Directors which sets out performance evaluation criteria as under:

**1. For Board as a Whole:**

- ❖ Laying down strategic roadmap for the Company;
- ❖ Annual Plans;
- ❖ Growth attained by the Company;
- ❖ Effectiveness in ensuring statutory compliances and discharging its duties;
- ❖ Identification, monitoring & mitigation of significant corporate risks;
- ❖ Laying down terms of reference and reviewing committees working, etc.

**2. For Chairman:**

- ❖ Providing and guidance and counsel to Executive Management;
- ❖ Effectiveness;
- ❖ Providing overall direction to Board towards achieving company's objective;
- ❖ Maintaining balance between the views of different Board Members;
- ❖ Conducting Board Meeting and Shareholders Meeting in effective and orderly manner, etc.

**3. For Executive Directors:**

- ❖ Level of skill, knowledge and core competence;
- ❖ Performance and achievement in comparison to budget and operating plans;
- ❖ Discharging duties/ responsibilities towards all stakeholders;

- ❖ Adherence to ethical standards of integrity;
- ❖ Reviewing / Monitoring Executive Management, etc.

#### 4. For Independent Directors:

- ❖ Providing independent judgment on strategy;
- ❖ Performance;
- ❖ Risk Management;
- ❖ Devotion of sufficient time for informed decision making;
- ❖ Safeguarding interests of all stakeholders;
- ❖ Exercising duties in bona fide manner;
- ❖ Objectivity & constructiveness while exercising duties, etc.

#### 5. For Committees:

- ❖ Effectiveness in discharging duties and functions conferred,
- ❖ Setting up and implementation of various policies,
- ❖ Periodicity of meetings
- ❖ Attendance and participation of committee members
- ❖ Guidance to the Board on various matters coming under the committee's purview etc.

#### **INDEPENDENT DIRECTORS:**

As defined in the Companies Act, 2013 and the Listing Regulations the term 'Independent Directors' mean directors who apart from receiving director's remuneration, do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries, which in judgment of the board may affect independence of judgment of the directors. Section 149(6) of the act stipulates the criteria for a candidate that ensures highest standards of integrity, while also preventing any conflict of interest. The provisions seek to ensure the autonomy of the appointee to facilitate effective discharge of duties such as upholding shareholders' interest, upholding corporate governance standards, among others. We strongly follow by the definition of independent director.

1. **Appointment & Tenure:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment for the second term on passing of a special resolution by the Company.

No Independent director shall hold office for more than two consecutive terms but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent director shall not during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

2. **Declarations Received:** The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

#### 3. Meetings & Attendance:

Name of the Committee Members	Attendance at the Meetings (2016-2017)
	25 <sup>th</sup> June, 2016
Mahendra Dave	Yes
Mamatha Shetty	Yes
Dharmesh Belani	Yes

The Independent Directors met once during the year under review, without the attendance of Non-Independent Directors and members of Management. All Independent Directors were present at the meeting and they have reviewed the performance of non-independent directors and the Board, performance of the Chairman and information flow structure of the Company.

#### **REMUNERATION TO DIRECTORS/ KMP/ SMP:**

- 1. Pecuniary Relationship of Non-Executive Directors:** The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and Commission as approved by members for their invaluable services to the Company.
- 2. Details of Remuneration paid to Directors:** The executive directors of the Company are entitled to an annual / half yearly variable pay, which is subject to the achievement of certain fiscal milestones by the Company as determined by the Board.

The Shareholders had approved Ms. Dhara Brahmhatt's appointment and remuneration as a Managing Director vide a special resolution passed in the 21<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September, 2016.

Details of remuneration paid to Directors for the Financial Year 2016 – 2017 is as under:

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Ms. Dhara Brahmhatt	-	Rs. 3,60,000/-	-	Rs.3,60,000/-

The Non-Executive Directors are only entitled to receive sitting fees for attending the meetings of Board and Committee thereof. Fees and compensation, if any, paid to any Non-Executive Director, including Independent Director, is fixed by the Board of Directors and is previously approved by the shareholders at the general body meeting.

Criteria of making payments to all the Directors are disclosed in the Policy i.e. Nomination and Remuneration Policy and the same is also made available on the company's website at <http://gemstoneltd.com/wp-content/uploads/2016/04/Nomination-and-Remuneration-Policy-1.pdf>

- 3. Stock option details:** No stock options have been granted to Directors during the year. Further, the Non-Executive Directors and Independent Directors are not entitled to any stock options.
- 4. Service contracts, notice period, severance fees:** All appointments are terminable by notice on either side. The agreement with Managing Director is normally done for 5 years. Further, either party to the agreement is entitled to terminate the Agreement by giving not less than three months' notice in writing to the other party or for salary in lieu of notice for such period.

#### **GENERAL BODY MEETINGS:**

Venue, Date and Time of the Last Three Annual General Meeting:

Financial Year	Date, Day & Time	Venue	Particulars of the special resolution passed
2015-2016	30 <sup>th</sup> September, 2016 Friday at 9.00 a.m.	502-B, Padmavati Heights, 5 <sup>th</sup> Floor, Shradhanand Road Ext., Vile Parle (East), Mumbai –400 057	Nil

2014-2015	29 <sup>th</sup> September, 2015 Tuesday at 9.30 a.m.	Room No. 105, 1st Floor, Shradhanand Building, 274 Samuel Street, Masjid Bunder, Mumbai – 400 003.	Adoption of New Set of Articles
2013-2014	30 <sup>th</sup> September, 2014 Tuesday at 9.30 a.m.	Room No. 105, 1st Floor, Shradhanand Building, 274 Samuel Street, Masjid Bunder, Mumbai – 400 003.	Nil

No Extraordinary General Meeting was held during the financial year and no special resolutions were put through postal ballot last year. None of the Businesses proposed to be transacted at the Ensuing Annual General Meeting requires the passing of a resolution by way of Postal Ballot,

**GENERAL SHAREHOLDER INFORMATION:**

**1. Forthcoming 22<sup>nd</sup> Annual General Meeting:**

<b>Day And Date</b>	Thursday, 14 <sup>th</sup> September, 2017
<b>Time</b>	9.30 a.M
<b>Venue (Registered Office Of The Company)</b>	502-B, Padmavati Heights, 5th Floor, Shraddhanand Road Ext., Vile Parle (East), Mumbai - 400 057
<b>Financial Year</b>	April 1, 2016 to March 31, 2017
<b>Book Closure Dates</b>	September 07, 2017 to September 14, 2017 (both days inclusive)
<b>E-Voting Dates</b>	September 11, 2017 9:00 A.M to 5:00 P.M September 13, 2017

