

07th September 2023

**To,
The Chief General Manager
Listing Operation,
BSE Limited,
20th Floor, P. J. Towers,
Dalal Street, Mumbai – 400 001.**

**Scrip Code: 531137
Scrip Id: GEMSI**

Sub: Annual Report under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

In pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company along with the Notice of the Annual General Meeting for the Financial Year 2022-23. The same is also available on the website of the company at www.gemstoneltd.com as required under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual General Meeting of the Company will be held on Friday, 29th September 2023 at 09:00 A.M. at Sammelan Hall, A101, Samarth Complex, Jawahar Nagar, Goregaon (West), Mumbai – 400104.

We hereby request you to take the same on your record.

Thanking You,

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

**Sudhakar Bhagawatlal Gandhi
Managing Director
DIN: 09210342**

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CoRPOrATE INfORMATIOn



BOARD OF DIRECTORS

Kirti Deepak Vekaria (w.e.f 08.08.2023)
Chairperson & Executive Director

Sudhakar Bhagawatlal Gandhi (w.e.f. 06.07.2023)
Managing Director

Tarun Ramesh Brahmhatt
Non-Executive Director

Falgun Chhaganlal Shah
Independent Director

Rajesh Babulal Maiyani
Independent Director

Roshan Mayani (w.e.f. 04.09.2023)
Independent Director

CHIEF FINANCIAL OFFICER

Deepak Vilas Apraj

COMPANY SECRETARY AND COMPLIANCE OFFICER

Jayesh Ahire

REGISTERED OFFICE

Office No. A/301, Shubham Centre A Building CHS, Cardinal Gracious Road, Andheri East
Mumbai, Maharashtra – 400093, India

STATUTORY AUDITOR

M/s. Rishi Sekhri and Associates
Ground Floor, Bandra Arcade Building, Opp. Railway Station,
Bandra (West), Mumbai – 400050, India
rishisekhri@gmail.com

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Add: C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400083.
Phone: +912249186000
Fax: +912249186060
Email Id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

BANKERS

Axis Bank Limited

CHAIRMAN'S MESSAGE

“We strive to empower the community – at the bottom of the pyramid from small enterprises to individuals – to attain their goals and we have stood by them in difficult times. We help people and small businesses finance and achieve their aspirations, lifting up individuals and small businesses across states and in all corners of the country.”



We do not expect the RBI policy benchmark rate hikes to dampen the overall demand scenario and feel that this growth will be sustained over the foreseeable future as gold loans are an easily accessible medium of relief during this period of uncertainty.

Dear Stakeholders,

Warm greetings to all of you as we are presenting the 29th Annual Report of the Company for the FY 2022- 23.

We strive to empower the community – at the bottom of the pyramid from small enterprises to individuals – to attain their goals and we have stood by them in difficult times. We help people and small businesses finance and achieve their aspirations, lifting up individuals and small businesses across states and in all corners of the country.

Achieving this milestone within the time limits would have been not possible without the support of our stakeholders who proved to be our moral pillars to excel in our journey. For that, I, on behalf of the whole Gemstone Investments team like to express our sincere gratitude towards them. Hope our relationship will keep on getting stronger as we continue marching forward to achieve greater success in our mission at every point in time.

Let me conclude my note by expressing our sincere gratitude once again to those who remained our constant companions throughout time. To our business partners, we are looking forward to carrying on the legacy that we have built together with better prospects. And, last but not the least, to our customers, who reposed their faith in us, we shall spare no effort for delivering the best possible, hassle free and affordable credit solutions to them.

Your trust in us is indeed invaluable for us and together we hope to contribute towards building a more dynamic, resilient, inclusive and equitable society.

**With Regards,
Kirti Deepak Vekaria
Chairperson**

“Our goal is to blur the line between physical and digital through the integration of technology to ensure we are able to create a contactless and seamless ecosystem.”



NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the members of Gemstone Investments Limited, for the FY 2022-23 will be held on Friday, 29th September 2023 at 09:00 A.M. at Sammelan Hall, A101, Samarth Complex, Jawahar Nagar, Goregaon (West), Mumbai – 400104.

Ordinary Businesses

1. To Receive, Consider and Approve the Audited Financial Statements consisting of Balance Sheet as at 31st March, 2023 and the Statement of Profit and Loss for the year ended as on that date, together with the Board's Report and Auditor's Report:

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

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended on 31st March 2023 and the Reports of the Board of Directors and the Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted.”

2. To Appoint a director in place of Mr. Tarun Ramesh Brahmbhatt (DIN: 07866769), who retires by rotation and being eligible, offers himself for reappointment as director:

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

“RESOLVED THAT Mr. Tarun Ramesh Brahmbhatt (DIN: 07866769), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a Director of the Company.

RESOLVED FURTHER THAT any of the Directors for the time being are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.”

Special Businesses

3. **Regularization of Ms. Kirti Deepak Vekaria (DIN: 10263433), as Executive Director of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Sections 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or reenactment(s) thereof for the time being in force), and recommendation of the Nomination and Remuneration committee Ms. Kirti Deepak Vekaria (DIN: 10263433) who was originally appointed as an Additional Director (Executive Director) by the Board of directors on August 08, 2023 be and is hereby authorised as an Executive Director, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution”.

4. **To approve the appointment of Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342) as Managing Director of the Company:**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules framed in this behalf (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded to appoint Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342) as a Managing Director of the Company for a period of 5 years w.e.f. 06th July, 2023 on such remuneration along with other terms and conditions as recommended by Nomination and Remuneration Committee and brief of same are as below:

Designation: Managing Director.

Term of Appointment: 5 years from 06th July, 2023 to 05th July, 2028.

Remuneration: Upto Rs. 5,00,000 p.a, an annual Cost to Company basis which includes Basic Salary, Perquisites and other allowance/benefits as may be decided by the Board of Directors of the Company on recommendation of Nomination & Remuneration Committee, from time to time, subject to the overall limits as specified under the Companies Act, 2013 and the Schedule V of the Companies Act, 2013.

Perquisites and Allowances: All perquisites, allowances, benefits and amenities as per the service rules of the Company, as applicable from time to time. He will be also entitled for reimbursement of travel, petrol, conveyance and other entertainment expenses as may be incurred by him in relation to the business of the Company. Further, the Company at its cost will also provide car facility with driver to him. He will be further entitled to all such facilities and allowances as may be applicable to the employees of the Senior Management Cadre of the Company.

Commission: Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342) shall also be entitled to commission, in addition to salary, perquisites, allowances and others reimbursements, subject to overall ceilings stipulated under Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and as recommended by Nomination and Remuneration Committee.

Overall Remuneration: The aggregate of salary, perquisites, allowances and commission in any financial year shall not exceed the limits specified under Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 for the time being, be in force.

RESOLVED FURTHER THAT the remuneration prescribed herein shall be paid as a minimum remuneration to Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342), Managing Director of the Company for any financial year during which the Company has no profits or its profits are inadequate, subject to approvals if an required for the same and also in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT at any time the Board of Directors of the Company be and are hereby authorized to alter, modify and vary the terms and conditions of said appointment including remuneration to the extent recommended by the Nomination and Remuneration Committee, from time to time as may be considered appropriate and fit, subject to the overall limits specified in the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and as may be agreed with Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution”.

5. Appointment of Mr. Roshan Mayani (DIN: 09421510) as an Independent Director of the Company:

To consider and, if thought fit, to pass the following resolution(s) as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152, 161(1) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including and statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Roshan Mayani (DIN: 09421510), who was appointed as an Additional Director, designated as Non-Executive Independent Director of the Company by the Board of Directors of the Company with effect from 4th September, 2023 and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from September 04, 2023 to September 03, 2028;

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

**By Order of the Board of Directors
For Gemstone Investments Limited
Sd/-
Sudhakar Bhagawatlal Gandhi
Managing Director
DIN: 09210342**

**Place: Mumbai
Date: 04th September 2023**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. Proxies in order to be effective should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.
2. Members/ Proxies and Authorised representatives are requested to bring to the Meeting; the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
3. Notice of the AGM of the Company, *inter alia*, indicating the process and manner of e-voting along is being sent to the members whose names appear on the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on 01st September 2023 (Record Date).
4. The Register of Members and the Share Transfer Books will remain closed from Saturday, 23rd September 2023 to Friday, 29th September 2023 (both days inclusive) for the purpose of the Annual General Meeting
5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special businesses is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
6. Attendance Slip, Proxy form and the route map showing directions to reach the venue of the meeting is annexed to the Notice.
7. Member(s) whose names appear on the Register of Members/List of Beneficial Owners as on the cut-off date of Friday, 22nd September 2023 will be entitled to vote on the resolutions set forth in this Notice. The instructions for e-voting are annexed to this Notice.
8. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.
9. The Board of Directors of the Company (“the Board”), has appointed Jaymin Modi & Co., Company Secretaries (COP: 16948) as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.
10. As required by Rule 20 of the Companies (Management and Administration) Rules, 2014 read with MCA Circulars and the Listing Regulations, the details pertaining to this AGM will be published in one English national daily newspaper circulating throughout India (in English language) and one in vernacular language in that district (in Marathi Language) in which registered office of the Company is situated.

11. To support the “Green initiative” members who have not registered their e-mail addresses so far are requested to register their e-mail address with the company’s RTA or Depository Participants, in respect of shares held in physical/electronic mode respectively.
12. Voting through electronic means:

In Compliance with the provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Service by National Securities Depository Limited (NSDL), the instructions for remote e-voting are as under:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Tuesday, 26th September 2023 at 9:00 A.M. and ends on Thursday, 28th September 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 22nd September 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 22nd September 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for

	<p>IDEAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <ol style="list-style-type: none"> 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-</p>

through their depository participants	Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat	16 Digit Beneficiary ID

account with CDSL.	For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@csmco.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to gemstoneltd@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to gemstoneltd@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO.: 3

On recommendation of the Nomination and Remuneration Committee, Ms. Kirti Deepak Vekaria (DIN: 10263433), was appointed as an Additional, Executive Director on the Board of the Company, on 08th August, 2023. Your directors have proposed the appointment of Ms. Kirti Deepak Vekaria, as an Executive Director of the Company and a resolution to that effect has been set out as Item No. 3 of this Notice.

