

# **Garnet International Limited**

**26th Annual Report  
2007-2008**

# Garnet International Limited

## BOARD OF DIRECTORS

MR. SURESH GAGGAR  
MR. DEVEN MEHTA  
MR. PANKAJ GOEL  
MR. DINESH NANDWANA  
MR. RAMAKANT GAGGAR

## BANK

HDFC BANK LIMITED

## AUDITORS

M/S. R.S. AGRAWAL & ASSOCIATES

## REGISTERED OFFICE

901, RAHEJA CHAMBERS  
NARIMAN POINT  
MUMBAI - 400 021

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# Garnet International Limited

## NOTICE

NOTICE IS HEREBY GIVEN THAT the 26<sup>th</sup> Annual General Meeting of Garnet International Limited will be held on Tuesday, 30<sup>th</sup> day of September 2008 at 4.30 P.M at 901, Raheja Chambers, Nariman Point, Mumbai - 400 021 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March 2008 and Balance Sheet as on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Gaggar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dinesh Nandwana who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. R.S. Agrawal & Associates, Chartered Accountants, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS**

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

"RESOLVED THAT Mr. Ramakant Gaggar, who was appointed as an Additional Director the Company with effect from 24<sup>th</sup> September 2007 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and whose term expires at the 26<sup>th</sup> Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Ramakant Gaggar for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to retirement by rotation."

**By order of the Board**

Place: Mumbai  
Dated: 30<sup>th</sup> June 2008

**SURESH GAGGAR  
DIRECTOR**

# Garnet International Limited

## NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.*
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the meeting.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 29<sup>th</sup> September 2008 to Tuesday, 30<sup>th</sup> September 2008 (both days inclusive).

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No. 5

Mr. Ramakant Gaggar was appointed as an Additional Director of the Company with effect from 24<sup>th</sup> September 2007. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, the term of office as Additional Director of the aforesaid person shall expire at the 26<sup>th</sup> Annual General Meeting of the Company. In the meantime, the Company has received notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Ramakant Gaggar for the office of Director of the Company. The Board recommends the appointment of Mr. Ramakant Gaggar as a Director of the Company.

The resolution vide Item No. 5 is therefore proposed for the approval of the Members.

Mr. Suresh Gaggar and Mr. Ramakant Gaggar shall be deemed to be concerned or interested in the resolution for their respective appointment. Apart from the said Directors, no other Director shall be deemed to be concerned or interested in the said resolution.

**By order of the Board**

Place: Mumbai  
Dated: 30<sup>th</sup> June 2008

**SURESH GAGGAR  
DIRECTOR**

# Garnet International Limited

## DIRECTOR'S REPORT

### *The Members*

The Directors of **Garnet International Limited** take pleasure in presenting the Annual Report on the operations of the company, together with the audited accounts for the year ended March 31, 2008.

### *Financial Results*

Particulars	Rs. in Lacs	
	Year ended 31 <sup>st</sup> March 2008	Year Ended 31 <sup>st</sup> March 2007
Total Income	149.56	216.32
Profit/(Loss) before Depreciation and Tax	129.12	202.43
Less: Depreciation	1.24	0.99
Profit/(Loss) before Tax	127.88	201.44
Less: Provision for Tax	13.46	24.17
Net Profit /(Loss) after Tax	114.42	177.27

### *Year and Period under review*

During the period under review, your Company has diversified into business activities pertaining to construction and real estate. The said sector provides immense opportunities. The Construction Industry provides various sub-segments such as commercial, residential, townships etc. Your Directors are fully optimistic on capitalizing the ongoing infrastructure boom.

The total income of earned during the year was on account of other income. The company registered a total income of Rs.149.56 lacs as against Rs.216.32 lacs in the previous year. Profit before depreciation and tax stood at Rs.129.12 lacs as against Profit of Rs.202.43 lacs in the previous year. Your company reported net profit of Rs.114.42 lacs.

### *Audit Committee*

The Audit Committee comprises of Mr. Dinesh Nandwana, Mr. Pankaj Goel and Mr. Suresh Gaggar as the Members of the Committee.