**2. Tentative Calendar For Financial Year Ending March 31, 2017:**

Sr. No.	Particulars of Quarter	Tentative Dates
1	First Quarter Results	On or before August 14, 2017
2	Second Quarter & Half Yearly Results	On or before November 15, 2017
3	Third Quarter & Nine-months Results	On or before February 15, 2018
4	Fourth Quarter & Annual Results	On or before May 31, 2018

**3. Listed On:** BSE Limited (P.J. Towers, Dalal Street, Fort, Mumbai – 400 001)

**4. Codes:**

Particulars	Details
Scrip Code (BSE)	531137
ISIN (CDSL & NSDL)	INE503D01027

**5. Fees:** The Listing Fee for the Financial Year 2017 – 2018 is already paid to BSE. The Company has also paid annual custodial fees for the financial year 2017-2018 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**6. Share Transfer Agents:**

Particulars	Details
Name	Sharex Dynamic (India) Private Limited
Address	Unit 1, Luthra Industrial Premises, 1st Floor, 44-E, M Vasanti Marg, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai - 400 072.

Contact No.	<b>Tel No.:</b> 022 - 28515606/ 28515644; <b>Fax No.:</b> 022 - 28512885.
Email	<a href="mailto:sharexindia@vsnl.com">sharexindia@vsnl.com</a>
Website:	<a href="http://www.sharexindia.com">www.sharexindia.com</a>

- 7. Share Transfer System:** The share transfer activities in respect of the shares in physical mode are carried out by M/s. Sharex Dynamic (India) Pvt. Ltd. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respect.

The Board of Directors of your Company have delegated the authority to approve the transfer of shares, transmission of shares, or requests for deletion of name of the shareholder, etc., to the designated officials of your Company. The transactions requiring issuance of new share certificates are approved by the Shareholder's Relationship Committee of the Board of directors of your Company.

A summary of approved transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time as per Listing Regulations. Your Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Listing Regulations and files a copy of the said certificate with BSE.

**8. Distribution of Shareholding as on March 31, 2017:**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Up to 5000	1260	77.40	1728897	2.31
5001 to 10000	104	6.39	837438	1.12
10001 to 20000	84	5.16	1189554	1.59
20001 to 30000	26	1.60	668391	0.89
30001 to 40000	26	1.60	959625	1.28
40001 to 50000	26	1.60	1271030	1.70
50001 to 100000	33	2.03	2691190	3.60
100001 to above	69	4.24	65403875	87.50

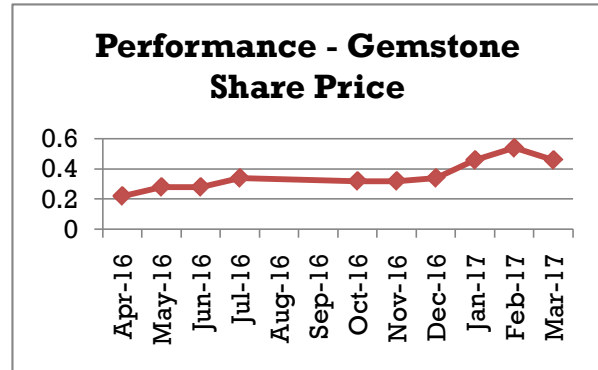
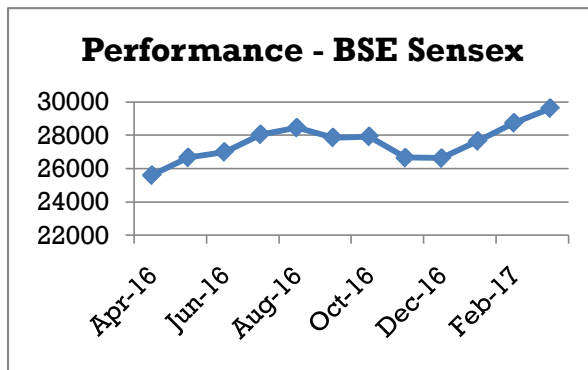
**9. Share Price Data:**

Month	High (Rs)	Low (Rs)	Volume (Nos.)
April, 2016	0.22	0.19	150383
May, 2016	0.28	0.23	3513
June, 2016	0.28	0.28	275507
July, 2016	0.34	0.29	1026044
October, 2016	0.33	0.32	563
November, 2016	0.32	0.32	20
December, 2016	0.34	0.32	399017
January, 2017	0.46	0.35	266668
February, 2017	0.54	0.48	47131
March, 2017	0.54	0.44	86548

*The share price details for the month August, 2016 & September, 2016 are not available on the BSE Website.*

