EIGHTEENTH ANNUAL REPORT

OF

GEMSTONE INVESTMENTS LIMITED

For

F.Y. 2011-12

BOARD OF DIRECTORS

Mr. Anant Haridas Palan
(Whole Time Director)

Mr. Nimesh Prabodh Ganatra
(Executive Director)

Mr. Hitesh Navinbhai Dave
(Non-Executive Independent Director)

Ms. Shikha Kapasi
(Non-Executive Independent Director)

AUDITORS

M/s. Shah Jadavji & Co.
(Chartered Accountant)
3/302, Shilpyan Building
Shivaji Park, Thane – 400 601

BANKERS

HDFC Bank, Mumbai

REGISTERED OFFICE:

Room no. 105, First Floor,
Shradhanand Building, 274 Samuel Street,
Masid Bander, Mumbai-400 003,
Maharashtra

NOTICE

Notice is hereby given that the **Eighteenth Annual General Meeting (AGM)** of the Shareholders of the Company will be held on **Saturday, September 29, 2012 at 10:30 A.M.** at **Room no. 105, First Floor, Shradhanand Building, 274 Samuel Street, Masid Bander, Mumbai-400 003, Maharashtra,** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2012, and Schedules thereto, together with the Auditor's Report & the Reports of the Directors thereon.

2. To consider the re-appointment of Mr. Hitesh Navinbhai Dave, as director, who is retiring by rotation in terms of section 255 read with section 256 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

3. To consider the re-appoint of Ms. Shikha Kapasi, as director, who is retiring by rotation in terms of section 255 read with section 256 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT M/s. Shah Jadavji & Co., Chartered Accountants, the statutory Auditors of the Company, liable to retire at the conclusion of this AGM be and are hereby re-appointed as the Statutory Auditor of the Company to hold office from the conclusion of the ensuing AGM till the conclusion of the next AGM on a remuneration as may be fixed by the Remuneration Committee."

SPECIAL BUSINESS:

1. To consider and if thought fit, pass the following resolution with or without modification as a special resolution:

   "RESOLVED THAT in accordance with section 198, 209 & 309 and other applicable provisions of the Companies Act, 1956 if any, and subject to the provisions of Schedule XIII to the Act, Mr. Anant Haridas Palan be and is hereby appointed as Managing Director of the Company for a period three (3) years, commencing from the date of AGM i.e. September 29, 2012 to September 28, 2015 on the terms and conditions as laid down in the agreement, to be executed between the Company (through Mr. Nimesh Ganatra) and Mr. Anant Haridas Palan, on the day Mr. Anant Haridas Palan assumes the charge of the office of the Managing Director and a copy of which is laid before the meeting.

FURHTER RESOLVED THAT Mr. Nimesh Ganatra, Director of the Company be and is hereby authorized to prepare, sign and file e-form 32 and 25C with the concerned Registrar of Companies and to do all other needful as may be required to give effect to the above resolution.

2. To consider and if thought fit, pass the following resolution with or without modification as a special resolution:

RESOLVED that pursuant to the provisions of Section 21 of the Companies Act 1956, the name of the Company be and is hereby altered from "GEMSTONE INVESTMENTS LIMITED to "ASIAN PROJECT FINANCE LIMITED" or to any other name as may be suggested by the shareholders and approved by the Concerned Registrar of Companies (ROC) and that necessary alteration in Clause I of the Memorandum of Association and the Articles of Association of the company, being the name clause, and where ever necessary, be made to the effect.

FURTHER RESOLVED that Mr. Anant Palan, Director of the company be and is hereby authorized to complete necessary formalities with the concerned Registrar of Companies, to get the name altered and registered and to fulfill all other formalities as and when required, with the Concerned ROC, Securities and Exchange Board of India and Bombay stock Exchange and with all other authorities as may be concerned.

By the order of Board
For Gemstone Investments Limited

S/d-
Director

Date: September 04, 2012
Place: Mumbai

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED.

2. A proxy to be valid should be duly filed in and affixed with requisite stamp and lodged with the Company's Registered Office at least 48 hours before the commencement of the meeting.

3. The Register of Members and Share Transfer Registers of the Company will remain closed from September 22, 2012 to September 29, 2012 (both days inclusive).