Ms. Kirti Deepak Vekaria is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules made thereunder and also under the SEBI LODR for appointment as an Executive Director.

Except Ms. Kirti Deepak Vekaria to whom the resolution relates and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. A profile of Ms. Kirti Deepak Vekaria is set out herein below the notice.

ITEM NO.: 4

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342) as an Additional Director of the Company under Section 161(1) of the Act with effect from July 06, 2023.

Based on the recommendation of the NRC of the Company, the Board of Directors at their meeting held on July 06, 2023, had approved the appointment of Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342) as Managing Director of the Company for a further period of five years commencing from July 06, 2023 to July 05, 2028, subject to approval of Shareholders.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Sudhakar Bhagawatlal Gandhi vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 4 of this Notice relating to his appointment as the Managing Director of the Company for a period of Five years w.e.f. July 06, 2023 as an Ordinary Resolution for your approval.

A brief summary on profile of Mr. Sudhakar Bhagawatlal Gandhi is attached to this Notice as given below.

Except, Mr. Sudhakar Bhagawatlal Gandhi, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the Resolution at Item No. 4.

Information in accordance with Schedule V of Companies Act, 2013:

I. GENERAL INFORMATION:

Nature of Industry	Non-Banking Financial Institution
Date or expected date of commencement of commercial production	N.A. Since the Company has already commenced its business activities

In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects	N.A.
---	------

Financial Performance:

(in Rs.)

Particulars	31 st March 2023	31 st March 2022	31 st March 2021
Total Income	1,18,84,131	9,132,090	20,407,792
Depreciation	1,24,898	364,576	570,649
Total Expenses	92,32,864	6,305,148	15,130,236
Net Profit	22,97,332	2,091,598	3,901,623
Paid-up Capital	74,750,000	74,750,000	74,750,000
Reserves & Surplus	16,57,81,848	163,484,516	161,392,917

Foreign Investments or collaborations, if any- There is no direct foreign investment in the Company. There is no foreign collaboration in the Company.

II. INFORMATION ABOUT THE DIRECTOR:

Background details	Mr. Sudhakar Gandhi has rich experience of trading in the stock/financial market. He is also into providing consultancy for the same
Past remuneration	Not applicable
Recognition or awards	Not applicable
Job profile and his suitability	Mr. Sudhakar Gandhi's experience and vision in financial market would be beneficial for the growth of the Company.
Remuneration proposed	Upto Rs. 5,00,000/- p.a. subject to the limits prescribed in section 197 and Schedule V of the Companies Act, 2013.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and the involvement of Mr. Sudhakar Gandhi in the Company, the proposed remuneration is reasonable and in line with the remuneration levels in the Industry, across the Country and befits his position.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	None

III. OTHER INFORMATION:

Reason of loss or inadequate profits	The Company has maintained steady growth. The management has a positive outlook for the long term future prospects.
Steps taken or proposed to be taken for improvement	The Company has undertaken stringent cost actions and continues to curtail both employee and non-employee costs. Also, the management continues to

	explore avenues to increase revenues through judicious investments in capabilities
Expected increase in productivity and profits in measurable terms	The company is committed to build the business operations within the budget and considering that the business operates on a going concern basis, it is believed that financial position of the Company will improve in the future.

The details of Mr. Sudhakar Bhagawatlal Gandhi as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure to this Notice. The Board of Directors recommends the resolution at Item No. 4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Sudhakar Bhagawatlal Gandhi and his relatives has any concern or interest, financial or otherwise, in the resolution at Item no. 4 of this Notice.

ITEM NO.: 5

Based on the recommendation of the Nomination and Remuneration Committee (‘NRC’), the Board of Directors at its meeting held on September 04, 2023, appointed Mr. Roshan Mayani (DIN: 09421510), aged 25 years, as an Additional Director designated as Non-Executive Independent Director of the Company, with effect from September 04, 2023 under Section 149, 150, 152 and 161 of the Companies Act, 2013 (‘the Act’), for a term of 5 (five) consecutive years from September 04, 2023 to September 03, 2028, subject to the approval of the members of the Company.

Pursuant to Sections 149 and 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed that Mr. Roshan Mayani, who meet the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), be appointed as Independent Directors of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from the date of his appointment i.e. commencing from September 04, 2023 to September 03, 2028.

Mr. Roshan Mayani is not disqualified from being appointed as Director by virtue of the provisions of Section 164 of the Act.

The Company has received consent and declaration in writing from Mr. Roshan Mayani that he is not disqualified from being appointed as Director in terms of the provision of Section 164 of the Companies Act 2013. Further, a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Act and the Rules framed thereunder and Regulation 16 (1) (b) of the Listing Regulations has also been received in this regard.

In terms of Regulation 25 (8) of the Listing Regulations, Mr. Roshan Mayani have confirmed that he is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Mr. Roshan Mayani fulfill the conditions specified in the Act and the Rules made thereunder and the Listing Regulations for her appointment as Independent Director of the Company and is independent of the management of the Company.

Having regard to the qualification, knowledge and experience, the appointment of Mr. Roshan Mayani for the first term of five consecutive years as Independent Directors will be beneficial and in the interest of the Company.

A brief resume of Mr. Roshan Mayani, nature of her expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Committee of the Board, etc. as stipulated under Regulation 36 (3) of the Listing Regulations and Secretarial Standards – SS 2 on General Meetings is provided in Annexure to this Notice.

Mr. Roshan Mayani is not related to any Director or Key Managerial Personnel of the Company. The Board considers that the continued association of Mr. Roshan Mayani would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Roshan Mayani as Independent Director.

Except Mr. Roshan Mayani, being an appointee none of the other Directors or Key Managerial Personnel and their respective relatives are, in any way, concerned or interested, in the resolution set out at the accompanying Notice.

Accordingly, the Board after satisfying itself with the independence of Mr. Roshan Mayani in accordance with Section 149 (6) of the Act and the Listing Regulations, recommends the special resolution mentioned at Item No. 5 of the Notice in relation to the appointment of Mr. Roshan Mayani as Independent Director, for approval by the members.

ANNEXURE TO NOTICE

DETAILS OF DIRECTOR SEEKING SHAREHOLDERS APPROVAL FOR APPOINTMENT AND RE-APPOINTMENT PURSUANT TO REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH CLAUSE 1.2.5 OF SECRETARIAL STANDARD SS- 2 ON GENERAL MEETINGS

Particulars	Details			
Name of the Director	Sudhakar Bhagawatlal Gandhi	Kirti Deepak Vekaria	Roshan Mayani	Tarun Ramesh Brahmhatt
DIN	09210342	10263433	09421510	07866769
Date of Birth	26/12/1957	09/12/1961	18/11/1998	19/12/1984
Date of Appointment	06/07/2023	08/08/2023	04/09/2023	12/07/2017
Qualification	Graduate	Graduate	Master in commerce	Graduate
Expertise in special function	Mr. Sudhakar Gandhi has rich experience of trading in the stock market. He is also into providing consultancy for the same.	Ms. Kirti Vekaria is a commerce graduate with expertise in the field of Business Administration. Her experience would be beneficial for the growth of the Company.	Finance and Capital Markets	Finance
Directorship held in other public limited companies	Nil	Nil	Nil	Nil
Number of shares held in the company	Nil	Nil	Nil	Nil
Inter-se Relationship with the Board	None	None	None	None
Whether director is debarred from holding the office of Director by virtue of SEBI order	No	No	No	No

GEMSTONE INVESTMENTS LIMITED

CIN: L65990MH1994PLC081749

Registered Office: Office No. A/301, Shubham Centre A Building CHS, Cardinal Gracious Road, Andheri East, Mumbai, Maharashtra-400093

Email: gemstoneltd@gmail.com Website:www.gemstoneltd.com

PROXY FORM

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

I/We being the member(s) of Gemstone Investments Limited holding _____ shares, hereby appoint:

1. Name: _____
Address: _____
Email: _____ Signature: _____
or failing him/her;
2. Name: _____
Address: _____
Email: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Friday, 29th September 2023 at 09.00 a.m. at Sammelan Hall, A101, Samarth Complex, Jawahar Nagar, Goregaon (West), Mumbai – 400 104 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	Optional*	
	for	against
Ordinary Businesses:		
To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March 2023, together with the Reports of the Board of Directors and the Auditors thereon.		
To Appoint a director in place of Mr. Tarun Ramesh Brahmhatt (DIN: 07866769), who retires by rotation and being eligible, offers himself for reappointment as director.		
Special Businesses:		
Regularisation of Additional Director, Ms. Kirti Deepak Vekaria (DIN: 10263433), by appointing her as Chairperson & Executive Director of the Company.		
To Approve the appointment of Mr. Sudhakar Bhagawatlal Gandhi (DIN: 09210342) as Managing Director of the Company.		
Appointment of Mr. Roshan Mayani (DIN: 09421510) as an Independent Director of the Company.		

* It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box.

If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note: Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this _____ day of _____ 2023.