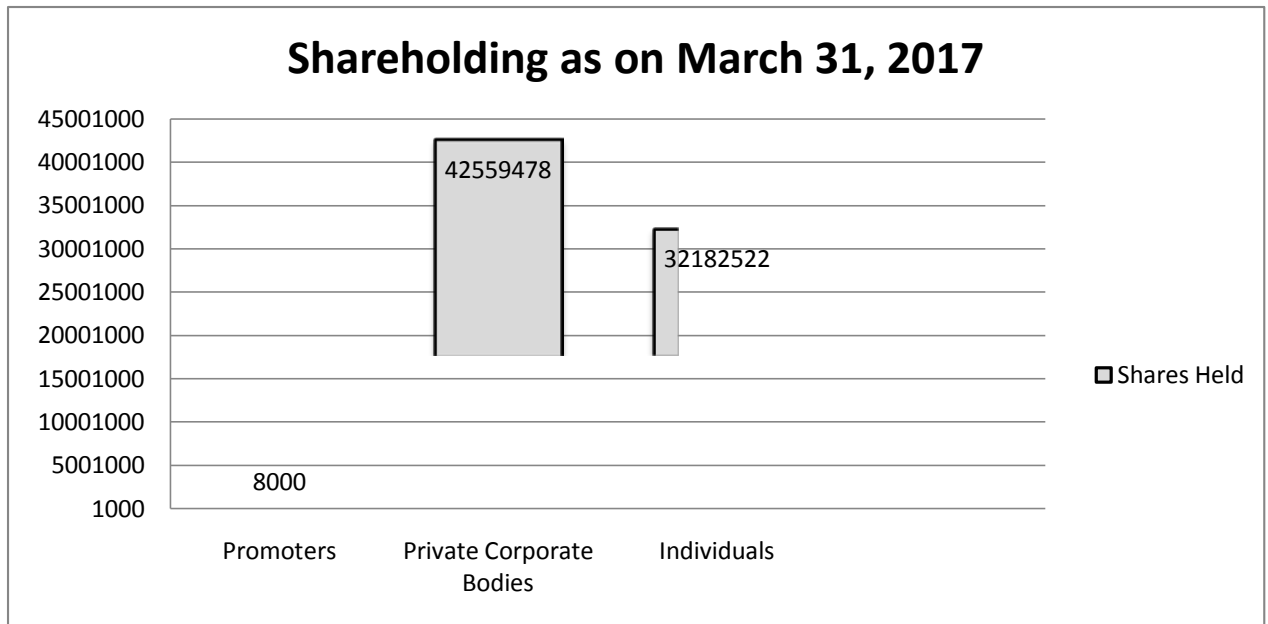


### 10. Performance in Comparison to Broad Based Indexes:



### 11. Categories of Shareholders as on March 31, 2017:

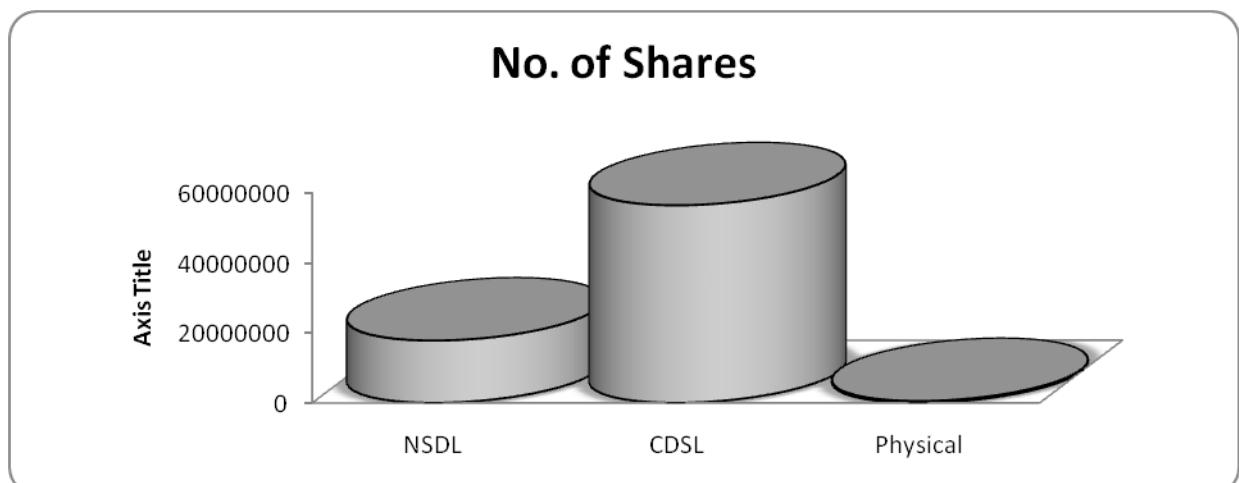
Sr. No.	Particulars	No. of Shares	% of Holding
<b>(A)</b>	<b>Promoter (s) Holding</b>		
1.	Promoter (s)		
	(a) Individuals	8000	0.01
	(b) Foreign Promoters	----	----
2.	Persons acting in concert	----	----
	<b>Sub Total</b>	<b>8000</b>	<b>0.01</b>
<b>(B)</b>	<b>Non-Promoters Holding</b>		
3.	Institutional Investors		
	(a) Mutual Funds & UTI	----	----
	(b) Banks, Financial Inst, Insurance Company (Central/ State Govt. Inst/ Non-Govt. Inst)	----	----
	(c) FII (s)	----	----
	<b>Sub Total</b>	----	----
4.	Non Institutions		
	(a) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	10968698	14.67
	(b) Individual shareholders holding nominal share capital up in excess of Rs. 2 lakhs	21213824	28.38
	(c) Clearing Members	----	----
	(d) Any other (Body Corporate)	42559478	56.94
	<b>Sub-Total</b>	<b>74742000</b>	<b>99.99</b>
	<b>GRAND TOTAL (A) + (B)</b>	<b>74750000</b>	<b>100.00</b>



#### 12. Dematerialisation of Shares:

As on March 31, 2017, 7,42,51,150 equity shares representing 99.33% of the total equity share capital of the Company were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL). The break-up of equity shares held in physical and dematerialized form as on March 31, 2017 is appended below:

Mode of Holding	No. of Shares	% of Share Capital
Electronic – NSDL	17792839	23.80
Electronic – CDSL	56458311	75.53
Physical	498850	0.67
<b>TOTAL</b>	<b>74750000</b>	<b>100.00</b>



**13. Reconciliation of Share Capital Audit Report:** As stipulated by SEBI, a qualified Practicing Company Secretary conducts Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are listed. The audit confirms that

the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**14. Means of Communication:** In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at [www.gemstoneltd.com](http://www.gemstoneltd.com) containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

Quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular language newspaper which are national and local dailies respectively.

**15. Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments and Their Impact on Equity:** Your Company does not have outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on March 31, 2017.

**16. Address For Correspondence** : Gemstone Investments Limited  
502-B, Padmavati Heights, 5<sup>th</sup> Floor,  
Shraddhanand Road Ext.,  
Vile Parle (East), Mumbai – 400 057.

**17. Tel No.** : 022 – 65102060.

**18. Email:** [gemstoneltd@gmail.com](mailto:gemstoneltd@gmail.com)

**19. Website:** [www.gemstoneltd.com](http://www.gemstoneltd.com)

**OTHER DISCLOSURES:**

**1. Related Party Transactions:** No transaction of material nature has been entered into by the Company with its Directors/management and their relatives etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

Transactions with Related Parties are disclosed in the Notes to Accounts in the Annual Report. In terms of SEBI (LODR) Regulations 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine the related party transactions. The policy is placed on the Company's website.

**2. Details of Non-compliances and penalties:** There were no instances of non-compliance or penalties/strictures by the stock exchanges/SEBI/ statutory authorities on any matter related to capital markets during the last three years.

