



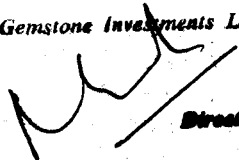
# **GEMSTONE**

## **INVESTMENTS LIMITED**

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*For Gemstone Investments Ltd.*

  
**Director.**

**9th Annual Report  
2002-2003**

## GEMSTONE INVESTMENTS LIMITED

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### BOARD OF DIRECTORS

**Directors** : Shri Premchand K. Shah Chairman  
Shri Nihal P. Shah  
Shri Sharman P. Shah  
Shri Lalit D. Gandhi

**Bankers** : Bank of Baroda

**Auditors** : M/s. D. L. Joshi  
Chartered Accountant

**Registered Office** : 1st Floor, Building No.1,  
Above Central Govt. Warehouse Office,  
J. V. Patel ITI Compound,  
Madurkar Marg,  
Opp. Elphinstone Station (West),  
Mumbai 400 013.

**Share Transfer Agents** : R & D Consultants Ltd.  
610, Dalamal Towers,  
211, Nariman Point,  
Mumbai 400 021.



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## NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the Shareholders of GEMSTONE INVESTMENTS LIMITED will be held on Monday, 11<sup>th</sup> August, 2003 at 10.30 a.m. at registered office of the Company situated at 1st Floor, Building No.1, Above Central Govt. Warehouse Office, J.V. Patel ITI Compound, Madurkar Marg, Opp. Elphinstone Station (West), Mumbai 400 013 to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended 31st March, 2003 and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Nihal P. Shah, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration.

**By order of the Board  
For GEMSTONE INVESTMENTS LIMITED**

Registered Office:  
1st Floor, Bldg. No.1,  
Above Central Govt. Ware House,  
J.V. Patel ITI Compound,  
Madurkar Marg,  
Opp. Elphinstone Station (W),  
Mumbai 400 013.

**Premchand K. Shah  
Director.**

Place: Mumbai  
Date: 30<sup>th</sup> June, 2003.

### 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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
  2. Proxy, in order to be effective, should be duly completed stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
  3. The Register of Members and Share Transfer Register of the Company will remain closed from Monday, 4<sup>th</sup> August, 2003 to Monday, 11<sup>th</sup> August, 2003 both the days are inclusive.
  4. The members are requested to:-
    - a) Intimate changes, if any, in their Registered address to the Company at the Company's Share Transfer Agents M/s. R & D Consultants Ltd., 610, Dalamal Towers, 211, Nariman Point, Mumbai 400 021.
    - b) Quote ledger folio numbers in all their correspondence.
    - c) Get the multiple folios consolidated and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future.
    - d) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
    - e) Write at least 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.
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**GEMSTONE INVESTMENTS LIMITED**

2

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

To  
The Members,

Your Directors take pleasure in presenting the Ninth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2003.

**1. FINANCIAL RESULTS**

	(Rs. in Lakhs) Year Ended 31/03/2003	(Rs. in Lakhs) Year Ended 31/03/2002
Gross Income from Operations	<b>46.92</b>	43.03
Less: Permanent decline in value of Long Term Investments.	<b>7.19</b>	—
Net Income from operations	<b>39.73</b>	43.03
Add: Provisions for NPA not required	<b>11.89</b>	1.13
Add: Provisions for permanent decline in Long term investment not required	—	9.99
Other Income	<b>18.31</b>	17.55
Provision for non-performing Assets	<b>0.56</b>	0.59
Total Expenses	<b>20.01</b>	30.33
Interest paid to Banks and others	<b>9.06</b>	9.18
Bad Debts Written Off	<b>11.40</b>	0.67
Profit/(Loss) before Depreciation and Tax	<b>28.90</b>	30.93
Depreciation	<b>0.21</b>	0.27
Provision for Taxation	—	—
Profit/(Loss) after tax	<b>28.69</b>	30.66

**2. DIVIDEND**

In view of accumulated losses of the Company, your Directors do not recommend any dividend.

**3. OPERATIONS**

As intended, Company could not reduce the investments in capital market as market conditions were unfavourable. On the contrary Company invested in securities to avail benefit of falling prices.

Drastic decrease in loss on sale of investment and increase in profit on sale of investment compared to last year highlights Company's sound investment planning.

**4. BUSINESS PROSPECTS AND FUTURE PLANS**

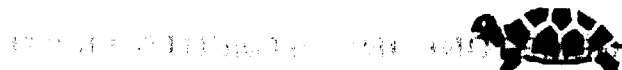
As consumer finance is contributing nearly 50% of total income, Company decided to carry on its operation in consumer finance.

**5. DIRECTORS**

Shri Nihal P. Shah, Director who retires by rotation at the forthcoming Annual General Meeting and being offers himself for reappointment.

**6. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, your Directors wish to state that the same is not applicable to the Company.



Foreign Exchange Earnings/Outgo:	Rs.
Foreign Exchange Earned	Nil
Foreign Exchange Outgo	Nil

## 7. FIXED DEPOSITS

The Company has not accepted any deposits from the public.

## 8. PARTICULARS OF EMPLOYEES

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended is not given as there was no employee drawing the salary as per the limits mentioned in that Section.

## 9. LISTING OF SHARES

The company's shares are listed on Mumbai Stock Exchange and the Company has paid the listing fees for the same.