Member's Signature _____

Signature of Proxy holder _____

Signature of Proxy holder (2nd) _____

Affix Re. 1 Revenue Stamp

NOTE:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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GEMSTONE INVESTMENTS LIMITED

CIN: L65990MH1994PLC081749

Registered Office: Office No. A/301, Shubham Centre A Building CHS, Cardinal Gracious Road, Andheri East,
Mumbai, Maharashtra-400093

Email: gemstoneltd@gmail.com Website:www.gemstoneltd.com

29TH ANNUAL GENERAL MEETING

Friday, 29th September 2023 at 09.00 a.m

ATTENDANCE SLIP

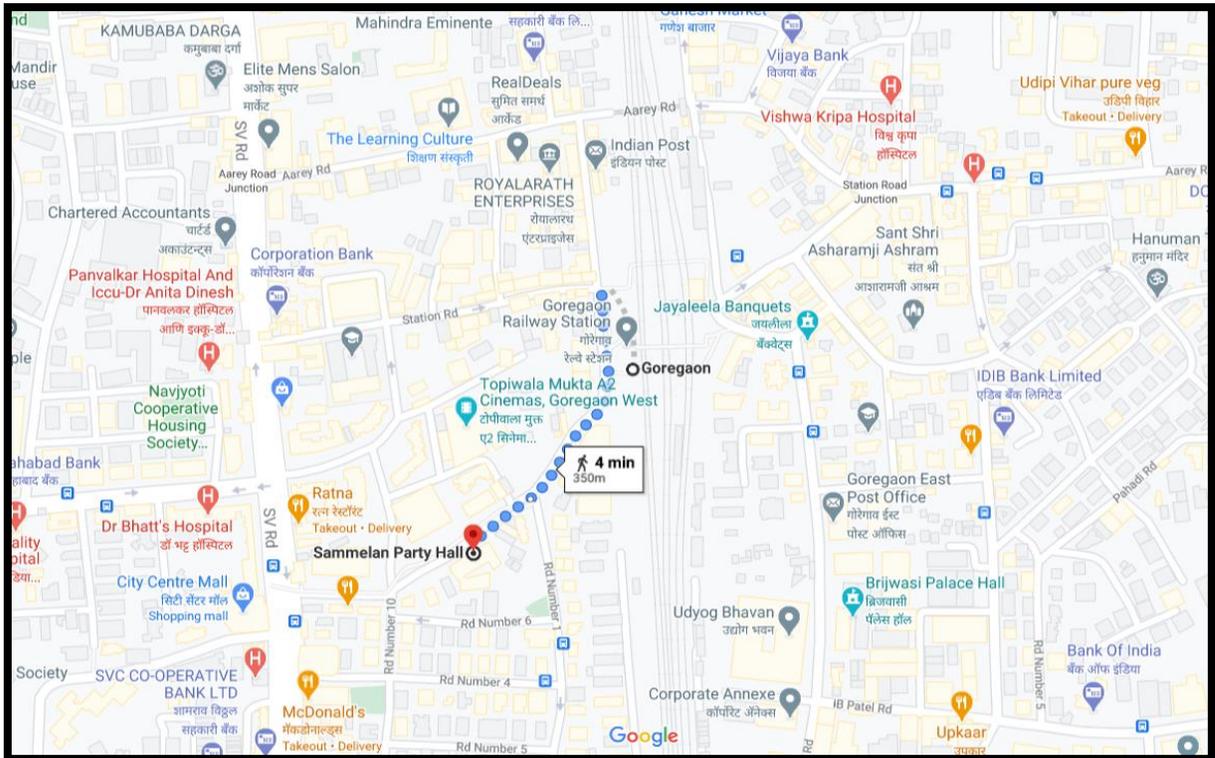
I/ We hereby record my/ our presence at the 29th Annual General Meeting of the Company to be held on Friday, 29th September 2023 at 09.00 a.m. at Sammelan Hall, A101, Samarth Complex, Jawahar Nagar, Goregaon (West), Mumbai – 400 104.

DP ID No.*	L.F. No.
Client I.D. No.*	No. of Shares Held
Name: Address:	
If Shareholder(s), Please Sign Here:	If Proxy, Please sign here:

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ROUTE MAP FOR 29TH ANNUAL GENERAL MEETING

Date : 29th September 2023
Day : Friday
Time : 09.00 a.m.
Address : Sammelan Hall, A101, Samarth Complex, Jawahar Nagar,
Goregaon (West), Mumbai – 400 104.



BOARD'S REPORT

To,
The Members,
 Gemstone Investments Limited

The Directors have pleasure in submitting the 29th Board's Report, along with the Balance Sheet, Profit and Loss Account and Cash Flow Statements on the business and operations of the Company for the financial year ended 31st March 2023.

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.)

Particulars	F.Y 2022-23	F.Y 2021-22
Total Revenue	1,18,84,131	91,32,090
Total Expenses	92,32,864	63,05,148
Profit Before Tax	26,51,267	28,26,942
Current Year Tax	6,01,733	7,92,000
Deferred Tax	(2,08,544)	(56,656)
Short / Excess provision of Tax	(39,254)	-
Profit After Tax	22,97,332	20,91,598
Transfer to Statutory Reserve	(4,59,466)	(4,18,319)
Profit/(Loss) for the period after appropriations	22,97,332	20,91,598
EPS	0.031	0.028

REVIEW OF OPERATIONS

The Company reported gross annual revenue of Rs.1,18,84,131/- viz-a-viz Rs. 91,32,090/ in the previous year. Whereas the Profit after Tax stood at Rs. 22,97,332 viz-a-viz Rs. 20,91,598 in the previous year. The Earnings per share for the year ended 31st March 2023 stood at to Rs. 0.031 per share as against Rs. 0.028 per share in the previous year.

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

DIVIDEND

To conserve the funds for operations of the Company, the Board does not recommend any dividend for this financial year.

TRANSFER TO RESERVE

The company has transferred Rs. 4,59,466 profits to the Statutory Reserves during FY 2022- 23 and Rs. 4,18,319/- during FY 2021-22.

SHARE CAPITAL

Authorised Share Capital

The Authorised Share Capital of the Company as at 31st March, 2023 is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 10,00,00,000 Equity Shares of Re. 1/- each.

Issued & Subscribed Share Capital

The paid-up Equity Share Capital as at 31st March, 2022 stood at Rs. 7,47,50,000/- (Rupees Seven Crore Forty-Seven Lakh Fifty Thousand only) divided into 7,47,50,000 Equity Shares of Re. 1/- each.

DISCLOSURES REGARDING

a. Changes in Share Capital

There was no change in the structure of the share capital of the Company during the financial year under review.

b. Issue of Equity Shares with differential rights

The Company has not made any issue of equity shares with Differential Rights under the provision of section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 during the Financial Year under review.

c. Issue of Employee Stock Options

The Company has not made any issue of equity shares via Employee Stock Options during the year under review.

d. Issue of Sweat Equity Shares

The Company has not made any issue of equity shares under the provision of Section 54, read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 during the financial year under review.

e. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

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

Pursuant to the provision of the Act read with the IEPF Rules, dividends that are unpaid or unclaimed for a period of Seven consecutive years from the date of their transfer to Unpaid Account are required to be transferred by the Company to the IEPF, administered by the Central Government.

Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

In line with the above provision, there are no unpaid dividend which has to be transferred to the IEPF.

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 31st March 2023.

SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES

Your Company does not have any subsidiary, associates or joint venture as on the financial year 31st March, 2023.

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.

Name of the Director and KMP	Designation	Date of Appointment	Date of Resignation
Manali Kirit Bhuva	Chairman & Executive Director	30/09/2016	08/08/2023
Dhara Brahmabhatt	Managing Director	09/01/2013	05/07/2023
Sudhakar Bhagawatlal Gandhi	Managing Director	06/07/2023	-
Tarun Ramesh Brahmabhatt	Non-Executive Director	12/07/2017	-
Falgun Chhaganlal Shah	Independent Director	12/04/2021	-
Rajesh Babulal Maiyani	Independent Director	07/05/2021	-

Deepak Vilas Apraj	Chief Financial Officer	03/09/2016	-
Jayesh Ratan Ahire	Company Secretary	01/08/2020	-
Kirti Deepak Vekaria	Chairman & Executive Director	08/08/2023	-
Roshan Mayani	Independent Director	04/09/2023	-

CHANGES IN DIRECTORS AND KMPs

Mrs. Dhara Brahmhatt resigned from the post of the Managing Director w.e.f. 05th July, 2023.
 Mr. Sudhakar Bhagawatlal Gandhi was appointed as Managing Directors w.e.f. 06th July, 2023.
 Ms. Kirti Deepak Vekaria was appointed as an Executive Director of the company w.e.f. 08th August, 2023
 Mr. Roshan Mayani was appointed as an Independent Director of the company w.e.f. 04th September, 2023

RETIREMENT BY ROTATION

In accordance with the provisions of the Companies Act, 2013, Mr. Tarun Ramesh Brambhatt liable to retire by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment. His re-appointment is being placed for your approval at the AGM. Your directors recommend his re-appointment. The resolution for his said re-appointment forms a part of the notice to the Annual General Meeting.

NUMBER OF BOARD MEETINGS

During the Financial Year under review, the Board met 7 (Seven) times on 27th May 2022, 13th August 2022, 03rd September 2022, 06th September 2022, 19th October 2022, 11th November 2022 and 10th February 2023. 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 as follows:

Name of director	Number of Board Meetings Held during their tenure	Attendance in the last AGM
Kirti Vekaria	NA	NA
Sudhakar Gandhi	NA	NA
Tarun Brahmhatt	7 of 7	Yes
Falgun Shah	7 of 7	Yes
Rajesh MAiyani	7 of 7	Yes

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 there under 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).

DETAILS OF THE COMMITTEES:

Audit committee:

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Act. The Company has in place a qualified and independent Audit Committee. The role of the Audit Committee includes the powers as stipulated in LODR read with Section 177 of the Act.

During the year under review, audit committee met 5 (Five) times. Details of composition, committee meetings and attendance of members are as follows:

Name of Director	Nature of Membership	Meeting dates				
		27.05.2022	13.08.2022	06.09.2022	11.11.2022	10.02.2023
Falgun Shah	Chairman	√	√	√	√	√

Rajesh Maiyani	Member	√	√	√	√	√
Manali Bhuva*	Member	√	√	√	√	√
Tarun Brahmhatt**	Member	NA	NA	NA	NA	NA

* Manali Bhuva Resigned from the Company on 08th August 2023.

** Tarun Brahmhatt appointed as member of the Committee on 08th August 2023.

Stakeholders Relationship Committee:

The Stakeholder Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Act. The role of the Stakeholders Relationship Committee includes the powers as stipulated in LODR read with Section 178 of the Act.

During the year under review, audit committee met 4 (Four) times. Details of composition, committee meetings and attendance of members are as follows:

Name of Director	Nature of Membership	Meeting dates			
		27.05.2022	13.08.2022	11.11.2022	10.02.2023
Falgun Shah	Chairman	√	√	√	√
Rajesh Maiyani	Member	√	√	√	√
Manali Bhuva*	Member	√	√	√	√
Tarun Brahmhatt**	Member	NA	NA	NA	NA

* Manali Bhuva Resigned from the Company on 08th August 2023.

** Tarun Brahmhatt appointed as member of the Committee on 08th August 2023.

Nomination and remuneration committee:

The Nomination and Remuneration Committee is constituted in compliance with the requirements under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Act.