4. Explanatory statement in terms of Section 173(2) of the Companies Act, 1956 for the special business to be conducted at the meeting is enclosed along with this notice.

5. Members are requested to notify change of address, if any, promptly in order to serve them better.

6. Members are requested to bring their copies of the Annual Report to the Meeting.

7. Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.

8. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID No. and those who hold shares in physical form are requested to write their Folio No. in the attendance slip for attending the meeting.

9. A brief resume of the Directors retiring by rotation and eligible for re-appointment/ recommended for appointment, as required by Clause 49(IV)(G) of the Listing Agreement signed by the Company with the stock exchange, is given in Annexure to this notice.

By the order of Board
For Gemstone Investments Limited

S/d-
Director

Date: September 04, 2012
Place: Mumbai

[In pursuance of clause 49 of the Listing Agreement]

Brief Resume of Directors seeking re-appointment and Directors recommended for appointment at the forthcoming Annual General Meeting:

Name of Director	**Mr. Hitesh Navinbhai Dave**
Date of Birth	May 18, 1972
Nationality	Indian
Date of Appointment	September 03, 2011
Qualification	B.Com
Expertise in specific functional area	Finance & Investments
Chairman /Director of other Companies (excluding private & foreign companies)	NIL
Chairman / Member of Committees of the Boards of other Companies of which he is a Director	NIL

Name of Director	**Ms. Shikha Kapasi**
Date of Birth	October 05, 1987
Nationality	Indian
Date of Appointment	September 03, 2011
Qualification	B.Com
Expertise in specific functional area	Accounts & Finance
Chairman /Director of other Companies (excluding private & foreign companies)	NIL
Chairman / Member of Committees of the Boards of other Companies of which he is a Director	NIL

Name of Director	**Mr. Anant Haridas Palan**
Date of Birth	May 01, 1957
Nationality	Indian
Date of Appointment	September 30, 2009
Qualification	B.Com
Expertise in specific functional area	Business & Finance
Chairman /Director of other Companies (excluding private & foreign companies)	NIL
Chairman / Member of Committees of the Boards of other Companies of which he is a Director	NIL

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956 FOR THE SPECIAL BUSINESS TO BE CONDUCTED AT THE MEETING:

ITEM No. 1

The existing Managing Director of the Company, Mr. Narendra Ganatra had resigned from his office w.e.f. January 19, 2012. Accordingly, the company proposes to appoint Mr. Anant Palan on the Board as a Managing Director w.e.f. September 29, 2012. At present, Mr. Palan is associated with the Company as a whole time director and has contributed to the growth of the company. A brief resume of Mr. Anant Palan is enclosed along with the notice of the AGM.

As per provisions of the Companies Act, the appointment of a Managing Director is required to be approved by the shareholders in their meeting and accordingly the resolution is proposed.

The Shareholders are recommended to pass the said resolution as a special resolution.

None of the Directors, except Mr. Anat Palan as the proposed appointee and as a shareholder, have personal interest in the said resolution.

ITEM No. 2

The company has holding in two companies namely Asian Commtrade Pvt. Ltd. and Asian Fintrade Services Pvt. Ltd. which are its group companies. Hence in order portray the image of a collective group, and to synergize growth and business opportunities accordingly, the Directors of the Company propose to change the name of the Company from the existing name to "ASIAN PROJECT FINANCE PRIVATE.LIMITED". Also, the proposed name is a proper representative of the existing business of the company and that there is no change in the business activities of the company.

As per provisions of the Companies Act, alteration of name amount to alteration of Name Clause of the Memorandum and Articles of Association of the Company and accordingly the shareholders are recommended to pass the said resolution as a special resolution.

None of the Directors, except as shareholders of the Company, have any personal interest in the said resolution.

By the order of Board
For Gemstone Investments Limited

S/d-
Director

Date: September 04, 2012
Place: Mumbai

REPORT OF THE BOARD OF DIRECTORS
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2012

To

The Members,

Your Directors are pleased to present the Annual Report together with Audited Financial Accounts of your Company for the Financial Year ended March 31, 2012.

