

NOTICE

NOTICE is hereby given that 17th Annual General Meeting of the Members of GEMSTONE INVESTMENTS LIMITED will be held on Tuesday, 30th day of September, 2011, at 9.00 AM at its Registered Office situated at B/602, Ramnik Smriti, B Wing, Behind Arya Arcade, Vikhroli Station Road, Vikhroli (West), Mumbai- 400 083 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31st March, 2011 and the Audited Profit & Loss Account for the year ended on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nimesh Ganatra, who retires by rotation, but being eligible, offers himself 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** M/s. Shah Jadavji & Co., Chartered Accountants be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration in addition to the reimbursement of the traveling and other out-of-pocket expenses incurred incidental to their functions, as may be mutually agreed to between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mr. Mahesh Bhanushali, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 3rd September, 2011 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his / her intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.

RESOLVED FURTHER THAT any of the director(s) of the company be and is(are) hereby authorised to do all such acts deeds, matters and things as may be deemed expedient and necessary to give effect to the above resolution.”

5. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Ms. Shikha Kapasi, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 3rd September, 2011 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his / her intention to propose her as a candidate for the office of Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.

RESOLVED FURTHER THAT any of the director(s) of the company be and is(are) hereby authorised to do all such acts deeds, matters and things as may be deemed expedient and necessary to give effect to the above resolution.”

6. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Mr. Hitesh Dave, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 3rd September, 2011 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his / her intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.

RESOLVED FURTHER THAT any of the director(s) of the company be and is(are) hereby authorised to do all such acts deeds, matters and things as may be deemed expedient and necessary to give effect to the above resolution.”

7. **To consider and if thought fit, to pass with or without modification , the following resolution as a Special Resolution by way of Postal Ballot read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and Section 192A of the Companies Act, 1956.**

“RESOLVED THAT pursuant to the provisions of Section 17 of the Companies Act, 1956 and other applicable provisions, if any, and subject to confirmation from the Registrar of Companies, Clause III (A) being the Main Object Clause of the Memorandum of Association of the Company be altered as follows:

The following new sub clause 2(a) and (b) be inserted after existing sub-clause (1) under Clause III (A) of the Memorandum of Association of the Company and the subsequent sub-clauses be re-numbered accordingly;

2. (a) *To carry on business of financing and advancing short term and long term loans, credits, to individuals or associations of person by whatever name called either on security such as land, buildings or part thereof, machinery, plants, cattels, shares, debentures, government securities, stock certificates, life insurance policies, units, stock-in- trade or on guarantee or claim without securities on such terms as may deem expedient and to release or discharge any debt or obligation owing to the company and to arrange and buy commercial papers or any other financial instruments permitted by Reserve Bank of / Government of India.*

(b) *To carry on the business of financiers, concessionaries and merchants and to undertake and carry and execute all kinds of financial, commercial, trading and other operations.*

RESOLVED FURTHER THAT Mr. Narendra Ganatra, Managing Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and incidental to give effect to this resolution.”

Place : Mumbai
Date : 3rd September, 2011

By Order of the Board
Sd/-
Chairman

NOTES:

- a) ***A Member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf.***

Proxies in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

- b) Corporate Members are requested to send to the Registered Office of the Company, a duly Certified Copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing representative to attend and vote at the Annual General Meeting.
- c) The explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- d) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to intimate any change of address immediately to the / Registrar and Shares transfer Agents, M/s. Sharex Dynamic India Pvt. Ltd.
- e) Members/Beneficial Owners are requested to quote their full name as per Company's record, Folio No. /DP and Client ID Nos. as the case may be, in all correspondence with the Company.
- f) Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, except Saturdays and public holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the meeting.
- g) The Register of Members and the Shares Transfer Books of the Company will be closed from 19th September, 2011 to 21st September, 2011 (both days inclusive).
- h) Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
- i) Members desirous of obtaining any information as regards Accounts and operations of the Company are requested to write to the Company at least one week before the meeting so that the information required will be made available at the meeting.
- j) The Resolution as provided under point no. 7 of the accompanying notice of the ensuing Annual General Meeting shall be passed by way of Postal Ballot Voting Process pursuant to Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and Section 192A of the Companies Act, 1956.
- k) The Board has appointed **Mr. Sanket Jain, Practicing Company Secretary of M/s. S.M. Jain & Associates**, as the scrutinizer for conducting the Postal Ballot Voting Process in fair and transparent manner.
- l) You are requested to carefully read the instructions printed on the attached Postal Ballot Form as attached to the Notice of the ensuing Annual General Meeting and return the Form duly completed and signed in the enclosed self-addressed, prepaid postage envelope, so as to reach the Scrutinizer before the close of working hours (18.00 hours) on or before 4th October, 2011. Consent or otherwise received after 30 days of issuance of this notice shall be treated as if the reply from the shareholders has not been received.
- m) The Scrutinizer will submit the report to the Chairman of the Company after completion of the scrutiny of the Postal Ballot Forms.