During the year under review, Nomination and Remuneration committee met 01 (One) times. Details of composition, committee meetings and attendance of members are as follows:

Name of Director	Nature of Membership	Meeting Date
		10.02.2023
Falgun Shah	Chairman	√
Rajesh Maiyani	Member	√
Manali Bhuva*	Member	√
Tarun Brahmhatt**	Member	NA

* Manali Bhuva Resigned from the Company on 08th August 2023.

** Tarun Brahmhatt appointed as member of the Committee on 08th August 2023.

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.

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 31st March 2023 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 there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committees of the Board formed are as under:

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

CORPORATE GOVERNANCE

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, compliance with the Corporate Governance provisions as specified in regulation 17 to 27 and clause (b) to (i) [and (t)] of sub-regulation (2) of regulation 46 and Para C, D, and E of Schedule V shall not apply to the company having Paid up Equity Share Capital not exceeding Rs. 10 Crore and Net Worth not exceeding Rs. 25 Crore, as on the last day of the

previous financial year. The Company is covered under the exception given under Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, therefore Company is not required to comply with the said provisions.

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. 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.

AUDITORS AND THEIR REPORTS

- **Statutory Auditor**

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Rishi Sekhri and Associates, Chartered Accountants appointed in the 27th Annual General Meeting held on 30th September 2021 as Statutory Auditors of the Company for a period of 5 (five) years till the conclusion of the 32nd Annual General Meeting to be held in the year 2026.

The Auditors' Report issued by M/s. Rishi Sekhri and Associates 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**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended 31st March 2023 was carried out by the Secretarial Auditors, M/s. Heena Gulrajani & Associates, (C.P. No. 25423), Company Secretaries. The Report of the Secretarial Audit is annexed herewith marked as "Annexure – 2" to this Report.

The Secretarial Auditor has not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

- **Internal Auditor**

Pursuant to provisions of Section 138 of the Companies Act, 2013 your Company appointed M/s. KSGC & Associates as an Internal Auditor of the Company. To maintain their 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.

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. The disclosure regarding related party transactions is annexed herewith as “Annexure – 3”.

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013, every company having Net Worth of Rupees Five Hundred Crore or More, or Turnover of Rupees One Thousand Crore or More or a Net Profit of Rupees Five Crore or More during any financial year shall constitute a Corporate Social Responsibility Committee of the Board and shall formulate a Corporate Social Responsibility Policy. Therefore, Provisions of Corporate Social Responsibility are not applicable on the Company.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. The Company has also adopted a Code of Corporate Disclosure Practices, for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information by the Company, to enable the investor community to take informed investment decisions with regard to the Company’s shares.

The policy is uploaded on the Company’s website and can be viewed at www.gemstoneltd.com

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. The Risk Management Framework has 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 efficiency 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 report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, forms part of this report & attached as “Annexure - 4” and it deals with the Business Operations and Financial Performance, Research & Development Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Human Resource Development, significant changes in key financial ratios etc.

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 –5” 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 structures 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.

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 available on the website of the Company at www.gemstoneltd.com.

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.

OTHER DISCLOSURES

- a. Our registered office had been shifted from 504, A wing New Prabhat SRA CHS LTD, Chikwadi, Western Express Highway Andheri (East) 400099 to Office No. A/301, Shubham Centre A Building CHS, Cardinal Gracious Road, Andheri East, Mumbai 400099 w.e.f. 10th February 2023.
- b. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2022-23 and the date of this report;
- c. During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014;
- d. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;

APPRECIATIONS AND ACKNOWLEDGMENTS

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

Your Directors take this opportunity to thank the shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

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.

**By Order of the Board of Directors
For Gemstone Investments Limited**

**Sd/-
Kirti Deepak Vekaria
Chairman & Executive Director
DIN: 10263433**

**Sd/-
Sudhakar Bhagawatlal Gandhi
Managing Director
DIN: 09210342**

**Place: Mumbai
Date: 04th September 2023**

FORM AOC-1

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

PART “A”: SUBSIDIARIES

Statement containing salient features of the financial statement of Subsidiaries

Particulars	Details
Name of the subsidiary	The Company does not have any subsidiaries; Thus, Part A of the form is not applicable to the Company.
Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	
Reporting currency and Exchange rate as on the lastdate of the relevant financial year in the case of foreign subsidiaries.	
Share capital	
Reserves & surplus	
Total assets	
Total Liabilities	
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after taxation	
Proposed Dividend	
% 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

PART “B”: ASSOCIATE/JOINT VENTURE

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

Particulars	Details
Name of Associates/Joint Ventures	The Company presently does not have any associate or joint venture companies as on 31 st March 2023.
Latest audited Balance Sheet Date	
Shares of Associate/Joint Ventures held by the Company on the year end	
No. of shares	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Net worth attributable to Shareholding as per latest audited Balance Sheet	
Profit / Loss for the year	
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

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Period ended on March 31, 2023

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

To,
The Members,
GEMSTONE INVESTMENTS LIMITED
OFFICE NO. A/301, SHUBHAM CENTRE A BUILDING CHS,
CARDINAL GRACIOUS ROAD, ANDHERI EAST MUMBAI MH 400093 IN

We have conducted the secretarial audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by **GEMSTONE INVESTMENTS LIMITED** (“the Company”). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Auditor’s responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period from April 01, 2022 to March 31, 2023 (“the audit period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent and in the manner reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Year ended 31.03.2023 according to the provisions of the following, as amended from time to time, and to the extent applicable:

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“the SEBI Act”): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during the audit period)

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (not applicable to the Company during the audit period)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the Company during the audit period).
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the Company during the audit period).
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (not applicable to the Company during the audit period) and
- (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. (“the Buyback Regulations”) (not applicable to the Company during the audit period)
- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VI) Other laws applicable specifically to the Company namely:

a) Taxation Laws

b) Environment Laws-The Environment (Protection) Act, 1986; Air (Prevention and Control of Pollution) Act, 1981; Water (Prevention and Control of Pollution) Act, 1974; Water (Prevention and Control of Pollution) Cess Act, 1977;

c) Labour and Social Security Laws – Such as employees State Insurance Act, 1948; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Contract Labour (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Equal Remuneration Act 1976; Employees Provident Funds and Miscellaneous Act, 1952, as amended.

d) IT Related Laws – Information Technology Act, 2000;

e) Miscellaneous Laws-Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013.

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (“the Listing Regulations”).

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made thereunder which are subject matter of present Audit Report, stated hereinabove.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

In compliance with applicable provisions of the Companies Act, 2013 and rules made thereunder and Secretarial Standards issued by the Institute of Company Secretaries of India, adequate notice was given to all directors to schedule Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance. 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.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We 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.

We further report that during the audit period, there were no instances of:

1. Public/Rights/Preferential issue of Shares/debentures/ sweat equity.
2. Redemption/buy-back of securities.
3. Merger/ amalgamation/ reconstruction etc.
4. Foreign technical collaborations.

The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by the Statutory financial audit and other designated professionals.

**For M/s. Heena Gulrajani & Associates
(Practicing Company Secretaries)**

Sd/-

CS Heena Gulrajani

Proprietor

Membership No: A68255

C. P. No.: 25423

Peer Review No.: 3240/2023

UDIN: A068255E000904189

Date: 31.08.2023

Place: Ratlam

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

To,
The Members,
GEMSTONE INVESTMENTS LIMITED
OFFICE NO. A/301, SHUBHAM CENTRE A BUILDING CHS,
CARDINAL GRACIOUS ROAD, ANDHERI EAST MUMBAI MH 400093 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For M/s. Heena Gulrajani & Associates
(Practicing Company Secretaries)

Sd/-

CS Heena Gulrajani
Proprietor

Membership No: A68255

C. P. No.: 25423

Peer Review No.: 3240/2023

UDIN: A068255E000904189

Date: 31.08.2023

Place: Ratlam

FORM NO. AOC- 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm’s length basis:** Gemstone Investments Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm’s length during financial year 2022-23.
2. **Details of material contracts or arrangement or transactions at arm’s length basis:** Gemstone Investments Limited has not entered into any contract or arrangement or transaction with its related parties which is at arm’s length during financial year 2022-23.

Name of Related Party and Nature of Relationship	Nature of contracts/ arrangement /transactions	Duration of contracts/ arrangement/ transactions	Salient terms of contracts/ arrangements/ transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
N.A.					

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Gemstone Investments Limited is non-deposit taking non-systematically Important NBFC Company.

“Indian NBFCs Set to Keep Rising In 2023”

The world seems to be recovering from the aftermath of the challenges posed in the last few years. Overall despite the challenges, India has emerged as a bright spot in terms of economic growth amidst an outlook of global slowdown. The World Bank has reported that India is better positioned to navigate global headwinds and handle global spill overs, as compared to other major emerging economies.

Also, it is heartening to see that the RBI and policymakers recognise the contribution of NBFCs in supporting real economic activity and meeting the credit demand, especially reaching the unbanked. RBI Scale based norms implemented last year have strengthened the sector while offering operational flexibility to meet the increasing credit demand and aid India's economic growth.

During the last financial year, despite geopolitical events, extremely high global volatility in commodities, currencies, financial markets and increase in interest rates globally to tame the high inflation, NBFCs in India have weathered the storm well and exhibited resilience.

In 2023, NBFCs are expected to play a larger role in supporting the socioeconomic construct of the Indian economy. The opportunity for credit penetration remains very high in India. The NBFCs can set a new benchmark by introducing new business models with personalised offerings through digital platforms. CRISIL recently reported that riding on macroeconomic tailwinds, NBFCs are expected to see growth.

In India, large population remains largely unfamiliar with technology and face challenges in financial literacy. When it comes to serving the underbanked, Indian NBFCs and fin-techs are leveraging technology and innovation to drive the financial inclusion agenda. NBFCs will continue to play a vital role in the growth of the economy due to its deeper reach, ability to offer more flexibility, personalised services through innovative digital solutions. Gold loans have played an important part during the pandemic and will continue to be an important source of credit to MSMEs, agriculture sector, small businesses, unorganised sector and this is also evident from the steady demand for gold loans. NBFCs with stronger business models, strong capital adequacy, strong underwriting capabilities and focus on digital strategy will continue to perform better and grow stronger in years to come. To benefit from the growth opportunities, many industrial groups have ventured into this segment with new business models. According to ICRA's recent report, in 2023 non-bank lenders will focus on reviving growth by improving asset quality supported by increasing retail demand and liquidity.

