

GEMSTONE INVESTMENTS LIMITED

annual report
2014-15

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CORPORATE INFORMATION

REGISTERED OFFICE: Room No. 105, 1st Floor, Shradhanand Building, 274 Samuel Street, Masjid Bunder, Mumbai – 400 003.

Tel: +91 022-65102060

Email Id: gemstoneltd@gmail.com

CIN: L65990MH1994PLC081749

Board of Directors:

- Mr. Anant Palan
(Managing Director)
- Mr. Rohan Barot
(C FO & Director)
- Mr. Nimesh Ganatra
(Executive Director)
- Ms. Dhara Brahmbhatt
(Executive Director)
- Mr. Muljibhai Chheda
Shah
(Executive Director)
- Mr. Mahendra Dave
(Independent Director)
- Mr. Hitesh Dave
(Independent Director)
- Ms. Shikha Kapasi
(Independent Director)
- Mr. Devendrakumar
Shah
(Non Executive
Director)

Compliance Officer:

- Mr. Anant Palan

Chairman of the Board:

- Mahendra Dave

Audit Committee:

- Shikha Kapasi
(Chairperson)
- Hitesh Dave
- Mahendra Dave
- Nimesh Ganatra

Nomination &

Remuneration Committee:

- Shikha Kapasi
(Chairperson)
- Hitesh Dave
- Mahendra Dave

Stakeholders Relationship Committee:

- Shikha Kapasi
(Chairperson)
- Hitesh Dave
- Mahendra Dave
- Nimesh Ganatra

Risk Management Committee:

- Dhara Brahmbhatt
(Chairperson)
- Hitesh Dave
- Mahendra Dave

STATUTORY AUDITORS: M/s. N.R.GALA & ASSOCIATES (Chartered Accountants)
204, Sai Amrut, Raigadh Chowlk, Ghatkopar (E),
Mumbai – 400 0077.

REGISTRAR & SHARE TRANSFER AGENTS: Sharex Dynamic (India) Private Limited
Unit No.1, Luthra Industrial Premises,
1st Floor, 44-E, M Vasanti Marg, Safed Pool,
Andheri-Kurla Road, Andheri (East),
Mumbai – 400 072.

BANKERS: Cosmos Bank
Dena Bank
HDFC Bank

LISTED AT: BSE Limited

LETTER TO SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure and honor in writing to you,

This year, the company reported revenue from operations of 23,223,874/- in comparison to 10,892,635/- during the last financial year. The company's efforts have led to more than twice growth in revenue, which on any touchstone is a tremendous achievement.

Our operational sector (NBFC) has rapidly emerged as an important segment of the Indian financial system. Moreover, We as, NBFCs assume small position in the significance business segment, as we primarily cater to the credit requirements of the unorganized sector such as wholesale & retail traders, small-scale industries and small borrowers at the local level by way of equity investments.

The NBFC as a segment is a heterogeneous group of financial institutions, performing a wide range of activities like hire-purchase finance, vehicle financing, equipment lease finance, personal loans, working capital loans, consumer loans, housing loans, loans against shares and investment, etc. And our company is an NBFC operating as an Investment Company, which prohibits accepting deposits from public. Our company strongly believes in building a strong financial community by catering to the financial needs of people who do not have access to organized financial services like banks etc. We follow a simple 'credit with confidence' policy with sole aim to supplement the financial needs of masses.

We as a company are in direct competition with other NBFC in investment sector. And due to implementation of innovative marketing strategies, customer-oriented services, and simplified procedures, we have a cutting edge and resultantly our efforts are clearly reflected in our current year profits.

While we have witnessed substantial growth over the years, there are few areas of concern which need to be addressed. For instance, we as NBFC cater only one segment of investment and other areas of operation are still under development phase. The banks operating in the retail finance segment which offer: used vehicles financing, small personal loans, three-wheeler financing, IPOs financing, finance for tires & fuel, asset management, mutual fund distribution, insurance advisory, etc. and with their existing established network we have lot of catching up to do. To compete with them, we are aspiring and targeting to emerge as a one-stop shop for all financial services.

Further, in order to monitor the financial health and prudential functioning of NBFCs, the RBI issued directions regarding acceptance of deposits, prudential norms like capital adequacy, income recognition, asset classification, provisioning for bad and doubtful assets, exposure norms and other measures. For Instance, NBFCs registered prior to April, 1999 to raise their Net Owned Funds (NOF) to Rs. 2 Crore by March, 2017 and revision in threshold limit for defined NBFCs to an asset size of Rs.500 Crore from Rs.100 Crore. Multiple NBFCs that are part of a corporate group or floated by common set of promoters will not be viewed on standalone basis. Provision on standard assets increased from 0.25% to 0.40%. This will result in strengthening the balance sheet of NBFCs by increasing the loss absorption capacity in long run but, it will have higher impact on profitability in short run. We are glad to inform that we have complied with all the regulations.