FINANCIAL RESULTS	**Year ended 31st March, 2012 (Rs. In 000)**	**Year ended 31st March, 2011 (Rs. In 000)**
Profit before Tax	6657554.09	2956142.27
Provision for tax	2700560.00	896908.00
Profit after Tax	**3956994.09**	**2059234.27**

OPERATIONS
During the FY 2011-12, the Company reported gross revenue from operations of Rs. 182310.45 Lacs as against Rs. 227710.34 Lacs during the FY 2010-11 and record the net profit Rs. 39569.94 for the FY 2011-12 as against the net profit of Rs. 20592.34 Lacs

DIVIDEND
To conserve resources for the long term needs of the Company, your Directors do not recommend payment of any dividend for the year.

DIRECTORS
Ms. Shikha Kapasi and Mr. Hitesh Dave, retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

None of Directors are disqualified from being re-appointed as Directors of the Company as per the disclosure received from them pursuant to Section 274(1)(g) of the Companies Act, 1956.

Your Board recommends the reappointment of the above Directors at the ensuing Annual General Meeting.

During the year 2011-12, Mr. Narendra P. Ganatra resigned from the board w.e.f. 19.01.2012 and Mr. Mahesh Bhanushali & Mr. Pravinchandra Haria ceased to be associated with the board w.e.f. 25.07.2012 due to their resignation. Your Directors place on record their appreciation for the contribution and guidance rendered to the Company during their tenure and wish them all the luck for their future endeavours.

AUDITORS
M/s Shah Jadavji & Co. Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company. The Company has obtained a certificate from them stating that their appointment, if considered and approved, will be within the limits of Section 224(1B) of the Companies

Act, 1956. The Company has also obtained a certificate from them stating that they have subjected themselves to the Peer Review Process of Institute of Chartered Accountants of India (ICAI). Being eligible, they offer themselves for re-appointment as Statutory Auditors for the FY 2012-13.

AUDIT COMMITTEE

Your Directors have, in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, constituted the Audit Committee of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors of your Company hereby confirms:

1) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;

2) that the Directors have 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 the end of the financial year and of the Profit and Loss of the Company for the period;

3) 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;

4) that the Directors have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

A separate report on Management Discussion & Analysis is appended to this Annual Report and forms part of this Directors' Report.

CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement, a detailed Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from a Statutory Auditors regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is appended to this Annual Report and forms part of this Directors' Report.

DEPOSITS

The Company has neither invited nor accepted any Fixed Deposits, within the meaning of Section 58-A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 made there under.

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

Information as required under 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, forms to extent applicable are given below:

Details of Conservation of Energy:

The operations of your company do not consume high level of energy. However, adequate measures have been taken to conserve energy by using efficient computers and peripherals.

Foreign Exchange Earnings : Nil
Foreign Exchange Outgo : Nil

Technology Absorption
Research and Development : Nil
Technology absorption, Adaptation & Innovation : Nil

PARTICULARS OF EMPLOYEES:
As there are no employees employed by the company falling within Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 hence relevant disclosures are not required.

ACKNOWLEDGEMENT

The Board acknowledges the support extended by employees, shareholders, bankers and clients and look forward for their continued support.

For and on Behalf of the Board
Gemstone Investments Limited

S/d- S/d-
Director **Director**

Date: September 04, 2012
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

I. Company's Philosophy

Continuous maintenance and enhancement of Stakeholders' value has always been at the helm of Company's objective. The vision of Gemstone Investments Limited (GIL) is to strive continuously to give optimum returns to Stakeholders' and to uphold the core values of transparency, integrity, honesty, fairness and accountability, which are fundamental to the Company.

The Company endeavors and follows the best ethical and good corporate governance policy and thereby ensures the compliance with all applicable statutory and regulatory provisions of laws. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximizing value for all its stakeholders.

II. Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchange. The Board of Directors of your Company consists of 4 (Four) Directors, out of these 2 (Two) are Independent Directors. The Chairman of the Board is Mr. Anant Haridas Palan.

i) Details of Composition and Category of Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at March 31, 2012:

Sr. No.	Name of the Director	Category	No. of Board Meeting during the tenure of Directors in FY		Attendance at the last AGM held on	Directorship in other public companies	Committee position held in other public companies[2]	
			Held	Attended			Chairman	Member
1.	Narendra Prabodh Ganatra[(1)]	Managing Director	7	5	Yes	--	--	--
2.	Mr. Anant Haridas Palan	Whole-Time executive Director	7	7	Yes	-		
3.	Mr. Nimesh Prabodhkumar Ganatra[(2)]	Executive	7	7	Yes			