Governments policy push by promoting “Atmanirbhar Bharat”, “Make in India” and expanding manufacturing base through “Production Linked Incentive Scheme” has attracted interest of many Indian and global players to participate in India’s growth journey.

To ramp the virtuous cycle of Investment and job creation, the budget 2023, has given the needed impetus by increasing allocation to Capital Expenditure outlay by 37.4 % in 2023-24 to Rs. 10 lakh crore over Rs. 7.28 lakh crore in 2022-23. Adding to this, the Capex from private sector would give a strong base to the GDP Growth. RBI in its Policy Meeting on April 06, 2023 has increased the real GDP forecast for FY24 marginally to 6.5 percent from 6.4

percent earlier on the back of higher Rabi crop output, moderating commodity prices, monsoon trajectory and the government's plan of higher capital expenditure.

OPPORTUNITIES AND THREATS

RBI Policy document states that the risks for GDP are evenly balanced but the protracted geo political tensions pose downside risk to the growth.

In its last policy meeting held on April 06, 2023 RBI exercised pause and kept the Policy rate at 6.50%. Since March 2022, RBI has increased the policy rates by 4.50%.

RBI has projected that during FY 2024 India's GDP is expected to grow at 6.50% and inflation is expected to soften towards 5.20%.

Price stability, sustainable growth and financial stability to remain at the core of RBI.

Based on the above the nominal GDP is expected to grow at 11.70%.

On the conclusion of the recent 27th meeting of Financial Stability and Development Council (FSDC) headed by honourable Finance Minister Smt. Nirmala Sitharaman, she said that "We see that global financial situation is daunting but at the same time, the Indian economy and financial sector is well protected and well regulated. We have to be cautious and be on our toes and need to take timely steps to mitigate any vulnerability.

India is positioned to grow much better than its peers as and when the global environment improve. Well Capitalised NBFC's having good client profiling risk management system will outpace the growth of the economy. We remain positive.

BUSINESS OUTLOOK

As India moves from \$3.50 Trillion economy towards the projected \$5 Trillion by 2025-26, we see tremendous growth opportunities for every segment of the credit ecosystem. Credit being an essential part of economic growth, all segments will benefit be it banks, NBFCs, housing finance, gold finance, microfinance. Credit demand from Agriculture, Industry, MSME, Discretionary and Retail are expected to remain robust.

Regulatory surveillance and quality governance will enable the faster and sustainable growth.

RISK AND CONCERNS

Geopolitical uncertainty, global financial stability and return of upward volatility in inflation continue pose risk and slowdown the pace of global recovery. Slowdown or recession in developed economies can also impact the economic growth. The Company has Risk Management framework to identify, evaluate business risks and opportunities. The framework helps in identifying risks, exposure and potential impact analysis at the Company level. The Company is making investments in various themes and is judicious in selecting the opportunities, so as to ensure that investments are in the sectors that are growing or expected to turnaround in line with the economic cycles.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has internal control system which examines and ensures adequate internal checks and control procedures for safety of funds and securities. It also ensures proper accounting, records authorization, control of

operations and compliance with law. The Company also believes in the importance of technology and systems in improving controls at various levels and strives to enhance them on a continuous basis. Further the Company is continuously working to improve and strengthen internal check and control system to align with the expected growth in operations.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Since the Company is only managing investments in securities and require minimal staff for its operations. As the business expands the company may hire more staff.

SEGMENT WISE/ PRODUCT WISE PERFORMANCE

As the Company is in only one line of business, product wise and/or segment wise disclosure of performance is not required to be made.

Information of Particulars of employees pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 is not comparable as no remuneration was paid to the Directors of the Company.
- There is no percentage change in remuneration of Company Secretary in the financial year 2022-23.
- There was no change in percentage increase in the median remuneration of employees in the financial year 2022-23
- There were three permanent employees on the rolls of the Company as on 31st March, 2023.
- Information as per Rule 5(2) and 5(3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:
- There was no Employees who;
- are in receipt of remuneration for the financial year 2022-23, in the aggregate, was not less than one crore and two lakh rupees;
- are in receipt of remuneration for any part of the financial year 2022-23, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month;
- are in receipt of remuneration in the financial year 2022-23, 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 the company.

DECLARATION ON CODE OF CONDUCT

**To,
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 viz: www.gemstoneltd.com.

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 31st March 2023 as envisaged in regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement with the stock exchange.

**By Order of the Board of Directors
For Gemstone Investments Limited
Sd/-
Kirti Deepak Vekaria
Chairman & Executive Director
DIN: 10263433**

**Place: Mumbai
Date: 04th September 2023**

**CERTIFICATE ON VERIFICATION OF DEBARMENT OR
DISQUALIFICATION OF DIRECTORS**

Pursuant to Regulation 34(3) read with Para C [10(i)] of Schedule V of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Gemstone Investments Limited
Office No. A/301, Shubham Centre A
Building CHS, Cardinal Gracious Road,
Andheri East, Mumbai, Maharashtra-400093.

We have examined relevant registers, records, forms, returns and disclosures received from the Directors of Gemstone Investments Limited (CIN: L65990MH1994PLC081749) (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Para C [10(i)] of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mohandas & Co.
Chartered Accountant
Firm Reg. No. 106529W
Sd/-
CA Belle Mohandas Shetty
(Proprietor)
M.No.: 031256
UDIN: 23031256BGWFUY4663

Place: Mumbai
Date: 01st September 2023

AUDITORS REPORT

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

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

We have audited the accompanying financial statements of Gemstone Investments Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2023, 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 29th May 2023.

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 29th 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:

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 24th 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 31st March 2023, 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 22nd May 2022 has passed a resolution for non-acceptance of any public deposits during the year ended 31st March, 2023.

e) The company has not accepted any public deposits during the year ended 31st March 2023.

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 Rishi Sekhri & Associates
Chartered Accountants
Firm registration no. 128416W
Sd/-
CA Rishi Sekhri (Proprietor)
Membership number: 126656
UDIN: 23126656BGWISN7190**

**Place: Mumbai
Date: 29th May 2023**

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Gemstone Investments Limited

Report On the Standalone Ind AS Financial Statements

We have Audited the Accompanying Standalone Ind AS Financial Statements of GEMSTONE INVESTMENTS LIMITED (“The Company”), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Cash Flow and Statement of Changes in Equity for the year ended as at 31st March, 2023 and a summary of Significant Accounting Policies and other explanatory information.

Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2023 and Statement of Profit and Loss Account and Statement of Cash Flow for the year ended as on that date.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit/loss, total Comprehensive Income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we enclose in the "**Annexure A**" a statement on matters specified in paragraph 3 & 4 of the said order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) The Company has disclosed pending litigations in its Company Auditors Report. However, there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure has been made as per AS-29.
 - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - 4) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- 5) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- 6) The Company has not declared any Dividend during the year by the company.

For Rishi Sekhri & Associates
Chartered Accountants
Firm registration no. 128416W
Sd/-
CA Rishi Sekhri (Proprietor)
Membership number: 126656
UDIN: 23126656BGWISN7190

Place: Mumbai
Date: 29th May 2023

“ANNEXURE – A” Reports under The Companies (Auditor's Report) Order, 2020 (CARO 2020) for the year ended on 31st March 2023

**TO,
THE MEMBERS OF
GEMSTONE INVESTMENTS LIMITED**

i. Property, Plant and Equipment and Intangible Assets:

The company have Plant and Equipment and Intangible Assets and the same has been disclosed in Financial Statements.

ii. Inventory and other current assets:

- a) The Company does not have any inventory and hence reporting under clause ii (a) is not applicable.
- b) The company has not been sanctioned working capital limits at any point of time during the year, from bank or financial institutions on the basis of security of current assets and hence reporting under clause ii (b) is not applicable.

iii. Investment, Loans or Advances by Company:

- a) The company has not made investments in companies during the year and hence reporting under clause iii (a) is not applicable.
- b) The Company has not granted unsecured loans and advances to companies, firms and other parties during the year.
- c) In our opinion and according to the information and explanations given to us. The rate of interest and other terms and conditions for such loans are prima facie not prejudicial to the company's interest.
- d) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- e) In respect of loans granted by the company, there is no overdue amount remaining outstanding as at the balance sheet date.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

iv. Loan to Directors and Investment by the Company:

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. Deposits Accepted by the Company:

The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. Maintenance of Cost records:

The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. Statutory Dues:

- a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues applicable to it.
- b) There is no dispute with the revenue authorities regarding any duty or tax payable.

viii. Disclosure of Undisclosed Transactions:

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. Loans or Other Borrowings:

- a) The Company has not defaulted in repayment of dues to financial institution or bank.
- b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) The Company has not availed any loans during the year.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause (ix)(d) of the Order is not applicable.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. Money raised by IPO, FPOs:

- a) The Company has not raised moneys by way of initial public offer or further public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the company had not made any preferential allotment of shares and converted preference shares into equity shares, hence reporting under clause x is not required.

xi. Reporting of Fraud During the Year:

- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

xii. Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio:

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. Related party transactions:

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Ind As.

xiv. Internal audit system:

In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

xv. Non-cash transactions:

In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors.

xvi. Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

xvii. Cash Losses:

The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. Consideration of outgoing auditors:

The issues, objections or concerns raised by the outgoing auditors has been taken into considerations.

xix. Material uncertainty in relation to realisation of financial assets and payment of financial liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Compliance of CSR:

In our opinion and according to the information and explanations given to us, section 135 is not applicable to the company and there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Rishi Sekhri & Associates
Chartered Accountants
Firm registration no. 128416W
Sd/-
CA Rishi Sekhri (Proprietor)
Membership number: 126656
UDIN: 23126656BGWISN7190

Place: Mumbai
Date: 29th May 2023

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: –

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

c. The company does not have any immoveable property.
2. According to information and explanation given to us, the company is Non-Banking Finance Company which does not carry any inventory.
3. As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.,
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security. 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 from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
6. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
7. a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that 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 has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans.
10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
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. The company is not a Nidhi Company hence this clause is not applicable.
13. Based upon the audit procedures performed and according to the information and explanations given to us, All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.