- n) The results of the Postal Ballot will be announced by the Chairman or by the Managing Director or any other Director, duly authorized by the Chairman on 7th October, 2011 at the Registered Office of the Company and will also be published in the newspapers.
- o) The Special resolution being passed by Postal Ballot, shall be declared as passed, if the numbers of votes cast in its favour are not less than three times the number of the votes, if any, cast against the said resolution.
- p) For instruction relating to Postal Ballot, refer to the postal Ballot form provided at the end of the Notice.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF ITEM NOS. 4 to 7

ITEM NO. 4

Mr. Mahesh Bhanushali was appointed as an Additional Director of the Company on 3rd September, 2011.

Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. Pursuant to Section 257 of The Companies Act 1956, notice in writing has been received from a Member of the Company along with the deposit of Rs. 500/- signifying his intention to propose the said Director as candidate for the Office of Directors.

A brief profile of Mr. Mahesh Bhanushali, his expertise and details of other directorship have been furnished in Section on Corporate Governance in the Annual Report.

His presence on the board would immensely benefit the Company.

Your Directors recommend this resolution for your approval.

None of the Directors are interested in this resolution except Mr. Mahesh Bhanushali, since it relates to his appointment.

ITEM NO. 5

Ms. Shikha Kapasi was appointed as an Additional Director of the Company on 3rd September, 2011.

Pursuant to Section 260 of the Companies Act, 1956, she holds office up to the date of this Annual General Meeting. Pursuant to Section 257 of The Companies Act 1956, notice in writing has been received from a Member of the Company along with the deposit of Rs. 500/- signifying his intention to propose the said Director as candidate for the Office of Directors.

A brief profile of Ms. Shikha Kapasi, her expertise and details of other directorship have been furnished in Section on Corporate Governance in the Annual Report.

Her presence on the board would immensely benefit the Company.

Your Directors recommend this resolution for your approval.

None of the Directors are interested in this resolution except Ms. Shikha Kapasi, since it relates to her appointment.

ITEM NO. 6

Mr. Hitesh Dave was appointed as an Additional Director of the Company on 3rd September, 2011.

Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. Pursuant to Section 257 of The Companies Act 1956, notice in writing has been received from a Member of the Company along with the deposit of Rs. 500/- signifying his intention to propose the said Director as candidate for the Office of Directors.

A brief profile of Mr. Hitesh Dave, his expertise and details of other directorship have been furnished in Section on Corporate Governance in the Annual Report.

His presence on the board would immensely benefit the Company.

Your Directors recommend this resolution for your approval.

None of the Directors are interested in this resolution except Mr. Hitesh Dave, since it relates to his appointment.

ITEM NO.7

The Company presently carries on the business of an investment Company as per Clause III (A) of the Main Objects in the Memorandum of Association of the Company.

To explore new business opportunities it is required to alter/amend the Object Clause of the Memorandum of Association of the Company pursuant to Section 17 and other applicable provisions, if any of the Companies Act, 1956 subject to the approval of the other competent authorities, if required.

The Company is considering venturing into finance and other related activities. Your Board believes that, this new line of business presents a significant opportunity to the Company to enhance the value of its Shareholders Investment and overall profitability of the Company. This will also enlarge the area of operations of the Company and will be in the interest of the members. In order to commence the proposed new activity, the main object clause of the Company should permit the Company to carry out the said activity.

Hence the Board of Directors of the Company proposed to make amendments in the Main Object Clause, in the Memorandum of Association of the Company by inserting the new clause 2 (a) and (b) immediately after the existing Clause 1.