**3. Vigil mechanism:** The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct etc. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee.

The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of the whistle blower mechanism. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is hosted on the Company's website.

**4. Non-compliance of any requirements of corporate governance report of sub-paras (2) to (10) of Schedule V:**

The Company has complied with the requirement of corporate governance report of sub-paras (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

**DECLARATION ON CODE OF CONDUCT**

**The Board of Directors  
Gemstone Investments Limited**

Dear Sir/Madam,

This is to confirm that the Board has laid down a code of conduct for all Board members and Senior Management Personnel of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance within the Code of Conduct of the Company for the year ended March 31, 2017, as envisaged in regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement with the stock exchange.

**For and on behalf of the Board  
For Gemstone Investments Limited**

**Place:** Mumbai  
**Date:** August 21, 2017

**Sd/-  
Manali Bhuva  
Chairman**

**MD / CFO CERTIFICATION**

[Pursuant to regulation 17(8) of SEBI (LODR) Regulations, 2015]

In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, Ms. Dhara Brahmhatt, Managing Director and Mr. Deepak Apraj, Chief Financial Officer of the Company has certified to the Board that:

- A. We have reviewed Financial Statements and 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 company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the company during the year 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 and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that:
1. There has not been any significant change in internal control over financial reporting during the year;
  2. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  3. We are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**Dhara Brahmhatt**  
**Managing Director**  
**DIN: 06433270**

Sd/-

**Deepak Apraj**  
**Chief Financial Officer**

**Place: Mumbai,**  
**Date: August 21, 2017**

**AUDITOR'S REPORT**

[Pursuant to the Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016]

To  
The Board of Directors  
Gemstone Investments Limited  
502-B, Padmavati Heights, 5<sup>th</sup> Floor,  
Shrasshanand Road Ext,  
Vile Parle (E), Mumbai- 400057.

1. We have audited the accompanying financial statements of Gemstone Investments Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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 and have issued an unqualified opinion vide our report dated 30<sup>th</sup> May, 2017.
2. As required by the paragraph 3 and 4 of Non- banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ("the RBI") vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29<sup>th</sup> September, 2016 (amended from time to time) and based on our audit, we report on the matters specified in paragraph 3 and 4 of the said directions:
  - a) The Company is engaged in the business of Non- Banking Financial Institution (without accepting or holding public deposit) and pursuant to the provisions of Section 45(1A) of the Reserve Bank of India Act, 1934 (as amended ) it has obtained a certificate of registration vide certificate no. 13.00493 dated 24<sup>th</sup> March, 1998.
  - b) In our opinion and in terms of Company's Principal Business Criteria (Financial Asset / Income pattern) for the year ended and as at 31<sup>st</sup> March, 2017, the Company is entitled to continue to hold the certificate of registration issued by the RBI.
  - c) The Company is meeting the required net owned fund requirement as laid down in Master direction- Non Banking Financial Company- Non-Systematically Important non-Deposit taking Company (Reserve Bank) Directions, 2016.
  - d) The Board of Director of the Company in their Meeting held on 6<sup>th</sup> April, 2017 has passed a resolution for non-acceptance of any public deposits during the year ended 31<sup>st</sup> March, 2017.
  - e) The company has not accepted any public deposits during the year ended 31<sup>st</sup> March, 2017.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms issued by the RBI in relation to recognition of income, accounting standard , asset classification and provisioning for bad and doubtful debt as applicable to it in terms of the non-Banking Financial Company – Non-Systematically Important Non- Deposit taking Company (Reserve Bank) Directions, 2016 and Non- Banking Financial Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

**For Tejas Nadkarni & Associates**  
**Chartered Accountants**

Sd/-

**Tejas Nadkarni**  
**Proprietor**

**Mem. No.:** 122993

**Firm Reg. No.:**135197W

**Place:** Mumbai.

**Date:** 30/05/2017

## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF  
GEMSTONE INVESTMENTS LIMITED

### **Report on Financial Statements**

We have audited the accompanying financial statements of Gemstone Investments Limited ("the Company") which comprise the Balance Sheet as at March 31, 2017, 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 matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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. Subject to the matters discussed in this report, 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 statements 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.

### **Companies (Auditor's Report) Order, 2015 (CARO)**

As required by the Companies (Auditor's Report) Order, 2016 (CARO) issued by the Central Government in terms of Sub Section (11) of Section 143 the Companies Act, 2013 ("the Act") we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

### **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, 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 31<sup>st</sup> March, 2017, its Profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(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
  - 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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 Tejas Nadkarni & Associates**

Chartered Accountants

**FRN No.:** 135197W

Sd/-

**Tejas Nadkarni**

(Proprietor)

**Membership No.:** 122993

**Place:** Mumbai

**Date:** 30/05/2017

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**ANNEXURE A TO THE AUDITORS' REPORT****The Annexure referred to in our report to the members of GEMSTONE INVESTMENTS LIMITED for the year ended 31<sup>st</sup> March, 2017.**

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On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals there was no material discrepancies were noticed on such verification.  
(c) Total Assets of company includes immovable property also and the title deeds of immovable properties are held in the name of the company.
2. According to information and explanation given to us, the company is Non-Banking Finance Company which does not carry any inventory.
3. The Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year.  
(a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's interest  
(b) Schedule of repayment of principal and interest has been stipulated and receipts are regular  
(c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of Section 185 of the Companies Act, 2013 have been complied with. As the company is Non-Banking Financial Company Section 186 of the Companies Act, 2013 is not applicable to the Company.
5. The Company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
7. (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The Company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The Company doesn't raise any money by way of initial public offer or further public offer (including debt instruments).