For Rishi Sekhri & Associates
Chartered Accountants
Firm registration no. 128416W
Sd/-
CA Rishi Sekhri (Proprietor)
Membership number: 126656
UDIN: 23126656BGWISN7190

Place: Mumbai
Date: 29th May 2023

“Annexure – B” to the Auditors’ Report

Referred to in paragraph 10(f) of the Independent’s Auditor’s Report of even date to the members of Gemstone Investments Limited on the standalone financial statements for the year ended 31st March 2023.

Report on the Internal Financial Controls under Clause (i) of sub – section 143 of the Act

We have audited the internal financial controls over financial reporting of Gemstone Investments Limited (“the Company”) as of 31st March 2023 in conjunction with our audit of the standalone 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 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 Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and 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 materials 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 controls over 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 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 operating effectively as at 31st March, 2023, 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 over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rishi Sekhri & Associates
Chartered Accountants
Firm registration no. 128416W
Sd/-
CA Rishi Sekhri (Proprietor)
Membership number: 126656
UDIN: 23126656BGWISN7190

Place: Mumbai
Date: 29th May 2023

BALANCE SHEET AS AT 31ST MARCH 2023

(All amounts in ₹, unless otherwise stated)

	Particulars	Notes	As at	As at
			31 March 2023	31 March 2022
I.	ASSETS			
	Non-current assets			
	Property, plant and equipment	4	108,828	129,300
	Other intangible assets	5	29,500	99,867
	Deferred Tax assets	6	135,228	-
	Total Non-current assets		273,555	229,167
	Current assets			
	Financial assets			
	(i) Trade receivables	7	3,186	27,480
	(ii) Cash and cash equivalents	8	2,285,910	3,217,173
	(iii) Loans	9	210,920,585	208,380,118
	(iv) Other financial assets	10	25,100,000	25,060,000
	Other current assets	11	51,150	57,198
	Current tax assets (net)	12	3,059,804	2,765,819
	Total current assets		241,420,635	239,507,788
	TOTAL ASSETS		241,694,190	239,736,955
II.	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	13	74,750,000	74,750,000
	Other equity	14	165,781,848	163,484,516
	Total equity		240,531,848	238,234,516
	Non-Current liabilities			
	Deferred tax liabilities	15	-	73,316
	Total non-current liabilities		-	73,316
	Current liabilities			
	Financial liabilities			
	(i) Borrowings	16	-	344,368
	(ii) Trade payables	17		
	- Dues to micro and small enterprises		-	-
	- Dues to others		-	-
	(iii) Other financial liabilities	18	1,154,642	1,413,923
	Other current liabilities	19	7,700	15,200
	Total current liabilities		1,162,342	1,429,123
	TOTAL LIABILITIES		1,162,342	1,502,439
	TOTAL EQUITY & LIABILITIES		241,694,190	239,736,955
	Summary of significant accounting policies	1-3		
	The accompanying notes are integral part of the financial statements. This is the balance sheet referred to in our report of even date.			

For Rishi Sekhri & Associates
Chartered Accountants
Firm Reg. No: 128416W
Sd/-
CA Rishi Sekhri
(Proprietor)
Membership No. 126656
UDIN: 23126656BGWISN7190
Date: 29th May 2023
Place: Mumbai

For and on behalf of the Board of Directors of
GEMSTONE INVESTMENTS LIMITED
Sd/- Sd/- Sd/- Sd/-
Sudhakar Kirti Deepak Deepak Vilas Jayesh Ahire
Bhagawatlal Vekaria Apraj Company
Gandhi Chairman & Chief Financial Secretary &
Managing Director Officer Compliance
Director DIN: 10263433 Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts in ₹, unless otherwise stated)

	Particulars	Notes	For the year ended	
			31 March 2023	31 March 2022
I.	Income			
	Interest Income	20	11,884,131	9,064,106
	Other Income	21	-	67,984
	Total income		11,884,131	9,132,090
II.	Expenses			
	Employee Benefit expenses	22	331,250	364,102
	Finance costs	23	1,979	760,676
	Depreciation and amortization expense	24	124,898	364,576
	Impairment expense	25	6,114,441	3,389,500
	Other expenses	26	2,660,297	1,426,294
	Total expenses		9,232,864	6,305,1488
III.	Profit / (Loss) before tax		2,651,267	2,826,942
IV.	Tax expense	27		
	Current tax expense		601,733	792,000
	Deferred tax (credit)/expense		(208,544)	(56,656)
	Total tax expense		353,935	735,344
V.	Net Profit / (loss) for the year		2,297,332	2091,598
VI.	Other comprehensive income		-	-
VII.	Total comprehensive income for the year / period		2,297,332	2,091,598
VIII.	Earnings/(loss) per equity share	27		
	Basic (₹ per share)		0.031	0.028
	Diluted (₹ per share)		0.031	0.028
	Summary of significant accounting policies	1-3		
	The accompanying notes are integral part of the financial statements.			
	This is the statement of profit and loss referred to in our report of even date.			

For Rishi Sekhri & Associates
Chartered Accountants
Firm Reg. No: 128416W
Sd/-
CA Rishi Sekhri
(Proprietor)
Membership No. 126656
UDIN: 23126656BGWISN7190
Date: 29th May 2023
Place: Mumbai

For and on behalf of the Board of Directors of
GEMSTONE INVESTMENTS LIMITED
Sd/- Sd/- Sd/- Sd/-
Sudhakar Kirti Deepak Deepak Vilas Jayesh Ahire
Bhagawatlal Vekaria Apraj Company
Gandhi Chairman & Chief Financial Secretary &
Managing Director Officer Compliance
Director DIN: 10263433 Officer
DIN: 09210342

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts in ₹, unless otherwise stated)

	Particulars	For the year ended	
		31 March 2023	31 March 2022
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	2,651,267	2,826,942
	Adjustments for:		
	Finance costs	1,979	760,676
	Depreciation and amortization	124,898	364,576
	Impairment expense	6,114,441	3,389,500
	Gain on sale of vehicle	-	(67,984)
	Operating Profit Before Working Capital Changes	8,892,585	7,273,710
	Changes in working capital:		
	<i>Adjustments for (increase) / decrease in operating assets and liabilities:</i>		
	Loans	(8,654,908)	(13,311,534)
	Other assets and receivables	(33,952)	(38,847)
	Other liabilities	(266,781)	(103,433)
	Trade Receivables	24,294	-
	Cash generated from operations	(38,762)	5,973,238
	Less: Tax paid (net) ⁴	8,56,464	716,218
	Net cash flow from operating activities (A)	(895,226)	(6,689,456)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Sale of fixed assets	-	1,700,000
	Purchase of fixed assets	(34,058)	-
	Net cash used in investing activities (B)	(34,058)	1,700,000
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds/(repayments) borrowings	-	(344,368)
	Finance costs paid	(1,979)	(760,676)
	Net cash flow used in Financing Activities (C)	(1,979)	(1,105,044)
	Net increase in cash and cash equivalents (A+B+C)	(931,263)	(6,094,500)
	Cash and Cash Equivalents at the beginning of the period	3,217,173	9,311,673
	Cash and Cash Equivalents at the end of the period	2,285,910	3,217.173
	Net Movement in Cash and cash equivalents	931,263	6,094,500
	Note:		
	The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows. This is the statement of cash flows referred to in our report of even date.		

For Rishi Sekhri & Associates
Chartered Accountants
Firm Reg. No: 128416W
Sd/-
CA Rishi Sekhri
(Proprietor)
Membership No. 126656
UDIN: 23126656BGWISN7190
Date: 29th May 2023
Place: Mumbai

For and on behalf of the Board of Directors of
GEMSTONE INVESTMENTS LIMITED
Sd/- Sd/- Sd/- Sd/-
Sudhakar Kirti Deepak Deepak Vilas Jayesh Ahire
Bhagawatlal Vekaria Apraj Company
Gandhi Chairman & Chief Financial Secretary &
Managing Director Officer Compliance
Director DIN: 10263433 Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts in ₹, unless otherwise stated)

A	Equity share capital				
	Particulars	Amount			
	Balance as at 31 March 2021	74,750,000			
	Changes in equity share capital during the year	-			
	Balance as at 31 March 2022	74,750,000			
	Changes in equity share capital during the year	-			
	Balance as at 31 March 2023	74,750,000			
B	Other equity				
	Particulars	Securities Premium	Statutory Reserve	Retained Earnings	Total
	Balance as at 31 March 2021	116,550,000	15,211,228	29,631,690	161,392,918
	Profit for the year	-	-	2,297,332	2,297.332
	Other comprehensive income	-	-	-	-
	Transfer to Statutory Reserve	-	418,319	(418,319)	-
	Balance as at 31 March 2022	116,550,000	15,629,547	31,304,969	163,484,516
	Profit for the year	-	-	2,091,598	2,091,598
	Other comprehensive income	-	-	-	-
	Transfer to statutory reserve	-	459,466	(459,466)	-
	Balance as at 31 March 2023	116,550,000	16,089,013	33,142,835	165,781,848
	Summary of significant accounting policies				
	The accompanying notes are integral part of the financial statements.				
	This is the statement of changes in equity referred to in our report of even date.				