## 10. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to the Directors Responsibilities Statement, it is hereby confirmed;

- That in the preparation of the Annual Accounts for the financial year 31<sup>st</sup> March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the Accounts for the financial year ended 31<sup>st</sup> March, 2003 on a going concern basis.

## 11. CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of Listing Agreement with the Stock Exchanges is annexed hereto.

## 12. AUDITORS

M/s. D. L. Joshi, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. You are requested to appoint them and fix their remuneration.

## 13. ACKNOWLEDGMENT

Your Directors wish to place on record their deep appreciation for the whole hearted and sincere co-operation received by the Company from its customers, business community and employees for improving the performance of the Company.

**By order of the Board  
For GEMSTONE INVESTMENTS LIMITED**

Registered Office:  
1st Floor, Bldg. No.1,  
Above Central Govt. Ware House,  
J.V. Patel ITI Compound,  
Madurkar Marg,  
Opp. Elphinstone Station (W),  
Mumbai 400 013.

**Premchand K. Shah  
Director.**

Place: Mumbai  
Date: 30<sup>th</sup> June, 2003.

## CORPORATE GOVERNANCE REPORT

As per Schedule of Implementation of Clause 49 of the Listing Agreement with the Stock Exchange, the said Clause 49 is applicable to your company from the Financial Year ending as on 31<sup>st</sup> March, 2003. As per the Clause 49 of Listing Agreement with Stock Exchange, incorporate certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance of the requirements of Corporate Governance, the Board of Directors report the following;

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings which is shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself by trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders

### II. BOARD OF DIRECTORS;

- i) The strength of the Board was 4 Directors as on 31<sup>st</sup> March, 2003 comprising of Non-Executive Directors. One out of Four Directors is independent. The independent Director do not have any material or pecuniary relationship or transaction with the Company, its promoters or its management, which may affect their judgement in any manner.
- ii) None of the Directors hold Directorship in more than the permissible no. of Company under the relevant provision. Further, none of the Directors on the Board is a member of Ten Committees or Chairman of more than Five Committees.
- iii) The Board met 9 times during the period from April, 2002 to March, 2003, i.e. 29<sup>th</sup> April, 2002, 7<sup>th</sup> May, 2002, 5<sup>th</sup> July, 2002, 19<sup>th</sup> July, 2002, 29<sup>th</sup> July, 2002, 31<sup>st</sup> October, 2002, 31<sup>st</sup> January, 2003, 25<sup>th</sup> February, 2003 and 29<sup>th</sup> March, 2003.
- iv) All the Directors of the company have attended all the Board Meetings and General Meetings.
- v) None of the Directors are Director in any other public limited company.

### AUDIT COMMITTEE

The company is fully complying with the accounting standards prescribed by the Institute of Chartered Accountants of India under the Companies Act, 1956 and the same has been stated by the Directors in the Directors Report as **DIRECTORS RESPONSIBILITY Statement. It is not mandatory for our Company to constitute the Audit Committee, since our paid-up share capital is less than Rs. Five Crores and accordingly the Company has not constituted the Audit Committee.**

### III. REMUNERATION COMMITTEE

None of the Directors are drawing any remuneration from the company in the nature of salary and sitting fees for attending Board Meetings. So, constitution of Remuneration Committee was not necessary.

### IV. DISCLOSURES

There are no materially significant transactions made by the Company's with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance on any matter related to the capital markets.

### V. MEANS OF COMMUNICATIONS

The company's quarterly results in the format prescribed by the Stock Exchanges are approved and taken on record by Board within the prescribed time frame and send immediately to the Stock Exchange on which the company's shares are listed. These results are published in the News Papers, i.e., The Free Press Journal (English Language) and Navshakti (Marathi Language).



## VI. GENERAL SHAREHOLDER INFORMATION

### General Body Meetings

Date time and venue for the last 3 Annual General Meetings are given below;

Fin. Year	Date	Location	Time
31-3-2000	14-8-2000	Registered Office	10.15 a.m.
31-3-2001	08-9-2001	Registered Office	10.30 a.m.
31-3-2002	12-9-2002	Registered Office	10.30 a.m.

### Financial Year

1<sup>st</sup> April, to 31<sup>st</sup> March.

### Book Closure

4<sup>th</sup> August, 2003 to 11<sup>th</sup> August, 2003

### Dividend

No dividend was declared for last financial year.

#### Dividend declared in earlier years

31 <sup>st</sup> March, 2000	—	Nil
31 <sup>st</sup> March, 2001	—	Nil
31 <sup>st</sup> March, 2002	—	Nil

### Listing of Shares

The Company's shares are listed at Mumbai Stock Exchange. Listing fees for the same have been paid to the stock exchange.

### Stock code

Stock Exchange, Mumbai

Physical Script Code No. - 31137

Demat Script Code No. - ISIN : INE 503D01019

### Registrar & Transfer Agents

Share Transfers in demat form is handled by the Company's Share Transfer Agents M/s. R & D Consultants Ltd., 610, Dalamal Towers, 11, Nariman Point, Mumbai 400 021.

### Share Transfer System

All the transfers are received, processed and approved by the Registrar and Share Transfer Agents and sent back to transferee.

### Shareholding Pattern

The following tables give the pattern of shareholding as on 31<sup>st</sup> March, 2003.