10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. The Company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
14. The Company hasn't entered into any non-cash transactions with directors or persons connected with him.
15. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Tejas Nadkarni & Associates**

Chartered Accountants

**FRN No.:** 135197W

Sd/-

**Tejas Nadkarni**

(Proprietor)

**Membership No.:** 122993

**Place:** Mumbai

**Date:** 30/05/2017

**ANNEXURE B TO THE AUDITORS' REPORT****ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GEMSTONE INVESTMENTS LIMITED**

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**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Gemstone Investments Limited ('the Company') as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operation effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting of future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operation effectively as at 31<sup>st</sup> March, 2017. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For Tejas Nadkarni & Associates**

Chartered Accountants

**FRN No.:** 135197W

Sd/-

**Tejas Nadkarni**

(Proprietor)

**Membership No.:** 122993

**Place:** Mumbai

**Date:** 30/05/2017

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

Particulars		Note No.	2016-17	2015-16
			Amount (in Rs)	Amount (in Rs)
I.	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	1	74,750,000.00	74,750,000.00
	(b) Reserves and surplus	2	153,777,284.54	147,706,301.83
2	Non-current liabilities			
	(a) Long-term borrowings	3	5,828,737.00	3,250,000.00
	(b) Deferred tax liabilities (Net)		179,748.00	129,603.00
3	Current liabilities			
	(a) Other current liabilities	4	1,940,733.23	4,143,175.53
	(b) Short-term provisions	5	3,362,348.00	1,444,165.00
	<b>TOTAL</b>		<b>239,838,850.77</b>	<b>231,423,245.36</b>
II.	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed assets	6		
	(i) Tangible assets		3,778,484.57	395,787.02
	(b) Non-current investments	7	19,100,730.25	19,100,730.25
	(c) Long-term loans and advances	8	10,900,000.00	100,000.00
	(d) Other non-current assets	9	7,815,533.00	4,787,912.00
2	Current assets			
	(a) Current Investments		-	10,900,000.00
	(b) Trade receivables	10	337,000.00	337,000.00
	(c) Cash and cash equivalents	11	3,794,320.95	528,201.09
	(d) Short-term loans and advances	12	193,863,090.00	194,785,015.00
	(e) Other current assets	13	249,692.00	488,600.00
	<b>TOTAL</b>		<b>239,838,850.77</b>	<b>231,423,245.36</b>
	Significant accounting policies	18		

**FOR TEJAS NADKARNI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**TEJAS NADKARNI**  
**APRAJ**  
**PROPRIETOR**  
**M NO. 122993**  
**FIRM REG NO: 135197W**  
**PLACE: MUMBAI**  
**DATE : 30/05/2017**

Sd/-  
**DEEPAK**  
**CFO**

**FOR & ON BEHALF OF THE BOARD**

Sd/-  
**DHARA BRAHMBHATT**  
**DIRECTOR**  
**DIN: 06433270**

Sd/-  
**MANALI BHUVA**  
**DIRECTOR**  
**DIN:01818201**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars		Note No.	2016-17	2015-16
			Amount (in Rs)	Amount (in Rs)
I.	Revenue from operations	14	20,786,038.00	22,916,702.00
II	Total Revenue		20,786,038.00	22,916,702.00
III	Expenses:			
	Employee benefits expense	15	6,413,102.00	2,831,691.79
	Finance costs	16	113,696.00	638,307.09
	Depreciation and amortization expense		568,625.45	130,492.58
	Other expenses	17	4,969,486.84	14,140,888.50
	Total expenses		12,064,910.29	17,741,379.96
IV	Profit before exceptional and extraordinary items and tax (II-III)		8,721,127.71	5,175,322.04
V	Exceptional items		-	-
VI	Profit before extraordinary items and tax (IV - V)		8,721,127.71	5,175,322.04
VII	Extraordinary Items		-	-
VIII	Profit before tax (VI- VII)		8,721,127.71	5,175,322.04
IX	Tax expense:			
	(1) Current tax		2,600,000.00	1,964,383.77
	(2) Deferred tax		50,145.00	142,451.00
			2,650,145.00	2,106,834.77
X	Profit (Loss) for the period from continuing operations (VIII-IX)		6,070,982.71	3,068,487.27
XI	Profit/(loss) from discontinuing operations		-	-
XII	Tax expense of discontinuing operations		-	-
XIII	Profit/(loss) from Discontinuing operations (after tax) (XI-XII)		-	-
XIV	Profit/(Loss) for the period (X+ XIII)		6,070,982.71	3,068,487.27
XV	Transfer to Statutory Reserve		1,214,196.54	-
XVI	Profit/(Loss) for the period after appropriations		4,856,786.17	3,068,487.27
XVII	Earnings per equity share:			
	(1) Basic		0.06	0.04
	(2) Diluted		0.06	0.04
	Significant accounting policies	18		

**FOR TEJAS NADKARNI & ASSOCIATES****FOR & ON BEHALF OF THE BOARD****CHARTERED ACCOUNTANTS**

Sd/-  
**TEJAS NADKARNI**  
**APRAJ**  
**PROPRIETOR**  
**M NO. 122993**

Sd/-  
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**DHARA BRAHMBHATT**  
**DIRECTOR**  
**DIN: 06433270**

Sd/-  
**MANALI BHUVA**  
**DIRECTOR**  
**DIN:01818201**

**FIRM REG NO: 135197W****PLACE: MUMBAI****DATE : 30/05/2017**

**CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	Year Ended 31/03/2017		Year Ended 31/03/2016	
	Amount (in Rs)		Amount (in Rs)	
A) Cash flow from operating activities				
Net profit before tax & extra ordinary items & prior period items	8,721,128		5,175,322	
Adjustment for:				
i) Depreciation	568,625		130,493	
Operating Profits before Working Capital Changes		9,289,753		5,305,815
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Short-term loans and advances	921,925		-	
Long-term loans and advances	100,000		11,000	
Other current assets	238,908		(410,320)	
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities	(2,202,442)		(158,431)	
Other long-term liabilities	(3,007)		(28,038)	
Short-term provisions	(678,810)	(1,623,426)	-	(585,789)
Cash flow from operating activities		7,666,327		4,720,026
Less: Direct Taxes Paid		(3,027,621)		(3,952,847)
Net Cash flow from operating activities		4,638,706		767,179
B) Cash flow from investing activities				
i) Purchase /Sale of fixed assets	(3,951,323)		(228,145)	
ii) Acquisition of investment (net of sales)	-		1,000,000	
Net cash used in investment activities		(3,951,323)		771,855
		687,383		1,539,034
C) Cash flow from financial activities				
Repayment of loan)/proceeds from borrowing		2,578,737		(2,122,479)
Net changes in cash or cash equivalents(A+B+C)		3,266,120		(583,445)
Cash & Cash equivalents				
Opening Balance		528,201		1,111,646
Closing Balance		3,794,321		528,201

Previous Year's figures have been regrouped/ rearranged, wherever necessary to confirm to current year's classification

**CHARTERED ACCOUNTANTS**

Sd/-  
**TEJAS NADKARNI**  
**APRAJ**  
**PROPRIETOR**  
**M NO. 122993**  
**FIRM REG NO: 135197W**  
**PLACE: MUMBAI**  
**DATE : 30/05/2017**