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

(All amounts in ₹, unless otherwise stated)

(All amounts in ₹, unless otherwise stated)						
4	Property, plant and equipment					
	Description	Furniture and Fixtures	Vehicles	Office equipment	Computer	Total
	As at 31 March 2022	278,145	-	129,500	118,000	525,645
	Additions	-	-	34,058	-	34,058
	Disposals	-	-	-	-	-
	As at 31 March 2023	278,145	-	163,558	118,000	559,703
	Accumulated depreciation					
	As at 31 March 2022	182,180	-	122,111	92,054	396,345
	Charge for the period	28,924	-	5,560	20,046	54,531
	Adjustment for disposals	-	-	-	-	-
	As at 31 March 2023	211,104	-	127,671	112,100	450,875
	Net block as at 31 March 2022	95,965	-	7,389	25,946	129,300
	Net block as at 31 March 2023	67,041	-	35,887	5,900	108,828
5	Other intangible assets					
	Description	Computer Software				Total
	As at 31 March 2022	590,000				590,000
	Additions	-				-
	Disposals	-				-
	As at 31 March 2023	590,000				590,000
	Accumulated depreciation					
	As at 31 March 2022	490,133				490,133
	Charge for the period	70,367				70,367
	Adjustment for disposals	-				-
	As at 31 March 2023	560,500				560,500
	Net block as at 31 March 2022	99,867				99,867
	Net block as at 31 March 2023	29,500				29,500

	Particulars	As at 31 March 2023	As at 31 March 2022
6	Deferred Tax Assets	135,228	-
	Deferred Tax Assets (Net)	135,228	-
7	Trade receivables		
	Unsecured, considered good	3,186	27,480
	TOTAL	3,186	27,480
8	Cash and cash equivalents		
	Balances with banks:		
	with scheduled banks in current accounts	185,826	1,117,089
	Cash in hand	2,100,084	2,100,084
	TOTAL	2,285,910	3,217,173
9	Loans		
	Loans & advances recoverable in cash or in kind	211,449,208	208,902,374

	Less: Contingent provision for standard assets liability	(528,623)	(522,256)		
	TOTAL	210,920,585	208,380,118		
10	Other financial assets				
	Other financial assets	25,000,000	25,000,000		
	Deposit for rent	100,000	60,000		
	TOTAL	25,100,000	25,060,000		
11	Other current assets				
	Advances	48,150	48,150		
	Prepaid expenses	3,000	9,048		
	TOTAL	51,150	57,198		
12	Current tax assets				
	Advance tax and TDS receivable	11,557,254	10,661,536		
	Less: Provision for Tax	8,497,450	7,895,717		
	TOTAL	3,059,804	2,765,819		
13	Equity share capital				
	Authorized share capital				
	10,00,00,000 (31 March 2022: 10,00,00,000) Equity Shares of ₹ 1/- each	100,000,000	100,000,000		
	Issued, subscribed and paid up equity share capital				
	7,47,50,000 Equity shares of ₹ 1 /- each (31 March 2022: 7,47,50,000)	74,750,000	74,750,000		
	TOTAL	74,750,000	74,750,000		
	i) Rights, preferences and restrictions attached to equity shares:				
	<p>The Company has only one class of equity shares having par value of ₹ 1 /- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>				
	ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year	31 March 2023	31 March 2022		
	Particulars	No. of shares	Amount in millions	No. of shares	Amount in millions
	Balance at the beginning of the year	74,750,000	74,750,000	74,750,000	74,750,000
	Add: Issued during the year	-	-	-	-
	Balance at the end of the year	74,750,000	74,750,000	74,750,000	74,750,000
	iii) Shareholding of promoters are as follows:				
	Particulars	31 March 2023		As at 31 March 2022	
	<u>Equity shares of ₹ 1 each fully paid up held by:</u>	No. of shares	% holding	No. of shares	% holding
	Arcadia Share & Stock Brokers Private Limited	4,155,183	5.56%	4,155,183	5.56%

Lalita Exports Private Limited	3,940,647	5.27%	3,940,647	5.27%
Ashirwad Investments Private Limited	5,030,039	6.73%	5,030,039	6.73%
Kaushik Shah Shares And Sec Private Limited	6,000,000	8.03%	6,000,000	8.03%
Particulars	Change in No. of shares	% change during the year	Change in No. of shares	% change during the year
Arcadia Share & Stock Brokers Private Limited	-	-	-	-

iv) The Company has not issued any equity shares for consideration other than cash, during the current financial year. Further, there has been no buy back of shares either in the aforesaid period.

Gemstone Investment Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amount in ₹, unless otherwise stated)

14	Other equity	As at 31 March 2023	As at 31 March 2022
	Retained earnings		
	Opening Retained earnings	31,304,969	29,631,690
	Add: Profit for the year	2,297,332	2,091,598
	Add: OCI for the year	-	-
	Transfer to Statutory Reserve	(459,466)	(418,319)
	Closing Retained earnings	33,142,835	31,304,969
	Other reserves		
	Securities Premium	116,550,000	116,550,000
	Statutory Reserve	16,089,013	15,629,547
	TOTAL	132,639,013	132,179,547
	Total other equity	165,781,848	163,484,516
	Description of nature and purpose of each reserve:		
	Retained earnings	Retained earnings are created from the profit of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.	
	Securities premium	Securities premium represents premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.	
	Statutory reserve under section 45IA of the RBI Act, 1934	NBFCs transfer a sum of not less than twenty per cent of net profit of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IA of the RBI Act, 1934. This reserve is carried forward in consolidated financial statements.	
		As 31 March 2023	31 March 2022
15	Deferred tax liabilities		
	Deferred tax liabilities (net)	-	73,316
	TOTAL		73,316
16	Borrowings (Current)		
	Secured		

	Term Loans from financial institutions		
	Kotak Mahindra Prime Limited	-	-
	TOTAL	-	-
17	Trade payables		
	Dues to micro and small enterprises [refer note (a) below]	-	-
	Dues to others	-	-
	TOTAL	-	-

Notes:

a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period; Interest accrued and due thereon remaining unpaid.	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting period; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

b. Additional disclosure in respect of Trade payables Ageing as per Schedule III, Companies Act 2013

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) MSME	-	-	-	-	-	
(ii) Others	-	-	-	-	-	
(iii) Disputed dues- MSME	-	-	-	-	-	
(iv) Disputed dues- others	-	-	-	-	-	
18	Other financial liabilities					
	Expenses payable	-	-	-	24,700	283,940
	Brokerage payable	-	-	-	1,099,943	1,099,983
	Audit Fees Payable	-	-	-	30,000	30,000
	Creditors for expenses	-	-	-	-	-
	TOTAL	-	-	-	1,154,643	1,413,923
19	Other current liabilities					
	Statutory dues				7,700	15,200

Particulars		As at 31 March 2023	As at 31 March 2022
20	Interest Income		
	Interest Income	11,884,131	9,064,106
	TOTAL	11,884,131	9,064,106
21	Other Income		
	Gain on sale of vehicle	-	67,984
	TOTAL	-	67,984
22	Employee Benefit expenses		
	Salaries, wages and bonus	300,000	345,500
	Staff welfare expenses	31,250	18,602
	TOTAL	331,250	364,102
23	Finance costs		
	Interest on loans	563	759,260
	Bank Charges	1,416	1,416
	TOTAL	1,979	760,676
24	Depreciation and amortization expense		
	Depreciation on property, plant and equipment	54,531	252,476
	Amortization of intangible assets	70,367	112,100
	TOTAL	124,898	364,576
25	Impairment expense		
	Contingent provision for standard assets	6,367	(7,007)
	Balances written off	6,108,074	3,396,507
	TOTAL	6,114,441	3,389,500

Gemstone Investments Limited AR 2022-23

26	Other expenses		
	Legal and professional charges	1,721,07	792,964
	Commission and brokerage	33,800	15,000
	Rent	241,000	15,000
	Auditor's remuneration (refer note 15.1)	30,000	70,000
	Membership fees	11,800	5,900
	Profession Tax (company)	2,500	-
	BSE Listing fee	354,000	354,000
	CDSL fees	106,534	38,350
	NSDL fees	26,550	26,550
	Miscellaneous expenses	133,036	108,530
	TOTAL	2,660,297	1,426,294
26.1	Payment to auditors		
	Statutory audit	30,000	30,000
	Tax audit	-	40,000
	TOTAL	30,000	70,000
27	Earnings/(loss) per equity share		
	(Loss) for the year / period	2,297,332	2,091,598
	Face value per share	10	10
	Weighted average number of equity shares for EPS	74,750,000	74,750,000
	Earnings/(loss) per share		
	Basic (in ₹)	0.03	0.03
	Diluted (in ₹)	0.03	0.03
	*The Company does not have any outstanding dilutive potential equity shares as at 31 March 2023 and 31 March 2022. Consequently, the basic and diluted earnings per share of the Company shall remain the same.		
28	Financial Ratios		
a.	Current ratio = Current assets divided by current liabilities		
	Particulars	As at	As at
		31 March 2023	31 March 2022
	Current Assets	241,420,635	239,507,788
	Current Liabilities	1,162,342	1,429,123
	Ratio	208	168
	% Change from previous period	23.93%	18.74%
Increase in Current ratio is because of increase in current assets as a result of loans and advance paid.			
b.	Debt Equity ratio = Total debt divided by total equity where total debt refers to sum of current and non-current borrowings		
	Particulars	As at	As at
		31 March 2023	31 March 2022
	Total debt	-	-
	Total equity	240,531,848	238,234,516
Ratio	-	-	

	% Change from previous period	-	-
	Decrease in debt equity ratio is because repayment of borrowing.		
c.	Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments		
	<i>Note:</i> Debt outstanding is an interest free debt payable to Profin Capital Services Limited where the term of repayment is not defined.		
	Hence, this ratio is not applicable.		
d.	Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity		
	Particulars	As at	As at
		31 March 2023	31 March 2022
	Net Profit after Tax	2,297,332	2,091,598
	Average equity employed	240,531,848	238,234,516
	Ratio (%)	1.0%	0.9%
% Change from previous period	8.79%	-	
	Increase in return on equity ratio is due to increase in net profit in current year.		
e.	Trade Receivables turnover ratio = Sales divided by Average trade receivables		
	Particulars	As at	As at
		31 March 2023	31 March 2022
	Revenue from operations	-	-
	Average Trade Receivables	3,186	27,480
Ratio (times)	0.0%	0.0%	
% Change from previous period	0.00%	-	
f.	Trade payables turnover ratio = Purchases divided by Average trade payables		
	<i>Note:</i> The Company has not made any purchases of goods. Hence, this ratio is not applicable		
g.	Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital= current assets - current liabilities		
	<i>Note:</i> The Company does not have any revenue from operations. Hence, this ratio is not applicable.		
h.	Net profit ratio = Net profit after tax divided by Sales		
	Particulars	As at	As at
		31 March 2023	31 March 2022
	Net profit after tax (A)	2,297,332	2,091,598
	Total income (B)	11,884,131	9,132,090
	Ratio (times)	19.3%	22.9%
% Change from previous period	-15.60%	-	
	Increase in net profit ratio is due to increase in profits.		
i.	Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed		
	Particulars	As at	As at
		31 March 2023	31 March 2022
	Profit before tax* (A)	2,297,332	2,091,598
	Finance costs* (B)	-	-
Other income excluding Trade finance income* (C)	-	67,984	
EBIT (D) = (A)+(B)-(C)	2,297,332	2,023,614	