In terms of the provisions of Section 17 read with Section 192A of the Companies Act, 1956, any change in the object clause of Memorandum of Association of the Company requires approval of Shareholders by passing a Special Resolution through Postal Ballot. Accordingly, consent of the Shareholders is solicited by passing a Special Resolution by way of Postal Ballot for alteration in Main Object Clause as detailed in Item No. 7 of the accompanying notice.

The Board has appointed Mr. Sanket Jain, Practicing Company Secretary of M/s. S.M. Jain & Associates, as a Scrutinizer for conducting the Postal Ballot voting process. The postal ballot form is attached herewith. Members are requested to kindly accord your assent or dissent to the Resolution No. 7.

None of the Directors of the Company may be considered to be concerned or interested in passing of the Resolution.

Place : Mumbai
Date : 3rd September, 2011

By Order of the Board
Sd/-
Chairman

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company situated at B/602, Ramnik Smriti, B Wing, Behind Arya Arcade, Vikhroli Station Road, Vikhroli (West), Mumbai- 400 083 at 9.00A.M. on Friday, 30th September, 2011.

NAME(S) OF THE SHAREHOLDER(S) (in block letters): _____

NAME OF THE PROXY (in block letters) : _____

FOLIO NO. / CLIENT ID NO. : _____

DP. ID NO.: _____

SIGNATURE(S) IF SHAREHOLDER : _____

SIGNATURE IF PROXY : _____

NOTE: No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Notice of AGM to the Meeting. Photo copies of the Attendance slips will not be accepted.

PROXY FORM

I/ We _____ of (Place) _____ Being a member/ members of Gemstone Investments Limited under Folio No. / Client ID No. _____ hereby appoint Mr. / Mrs. _____ of (Place) _____ failing him/her Mr./Ms. _____ of (Place) _____ as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 30th September, 2011 or at any adjournment(s) thereof.

Signed this _____ day of _____, 2011.

Affix Revenue Stamp and sign across
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Note : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this Form)

1. Name(s) of the shareholder(s) : _____
 (in block letters)
- (including joint holders, if any) : _____
2. Registered address of the sole/first : _____
 Named shareholder : _____
3. Registered folio No./DP ID No./ : _____
 Client ID No.*
 (* Applicable to investors holding shares in Dematerialized form)
4. Number of shares held : _____
5. I/We hereby exercise my/our vote in respect of the ordinary / special resolution to be passed through postal ballot for the business stated in the notice of the Company by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below.

Sr.no	Item No.	No. of Shares	I/We assent to the resolution	I/We dissent to the resolution
1	Special Resolution to accord the consent of the Company to alter Clause III (A) being the Main Object Clause of the Memorandum of Association of the Company pursuant to the provisions of Section 17 of the Companies Act, 1956 and other applicable provisions, if any, and subject to confirmation from the Registrar of Companies.			

Place :

Date :

(Signature of the Shareholder)

Instructions:

1. A Member desirous to exercise his/her vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer Mr. Sanket Jain, Company Secretary, of M/s. S.M. Jain & Associates , at the Registered Office of the Company before the close of working hours (18.00 hours) on or before 4th October, 2011, for which Postage will be borne and paid by the Company. Envelopes containing Postal Ballot forms, if deposited in person or sent by proxy or by courier at the expense of the member will also be accepted.
2. In case where Shares are held jointly, this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named member and in his absence by the next named joint holder(s). There will be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
3. In case where shares are held by Companies, Trusts, Societies, Etc., the duly completed Postal Ballot Form should be accompanied by a Certified True Copy of the Board Resolution/Authorization to vote on the Postal Ballot along with Postal Ballot Form. A member may sign the form through an attorney appointed specifically for this purpose, in which case an Attested True Copy of the Power of Attorney should be attached to the Postal Ballot Form.
4. The Postal Ballot shall not be exercised by a Proxy.
5. Incomplete and unsigned postal ballot forms will be rejected. Duly completed postal Ballot forms should reach the Scrutinizer not later than the closing of working hours (18.00 hrs.) on or before 4th October, 2011. Any Postal Ballot Form received after this date will be treated as "Invalid" as if the reply of the member has not been received.
6. A member may request for a duplicate Postal Ballot form, if so required. However, the duly filled in duplicate Postal Ballot form should reach the Scrutinizer not later than the date specified above.
7. Voting rights shall be reckoned on the number of Shares and Paid-up value of the Shares registered in the name of members as on the date of dispatch of the notice to the members.
8. The Scrutinizer's decision on the validity of a Postal Ballot will be final.