Sd/-  
**DEEPAK**  
**CFO**

Sd/-  
**DHARA BRAHMBHATT**  
**DIRECTOR**  
**DIN: 06433270**

Sd/-  
**MANALI BHUVA**  
**DIRECTOR**  
**DIN:01818201**

**Note 1: Share Capital**

<b>Particulars</b>	<b>2016-17</b>		<b>2015-16</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
<b>Authorised</b>				
Equity Shares of Re.1 each	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
<b>Issued</b>				
Equity Shares of Re. 1 each	7,47,50,000	7,47,50,000	7,47,50,000	7,47,50,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Re. 1 each fully paid	7,47,50,000	7,47,50,000	7,47,50,000	7,47,50,000
<b>Subscribed but not fully Paid up</b>				
Equity Shares of Re.1 each fully paid	-	-	-	-
<b>Total</b>	<b>7,47,50,000</b>	<b>7,47,50,000</b>	<b>7,47,50,000</b>	<b>7,47,50,000</b>

<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Particulars</b>	<b>2016-17</b>		<b>2015-16</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>	<b>Number</b>	<b>Amount (Rs.)</b>
Shares outstanding at the beginning of the year	74,750,000	74,750,000	74,750,000	74,750,000
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	74,750,000	74,750,000	74,750,000	74,750,000

NIL Equity Shares (Previous year NIL) are held by the holding company.

<b>Shares in the company held by each shareholder holding more than 5 percent shares</b>				
<b>Name of Shareholder</b>	<b>2016-17</b>		<b>2015-16</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
HeenaVarde	4000000	5.35	4000000	5.35
Arcadia Share & Stock Brokers P Ltd	4563728	6.11	4322858	5.78
Ashirwad Investment Pvt Ltd	5030039	6.73	5030039	6.73
Kaushik Shah Shares and Sec Pvt Ltd	6000000	8.03	6000000	8.03

<b>Shares issued for other than cash, Bonus issue and Shares bought back:</b>					
<b>Particulars</b>	<b>Year (Aggregate No. of Shares)</b>				
	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL



<b>Unpaid Calls</b>	<b>2016-17</b>	<b>2015-16</b>
By Directors	NIL	NIL
By Officers	NIL	NIL

<b>Note 2: Reserves and surplus</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>a. Capital Reserves</b>		
Opening Balance	36,93,335.59	36,93,335.59
(+) Current Year Transfer	-	-
Closing Balance	<b>36,93,335.59</b>	<b>36,93,335.59</b>
<b>b. Investment Fluctuation Reserve</b>		
Opening Balance	42,33,201.60	42,33,201.60
(+) Current Year Transfer	-	-
Closing Balance	<b>42,33,201.60</b>	<b>42,33,201.60</b>
<b>c. Securities Premium Account</b>		
Opening Balance	11,65,50,000.00	11,65,50,000.00
(+) Current Year Transfer	-	-
Closing Balance	<b>11,65,50,000.00</b>	<b>11,65,50,000.00</b>
<b>d. Share Forfeiture Reserve</b>		
Opening Balance	91,26,000.00	91,26,000.00
(+) Current Year Transfer	12,14,196.54	-
Closing Balance	<b>1,03,40,196.54</b>	<b>91,26,000.00</b>
<b>e. Surplus</b>		
Opening balance	1,41,03,764.64	11,035,277.37
(+) Net Profit For the current year	48,56,786.17	3,068,487.27
Closing Balance	<b>1,89,60,550.81</b>	<b>1,41,03,764.64</b>
<b>Total</b>	<b>15,37,77,284.54</b>	<b>14,77,06,301.83</b>

<b>Note 3: Long term borrowings</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Secured Loan</b>		
Kotak Mahindra Prime Ltd	2,578,737.00	-
<b>Unsecured Loans</b>		
Inter-Corporate Loans	32,50,000.00	3,250,000.00
<b>Total</b>	<b>58,28,737.00</b>	<b>3,250,000.00</b>

<b>Note 4: Other Current Liabilities</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Statutory Liabilities	-	225,919.30
Expenses & Other Payables	19,40,733.23	3,917,256.23
<b>Total</b>	<b>19,40,733.23</b>	<b>4,143,175.53</b>

<b>Note 5: Short Term Provisions</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Provision for employee benefit	2,48,800.00	927,610.00
Provision for Tax	26,24,717.00	24,717.00
Contingent Provision for Standard assets	4,88,831.00	491,838.00
<b>Total</b>	<b>33,62,348</b>	<b>1,444,165.00</b>

<b>Note 6 : Fixed Assets</b>									
<b>Sr. No.</b>	<b>Name of the Assets</b>	<b>Gross Block</b>			<b>Accumulated Depreciation</b>			<b>Net Block</b>	
		<b>Balance as at 1 April   </b>	<b>Additions/ (Disposals)</b>	<b>Balance as at 31 March, 2017</b>	<b>Balance as at 1 April 2016</b>	<b>Depreciation charge for the year</b>	<b>Balance as at 31 March, 2017</b>	<b>Balance as at 1 April 2016</b>	<b>Balance as at 31 March, 2017</b>
<b>(A)</b>	<b>Tangible Assets</b>								
	1 Furniture & Fixture	2,78,145.00	-	278,145	37,931.69	62,182.96	1,00,114.65	2,40,213.31	1,78,030.35
	2 Vehicles	9,36,691.00	39,51,653	48,88,344	7,87,662.29	5,06,442.49	12,94,104.78	1,49,028.71	35,94,239.22
	3 Office equipment	130,900.00	(330.00)	1,30,570	1,24,355.00	-	1,24,355.00	6,545.00	6,215.00
	<b>Sub Total( A)</b>	<b>13,45,736.</b>	<b>39,51,323</b>	<b>52,97,059</b>	<b>9,49,948.98</b>	<b>5,68,625,45</b>	<b>15,18,574.43</b>	<b>3,95,787.02</b>	<b>37,78,484.57</b>
	<b>Previous Year</b>	<b>1,117,591</b>	<b>2,28,145</b>	<b>13,45,736</b>	<b>8,19,456.40</b>	<b>1,30,492.58</b>	<b>9,49,948.98</b>	<b>2,98,134.60</b>	<b>3,95,787.02</b>