Mr. Dinesh Nandwana has been appointed as the Chairman of the Committee.

### *Responsibility Statement*

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

# Garnet International Limited

- The applicable standards have been followed in the preparation of the annual accounts.
- 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 March 31, 2008 and the profit of the company for the year ended on that date.
- The Directors have taken appropriate and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the attached Statement of Accounts for the year ended March 31, 2008 on a going concern basis.

## ***Corporate Governance***

As required under the Listing Agreement with Bombay Stock Exchange Limited, a report on Corporate Governance is given in Annexure –A to this Report

## ***Directors***

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Suresh Gaggar and Mr. Dinesh Nandwana, Directors of the Company, shall retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The Board of Directors recommends their re-appointment.

Mr. Ramakant Gaggar who was appointed as an Additional Director of the Company during the period under review pursuant to the provisions of Section 260 of the Companies Act, 1956 would vacate his office on the date of the ensuing Annual General Meeting of the Company. The Company has received Notice under Section 257 of the said act from a shareholder proposing the candidature of the aforesaid person as a Director of the Company. Accordingly, resolution has been proposed in the Notice of the forthcoming Annual General Meeting of the Company for the appointment of the aforesaid person as a Director of the Company.

During the period under review, Mr. Jitendra Mehta had tendered resignation due to his other pre-occupations. Your Directors place on record their deep appreciation for the valuable contribution made by the outgoing Director during his association with the Company

## ***Fixed Deposits***

During the year under review, the company had neither accepted nor renewed any deposit from public within the meaning of Section 58 A of the Companies Act, 1956.

## ***Auditors***

M/s. R.S. Agrawal & Associates, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office.

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## *Auditors' Comments*

The observations made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

## *Conservation of Energy, Research & Development, Technology absorption, Foreign exchange Earnings and Outgo:*

### *(A) Conservation of Energy and Technology Absorption*

Considering the Company's business activities, the Directors have nothing to state in connection with Conservation of Energy and Technology Absorption.

### *(B) Foreign Exchange Earnings And Outgo*

During the year under review, the Company did not have any Foreign Exchange Earnings or Outgo.

## *Particulars as per section 217(2A) of Companies Act, 1956*

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

## *Acknowledgements*

The Directors greatly value the support and co-operation received during the year from the Financial Institution, the Company's Bankers, Statutory Authorities and all organizations connected with its business. The Directors also take pleasure in commending the valuable contributions made by the Company's employees at all levels during the year under review.

**For and on behalf of the Board**

**Place: Mumbai**

**Dated: 30<sup>th</sup> June 2008**

**Suresh Gaggar  
Director**

**Dinesh Nandwana  
Director**

# Garnet International Limited

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. Corporate Governance assumes a great deal of importance in the business life of the Company through adoption of best governance practices and its adherence in the true spirit at all times. The Company believes that proper Corporate Governance facilitates effective management and control of business. The Company's goal is to find creative and productive ways of delighting its stakeholders, while fulfilling the role of a responsible corporate representative committed to best practices. The Company has implemented the mandatory requirements of the 'Code of Corporate Governance' as mentioned in the clause 49 of the Listing Agreement.

### 2. Board of Directors

#### a) Composition of the Board

The Board comprises of Five Directors all of whom are Non-Executive Directors. One third of the Board comprises of independent Directors as there is no chairman. All the Directors are liable to retire by rotation.

The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Directorship	No. of Other Directorships*	No. of Other Committee Memberships #	
				Chairman	Member
Mr. Suresh Gaggar	Director	Promoter, Non-Executive; Non Independent	Nil	Nil	Nil
Mr. Ramakant Gaggar	Director	Promoter; Non-Executive; Non-Independent	Nil	Nil	Nil
Mr. Deven Mehta	Director	Promoter; Non-Executive; Non-Independent	1	Nil	2
Mr. Dinesh Nandwana	Director	Non-Executive; Independent	3	Nil	Nil
Mr. Pankaj Goel	Chairman	Non-Executive; Independent	1	Nil	Nil

\* Directorships in Private and Foreign Companies, if any are excluded.