	Average Capital Employed (E)		240,531,848	238,234,516	
	Ratio (%)		1.0%	0.8%	
	% Change from previous period		12.44%	-	
	Increase in return on capital employed ratio is due to decrease in EBIT compared to previous year.				
29	Financial Instruments				
	Financial assets and liabilities				
	The carrying amounts of financial instruments by category are as follows:				
	Particulars	Notes to schedule	As at 31 March 2023	As at 31 March 2022	
A	Financial assets measured at amortised cost				
	Trade receivables	7	3,186	27,480	
	Cash and cash equivalents	8	2,285,910	3,217,173	
	Loans	9	210,920,585	208,380,118	
	Other financial assets	10	25,100,000	25,060,000	
	Total Financial assets		238,309,681	236,684,771	
	Financial liabilities measured at amortised cost				
	Borrowings	16	-	-	
	Trade payables	17	-	-	
	total outstanding dues of Micro Small and Medium Enterprises		-	-	
	total outstanding dues of others		-	-	
	Other financial liabilities	18	1,154,642	1,413,923	
	Total Financial liabilities	-	1,154,642	1,413,923	
B	Fair values hierarchy				
	The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].				
	The categories used are as follows:				
	Level 1:	Quoted prices (unadjusted) for identical instruments in an active market;			
	Level 2:	Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and			
Level 3:	Inputs which are not based on observable market data (unobservable inputs).				
B.1	Fair value of instruments measured at amortized cost				
	Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:				
	Particulars	As at 31 March 2023		As at 31 March 2022	
		Carrying value	Fair value	Carrying value	Fair value
	Financial assets				
	Trade receivables	3,186	3,186	27,480	27,480
	Cash and cash equivalents	2,285,910	2,285,910	3,217,173	3,217,173
Loans	210,920,585	210,920,585	208,380,118	208,380,118	
Other financial assets	25,100,000	25,100,000	25,060,000	25,060,000	

	Total	238,309,681	238,309,681	236,684,771	236,684,771
	Financial liabilities				
	Borrowings	-	-	-	-
	Trade payables	-	-	-	-
	Other financial liabilities	1,154,642	1,154,642	1,413,923	1,413,923
	Total	1,154,642	1,154,642	1,413,923	1,413,923
	The management assessed that fair values the above items approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities: Accordingly, these are classified as level 3 of fair value hierarchy. The own non-performance risk as at 31 March 2022 was assessed to be insignificant.				
28	Financial Instruments (continued)				
C	Financial risk management				
i)	Risk Management				
	The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.				
	Risk	Exposure arising from		Management	
	Credit risk	Cash and cash equivalents (other than cash), loans, financial assets measured at amortised cost		Highly rated bank deposits and diversification of asset base and collaterals taken for assets	
	Liquidity risk	Borrowings and other financial liabilities		Availability of committed credit lines and borrowing facilities	
	The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.				
A)	Credit risk				
	Credit risk is the risk that counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets, and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.				
	Credit risk management				
	The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.				
	(i) Low credit risk on financial reporting date				
	(ii) Moderate credit risk				
	(iii) High credit risk				
	The Company provides for expected credit loss based on the following:				
	Nature	Assets covered		Basis of expected credit loss	
	Low credit risk	Cash and cash equivalents (other than cash), other bank balances, investments, loans and other financial assets		12 month expected credit loss	
	Moderate credit risk	Nil		Life time expected credit loss or 12 month expected credit loss	
	High credit risk	Nil		Life time expected credit loss fully provided for	

	<p>Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.</p> <p>Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.</p>																								
	<p>Financial assets that expose the entity to credit risk*</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>As at 31 March 2023</th> <th>As at 31 March 2022</th> </tr> </thead> <tbody> <tr> <td>(i) Low credit risk - Stage 1</td> <td></td> <td></td> </tr> <tr> <td>Trade receivables</td> <td>3,186</td> <td>27,480</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>2,285,910</td> <td>3,217,173</td> </tr> <tr> <td>Loans</td> <td>210,920,585</td> <td>208,380,118</td> </tr> <tr> <td>Other financial assets</td> <td>25,100,000</td> <td>25,060,000</td> </tr> <tr> <td>(ii) Moderate credit risk - Stage 2</td> <td>-</td> <td>-</td> </tr> <tr> <td>(iii) High credit risk - Stage 3</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>* These represent gross carrying values of financial assets, without deduction for expected credit losses. The Company does not have any significant or material history of credit losses hence the credit risk for all the financial assets has been considered to be negligible by the management as at the closing date.</p>	Particulars	As at 31 March 2023	As at 31 March 2022	(i) Low credit risk - Stage 1			Trade receivables	3,186	27,480	Cash and cash equivalents	2,285,910	3,217,173	Loans	210,920,585	208,380,118	Other financial assets	25,100,000	25,060,000	(ii) Moderate credit risk - Stage 2	-	-	(iii) High credit risk - Stage 3	-	-
Particulars	As at 31 March 2023	As at 31 March 2022																							
(i) Low credit risk - Stage 1																									
Trade receivables	3,186	27,480																							
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29	Financial Instruments (continued)																								
C	Financial risk management (continued)																								
B)	<p>Liquidity risk</p> <p>Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.</p> <p>Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.</p> <p>Maturities of financial liabilities</p> <p>All the financial liabilities of the Company are current in nature and are maturing within 12 months period. The amounts disclosed in the financial statements are the contractual undiscounted cash flows.</p>																								
C)	<p>Market risk</p> <p>Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.</p> <p>a) Foreign currency risk</p> <p>The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company does not have any significant or material foreign currency transactions hence the currency risk for all the financial assets and liabilities has been considered to be negligible by the management as at the closing date.</p> <p>b) Interest rate risk</p> <p>As the Company does not have any long term borrowings outstanding or fixed rate deposits, hence it is not exposed to interest rate risk.</p> <p>c) Price risk</p> <p>As the Company does not have any investments outstanding or fixed rate deposits, hence it is not exposed to price risk.</p>																								
30	<p>Capital management</p> <p>For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The following table summarizes the capital of the Company.</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">As at</th> </tr> <tr> <th>31 March 2023</th> <th>31 March 2022</th> </tr> </thead> <tbody> <tr> <td>Equity share capital</td> <td>74,750,000</td> <td>74,750,000</td> </tr> <tr> <td>Other equity</td> <td>165,781,848</td> <td>163,484,516</td> </tr> </tbody> </table>	Particulars	As at		31 March 2023	31 March 2022	Equity share capital	74,750,000	74,750,000	Other equity	165,781,848	163,484,516													
Particulars	As at																								
	31 March 2023	31 March 2022																							
Equity share capital	74,750,000	74,750,000																							
Other equity	165,781,848	163,484,516																							

	Total equity (A)	240,531,848	238,234,516
	Current borrowings	-	-
	Current maturity of non-current borrowings	-	-
	Total debt (B)	-	-
	Less : Cash and cash equivalents	(2,285,910)	(3,217,173)
	Net debt (C)	2,285,910	3,217,173
	Capital and net debts (D = A + C)	238,245,939	235,017,343
	Debt equity ratio (B / A)	-	-
	Capital gearing ratio (B / D)	-	-
31	Prior year comparatives		
	The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.		
	This is the summary of accounting policies and other explanatory information referred to in our report of even date.		

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

A.1 Company Overview

Gemstone Investments Limited is a listed company, listed on BSE Limited (BSE), domiciled in India, incorporated under the provision of the Companies Act. The Company is engaged in the business of financing activities.

A.2 The financial statements are approved for issue by the Company's Board of Directors on 29th May 2023.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') (to the extent notified) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hereto in use.

(1) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following:

- a) certain financial assets and liabilities that have been measured at fair value.
- b) assets held for sale - measured at lower of carrying amount or fair value less cost to sell.
- c) defined benefit plans - plan assets measured at fair value.

(2) Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when:

- a) It is expected to be realised or intended to sold or consumed in normal operating cycle.
- b) It is held primarily for the purpose of trading
- c) It is expected to be realised within twelve months after the reporting period, or
- d) It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Operating cycle for the business activities of the company covers the duration of the specific project / contract / service and extends upto the realisation of receivables within the agreed credit period normally applicable to the respective project

C.1 REVENUE RECOGNITION

Revenue is recognised as and when the significant risks and rewards are transferred to respective buyer.

a) Revenue from Financing activities / Interest Income

Revenue is recognised as and when the significant risks and rewards are transferred to respective buyer.

b) Dividend Income

Dividend income is recognized when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

c) Others

Revenues / Income and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred

C.2 PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMMORTISATION

a) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

b) Depreciation is provided on the straight line method on the basis of estimated useful life of the asset in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in years)
Furniture and Fixture	10
Vehicles	8
Office Equipment	5
Computer server and network system	6
Computer desktops and laptops	3

C.3 INTANGIBLE ASSETS AND AMORTIZATION

Acquired computer software's are classified as intangible assets and are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life of five years, as determined by the management.

C.4 INVESTMENTS

Investments are classified into Current and Non-Current / Long Term Investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize decline, other than temporary, in the value of long-term investments.

C.5 FINANCIAL INSTRUMENTS

C.5.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

C.5.2 Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

V. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realized.

C.5.3 De- recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

C.5.4 Impairment

a. Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non- Financial Assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

C.6 TAXATION

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period. In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such

asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

C.7 Inventories

The cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at cost or net realizable value, whichever is lower on the basis of first in first out method or specific identification, as the case may be.

C.8 EMPLOYEE BENEFITS

Post-Employment Benefits

Defined benefit plans:

Short-term employee benefits:

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other Long Term employee Benefits:

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

C.9 BORROWINGS AND BORROWING COSTS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled

or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

C.10 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

C.11 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

C.12 USE OF ESTIMATES

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.