<b>Note 7: Non-current investments</b>			
	<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>A</b>	<b>Other Investments (Refer Annexure A)</b>		
	(a) Investment in Equity instruments	15,200,730.25	15,200,730.25
	(b) Other non-current investments (specify nature)	3,900,000.00	3,900,000.00
		<b>19,100,730.25</b>	<b>19,100,730.25</b>
	Less: Provision for diminution in the value of Investment	-	-
	<b>Total</b>	<b>19,100,730.25</b>	<b>19,100,730.25</b>

<b>Note 8: Long Term Loans and Advances</b>			
	<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
	<b>a. Security Deposits</b>		
	Unsecured, considered good	-	100,000.00
	Less: Provision for doubtful deposits	-	-
	<b>b. Advance against Property</b>		
	<b>Blue Circle Infra</b>	10,900,000.00	
	<b>Total</b>	<b>10,900,000.00</b>	<b>1,00,000.00</b>

<b>Note 9: Other non-current assets</b>			
	<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
	Balance with Revenue Authority	53,22,082.00	2,294,461.00
	Others	2,493,451.00	2,493,451.00
	<b>Total</b>	<b>7,815,533.00</b>	<b>4,787,912.00</b>

<b>Note 10: Trade Receivables</b>			
	<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment.		
	Unsecured, considered good	337,000.00	337,000.00
	Less: Provision for doubtful debts	-	-
	<b>Total</b>	<b>337,000.00</b>	<b>337,000.00</b>

<b>Note 11: Cash and cash equivalents</b>			
	<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
	a. Balances with banks	37,90,513.95	522,764.95
	b. Cash on hand	3,807.00	5436.14
	<b>Total</b>	<b>37,94,320.95</b>	<b>528,201.09</b>

<b>Note 12: Short-term loans and advances</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Unsecured, considered good :</b>		
Loans & Advances recoverable in cash or in kind	19,38,63,090.00	194,785,015.00
<b>Total</b>	<b>19,38,63,090.00</b>	<b>194,785.015.00</b>

<b>Note 13: Other current assets</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Advance to others	1,86,481.00	488,600.00
Receivable from employee	63,211.00	-
<b>Total</b>	<b>2,49,692.00</b>	<b>488,600.00</b>

<b>Note 14: Revenue from operations</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Interest Income	2,07,86,038.00	19,657,088.00
Bad debts recovery	-	3,259,614.00
<b>Total</b>	<b>2,07,86,038.00</b>	<b>22,916,702.00</b>

<b>Note 15: Employee Benefits Expense</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
(a) Salaries and incentives	63,78,632	2,826,149,79
(b) Staff welfare expenses	34,47.00	5,542.00
<b>Total</b>	<b>64,13,102.00</b>	<b>2,831,691.79</b>

<b>Note 16: Finance costs</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Interest expense	1,08,034.00	638,138.00
Bank charges	5,662.00	169.09
<b>Total</b>	<b>1,13,696.00</b>	<b>638,307.09</b>

<b>Note 17: Other expenses</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Advertisement expenses	81,878.00	52,507.00
Balances written off	27,69,984.84	9,265,095.00
Brokerage	-	1,953,073.00
Provision against standard assets	(3,007.00)	(28,038.00)
Professional and legal fees	13,37,371.00	958,859.00
Rent	4,80,000.00	342,000.00
Penalty for late submission	-	418,822.00
Payments to the auditor	-	130,950.00
Miscellaneous expenses	2,66,960.00	1,047,620.50
<b>Total</b>	<b>49,69,486.84</b>	<b>14,140,888.50</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

**Note 18: Accounting Policies and Notes on Accounts**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of preparation of Financial Statements:**

- i. The financial statements have been prepared under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and in compliance with the Accounting Standards as prescribed by the companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 2013 as adopted consistently by the company.
- ii. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- iii. The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

**B. Current Assets:**

- i. Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of the business.
- ii. Debit & Credit balances are subject to confirmation of parties.

**C. Revenue recognition:**

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**D. Expenditure:**

Expenses are accounted on accrual basis and the provisions are made for all known losses and liabilities.

**E. Fixed Assets and Depreciation:**

- i. **Fixed Assets:**  
Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition & installation of the concerned assets less accumulated depreciation and impairment losses.
- ii. **Depreciation /Amortization:**  
Depreciation on fixed assets are provided on W.D.V basis at the rates prescribed under Companies Act, 2013

**F. Investments:**

Investments are classified into Non-Current investment and current investments. Current investments are stated at lower of cost or fair market value. Non-Current Investments are stated at cost less provision for permanent diminution in value if any, of investments. Quoted shares of RFL International Ltd are not traded on stock exchange due to suspended for surveillance measure. The company has invested ` 1.07 lacs in said shares and since the company is not delisted management is of the view that no provision against diminution in the value is required.

**G. Deferred tax:**

Deferred Income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty of their realization and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**H. Provision for Tax:**

Provision for current tax is determined on the basis of estimated taxable income for the period as per the provisions of Income Tax Act, 1961

**I. Earnings per Share (EPS):**

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

**J. Provision and Contingent Liabilities:**

Provisions are recognized and computed in accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India i.e. they are recognized if the following conditions are satisfied:

- a) The Company has a present obligation as a result of past event;
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

Similarly, the Contingent liabilities are disclosed in Accordance with the Accounting Standard 29 i.e. they are disclosed when the Company has a possible obligation or a present obligation and it is probable that a Cash Outflow will not be required to settle the obligation.

**K. Impairment of Assets:**

The carrying amount of the assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

2. The company adopts the accounting system as stipulated under Non-Banking Financial Companies Prudential Norms, (Reserve Bank) Directions, 1998 dated 2<sup>nd</sup> January, 1998 issued by reserve Bank of India in respect of Income Recognition, provisioning and assets classification for Non- Banking Financial Companies are followed by the company in preparation of accounts.
3. Disclosure as required by Accounting Standard 18 (AS-18) related party Disclosures issued by the Institute of Chartered Accountants of India are as follows.