With revenue raised by 12,331,239 and notable growth in profit, this achievement is commensurate by simultaneous expenses. The major constituent of expenses during the reporting period was employee benefit expenses accompanied by other expenses. Other expenses majorly included provisioning for standard assets, miscellaneous expenses, brokerage & balances written off .Our performance is reflected in EPS which is thrice the previous year EPS and stands at a figure of Rs .06/- , "though trivial still remarkable".

Thank you for your continued support

Yours sincerely

For Gemstone Investments Limited

sd/-

Mahendra Dave
Chairman & Director

GEMSTONE INVESTMENTS LIMITED

(CIN: L65990MH1994PLC081749)

Registered Office: Room No. 105, 1st Floor, Shradhanand Building, 274 Samuel Street, Masjid Bunder, Mumbai - 400003.

Tel: 022-65102060. **E-mail:** gemstoneltd@gmail.com

NOTICE

Notice is hereby given to the members that the 21st Annual General Meeting of **Gemstone Investments Limited** is to be held, the details of which are given as below:

- ❖ **Date :** 29th September, 2015.
- ❖ **Day :** Tuesday.
- ❖ **Time :** 9.30 am.
- ❖ **Venue :** Room No. 105, 1st Floor, Shradhanand Building, 274 Samuel Street, Masjid Bunder, Mumbai - 400003.

Meeting is scheduled to transact the following business:

ORDINARY BUSINESS:

❖ **Item No. 1 – Adoption of Financial Statements.**

To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and the Auditors of the Company thereon.

❖ **Item No. 2 – Re-Appointment of Director.**

To appoint a Director in place of **Mr. Muljibhai Chheda**, (holding DIN: 05976338) Executive Director, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and who being eligible, offers himself for re-appointment.

❖ **Item No. 3 – Re-Appointment of Director.**

To appoint a Director in place of **Mr. Nimesh Ganatra**, (holding DIN: 02712015) Executive Director, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and who being eligible, offers himself for re-appointment.

❖ **Item No. 4 – Ratification of Appointment of Auditors.**

To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by members at the AGM held on 30th September, 2014, the appointment of **M/s. N. R. Gala & Associates**, Chartered Accountants, Mumbai (Firm Reg. No: 131744W), as Statutory Auditors of the Company to hold office till conclusion of the Twenty-Third Annual General Meeting, be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the Audit Committee in consultation with the Auditors.

SPECIAL BUSINESS:

❖ **Item No. 5 – Appointment of a Non Executive Independent Director.**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, **Mr. Dharmesh Belani** (DIN: 07273640), who has submitted a declaration that he meets criteria of independence and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the director and who is eligible for appointment, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of five consecutive years from 29th September, 2015 and shall not be liable to retire by rotation.”

❖ **Item No. 6 – Appointment of a Non Executive Independent Director.**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, **Mrs. Mamata Shetty** (DIN: 07273684), who has submitted a declaration that she meets criteria of independence and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of the director and who is eligible for appointment, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of five consecutive years from 29th September, 2015 and shall not be liable to retire by rotation.”

❖ **Item No. 7 – Appointment of Managing Director.**

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Mrs. Dhara Brahmhatt (DIN: 06433270) as Managing Director of the Company for a period of five years with effect from September 29, 2015 upon the terms and conditions including remuneration as set out in the draft agreement submitted to the meeting and initialed by the Chairman, for the purpose of identification, which draft agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto, as may be agreed to between the Directors and Mrs. Dhara Brahmhatt.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

❖ **Item No. 8 – Adoption of New Set of Articles.**

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

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable that may arise in this regard.”

Notes:

1. The Explanatory Statement, pursuant to section 102 of the Companies Act, 2013 setting out material facts are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and aggregate holding not more than ten percent 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 proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Brief resume of directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, name of the companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Annexure to notice as per Clause 49 of the Listing Agreement.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant Documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from **September 23, 2015 and September 29, 2015** (both days inclusive) for the purpose of the Annual General Meeting.
8. The members are requested to:
 - a. Intimate to the Company's Registrars and Share Transfer Agents, **M/s. Sharex Dynamic (India) Private Limited** (for shares held in physical form) and to their