Name of the related parties and description of relation:

(a) Directors	Mr. Nimesh P. Ganatra
	Mr. Mahendra Dave
	Ms. Dhara Brahmbhatt
	Mr. Dharmesh Belani
	Mrs. Mamatha Shetty
	Miss. Manali Bhuva
	Mr. Rohan Barot
	Mr. Anant Palan

Enterprises owned or significantly influenced by key management personnel or their relatives:

- (a) Asian Fintrade Services Pvt. Ltd
- (b) Asian Comtrade Pvt. Ltd.
- (c) Natraj Arts Pvt. Ltd.
- (d) Power-point Energy Pvt. Ltd
- (e) Asian project and Infrastructure Pvt Ltd.
- (f) Oracle Capital Solutions Pvt Ltd.
- (g) Profin Capital Services Pvt Ltd.
- (h) Golden Comsec Ltd.

The following is the transaction entered with the Related Parties

Sr. No	Nature of Transaction	Enterprises owned or significantly influenced by key management personnel or their relatives.	
		31 <sup>st</sup> March 2017 (Amt in Rs.)	31 <sup>st</sup> March 2016 (Amt in Rs.)
1	Investment in Equity Shares Asian Fintrade Services P Ltd.	24,00,000/-	24,00,000/-

Sr. No	Nature of Transaction	31 <sup>st</sup> March 2017 (Amt in Rs.)	31 <sup>st</sup> March 2016 (Amt in Rs.)
1	Salary to Directors		
	i. Nimesh Ganatra	1,50,000/-	3,00,000/-
	ii. Dhara Brahmbhatt	3,60,000/-	3,60,000/-

4. Disclosure as required by Accounting Standard 20 (AS-20) 'earning per Share' issued by The Institute of Chartered Accountants of India are as follows.

<b>Particulars</b>	<b>31<sup>st</sup> March 2017 (Amt in Rs.)</b>	<b>31<sup>st</sup> March 2016 (Amt in Rs.)</b>
<b>(I) Profit computation for both basic and diluted earnings per share of ` 1 each:</b>		
Net profit as per profit and loss account available for equity shareholders.	60,70,982.71	30,68,487.27
<b>(II) Weighted average number of equity shares for earning per share computation</b>		
Number of shares	7,47,50,000	7,47,50,000
Basic/Diluted earnings per share	<b>0.08</b>	<b>0.04</b>

5. **Payment to Auditors:**

<b>Payments to the auditor as</b>	<b>31<sup>st</sup> March 2017 (Amt in Rs.)</b>	<b>31<sup>st</sup> March 2016 (Amt in Rs.)</b>
a. auditor	30,000/-	48,090/-
b. for taxation matters	-	29,770/-
c. for company law matters	-	48,090/-
d. for management services	-	-
e. for other services	-	-
f. for reimbursement of expenses	-	-

6. As required by notification number, GSR 129(E) dated 22<sup>nd</sup> February, 1999 issued by the department of Ministry of Law and company affairs the company doesn't owe Rs. 1,00,000/- and above which are outstanding for more than 30 days to any small scale industrial undertaking.
7. The RBI regulation on prudential norms for Income recognition and provisioning for non performing assets have been followed.
8. There is no amount due to be transferred to investor's education and Protection Fund as on 31<sup>st</sup> March 2017.
9. Previous year's figures have been regrouped, reclassified wherever necessary to make them comparable to that of current year.

**FOR & ON BEHALF OF THE BOARD**

**DHARA BRAHMBHATT**  
**MANAGING DIRECTOR/  
 COMPLIANCE OFFICER**  
**DIN: 06433270**

**DEEPAK APRAJ**  
**CFO**

**MANALI BHUVA**  
**DIRECTOR**  
**DIN:01818201**

**Place : Mumbai**  
**Date : 30/05/2017**

**FOR TEJAS NADKARNI & ASSOCIATES  
 CHARTERED ACCOUNTANTS**

**TEJAS NADKARNI**  
**PROPRIETOR**  
**MEM NO:122993**  
**FIRM REG NO:135197W**

**Place : Mumbai**  
**Date : 30/05/2017**



**FORM NO. MGT – 11  
PROXY FORM**

**Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Management and Administration) Rules, 2014]**

CIN : L65990MH1994PLC081749  
Name of the Company : GEMSTONE INVESTMENTS LIMITED  
Registered Office : 502-B, Padmavati Heights, 5th Floor, ShraddhanandRoad  
Ext., Vile Parle (East), Mumbai – 400 057

Name of the Member(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_  
Folio No. /Client ID/DP ID : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

3) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_.

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 14<sup>th</sup> September, 2017 at 9.30 a.m. at 502-B, Padmavati Heights, 5th Floor, Shraddhanand Road Ext., Vile Parle (East), Mumbai – 400 057 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Voting	
		For	Against
1	Approval of Accounts, Board's Report and Auditors Report for financial year ended 31 <sup>st</sup> March 2017.		
2	Re-appointment of Ms. Manali Bhuva as a Non-Executive Director		
3	Appointment of M/s Tejas Nadkarni and Associates as Statutory Auditors of the Company		
4	Service of Documents through mode as requested by the shareholders		
5	Appointment of Tarun Brahmhatt as a non-Executive Director		
6	Appointment of Manish Joshi as a non-Executive Director		
7	Increase the Borrowing Limits of the Company to Rs. 200 Crores		
8	Payment of commission to Non-Executive Directors for a period of 5 years commencing from April 01, 2017.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy Holder(s)

Affix 1 Rupee  
Revenue  
Stamp

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commence of the meeting.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

**ATTENDANCE SLIP****GEMSTONE INVESTMENTS LIMITED  
(CIN: L65990MH1994PLC081749)**

**Registered Office:** 502-B, Padmavati Heights, 5th Floor, Shraddhanand Road Ext., Vile Parle (East),  
Mumbai – 400 057.

<b>FOLIO NO. (Shares in physical mode)</b>	
<b>DP ID</b>	
<b>CLIENT ID</b>	
<b>NO. OF SHARES HELD</b>	

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company to be held on Thursday, 14<sup>th</sup> September, 2017 at 9.30 am at Gemstone Investments Limited, 502-B, Padmavati Heights, 5<sup>th</sup> Floor, Shraddhanand Road Ext., Vile Parle (East), Mumbai – 400 057 and at any adjournment thereof.

\_\_\_\_\_  
**Signature of Member/ Proxy**

**Date:**

**(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)**

### AGM INFORMATION

**Date** : 14<sup>th</sup> September, 2017

**Day** : Thursday

**Time** : 9:30 a.m.

**Address** : 502-B, Padmavati Heights, 5th Floor, Shradhdhanand Road Ext., Vile Parle (East), Mumbai – 400 057

**Landmark** : Natraj Dance Classes