# Memberships of only Audit Committee, Shareholders/investors' Grievance Committee and Remuneration Committee have been considered.)



# Garnet International Limited

- b) Reappointment of Directors:  
Resume of the Directors whose appointment/re-appointment is proposed at the forthcoming Annual General meeting is as under:

i) **Mr. Suresh Gaggar**

Mr. Suresh Gaggar is a M.Com. He has been actively associated with financial activities and has sound knowledge and experience on Mergers, Amalgamations, Restructuring, Funds Mobilization, Project Advisory and Financing, Working Capital Arrangements etc. Besides he has deep understanding on Investment and Portfolio Management, Derivatives and Capital Market Operations.

Directorships held by Mr. Suresh Gaggar in other companies is as under :

Sr. No.	Name of the Company
1	Bhuta Investment P. Ltd.
2.	Casanova Builcons P. Ltd.
3.	Jyoti Brigh Bar P. Ltd.
4.	Maxwell Management Services P. Ltd.
5.	Sukartik Export P. Ltd.
6.	Evergreen Infotech & Datacom P. Ltd.

Mr. Gaggar does not hold Committee Chairmanship/Membership in any other Company.

Mr. Suresh Gaggar holds 417000 equity shares in the Company as on 30<sup>th</sup> June 2008

ii) **Mr. Dinesh Nandwana**

Mr. Dinesh Nandwana is a member of Institute of Chartered Accountants of India having over 23 years of experience of administration. He is Chairman of Vakrangee Softwares Limited, a company involved in development of administrative aspect of both digitized photo and multilingual technology.

Directorships held by Mr. Nandwana in other companies is as under:

Sr. No.	Name of the Company
1	Vakrangee Softwares Limited
2.	Vakrangee Technologies Limited
3.	Vakrangee IT Solutions Limited
4.	Dream River (Neral) Developers P. Ltd.
5.	NJD Holdings P. Ltd.
6.	NJD Biotech P. Ltd.
7.	NJD Infrastructure P. Ltd.
8.	MDN Shares & Stock Brokers P. Ltd.
9.	MDM Multi Commodities P. Ltd.

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Mr. Nandwana does not hold any Chairmanship/Membership in committees of other companies..

Mr. Nandwana does not hold any equity shares in the Company as on 30<sup>th</sup> June 2008

### iii) Mr. Ramakant Gaggar

brief profile to include

Directorships held by Mr. Ramakant Gaggar in other companies is as under :

Sr. No.	Name of the Company
1	Bhuta Investment P. Ltd.
2.	Maxwell Management Services P. Ltd.
3.	Sukartik Export P Ltd.
4.	Evergreen Infotech & Datacom P. Ltd.
5.	MCG Commodities Services P. Ltd.

Mr. Ramakant Gaggar does not hold any Chairmanship/Membership in committees of other companies..

Mr. Ramakant Gaggar holds 912950 equity shares in the Company as on 30<sup>th</sup> June 2008

### c) Board Meetings and Annual General Meeting:

During the financial year 2007-08, 7 Board Meetings were held on 27<sup>th</sup> April 2007, 28<sup>th</sup> June 2007, 31<sup>st</sup> July 2007, 14<sup>th</sup> August 2007, 24<sup>th</sup> September 2007, 31<sup>st</sup> October 2007 and 24<sup>th</sup> January 2008. The last Annual General Meeting of the Company was held on 21<sup>st</sup> August 2007. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows.

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Suresh Gaggar	7	Yes
Mr. Deven Mehta	6	Yes
Mr. Dinesh Nandwana	6	Yes
Mr. Pankaj Goel	6	No
Mr. Jitendra Mehta #	Nil	No
Mr. Ramakant Gaggar *	2	N.A.

# Resigned w.e.f. 24<sup>th</sup> September 2007

\* Appointed w.e.f. 24<sup>th</sup> September 2007

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d) **Code of Conduct**

The Board has laid down a code of conduct for all Board members and senior management of the company. The Company has obtained the confirmation of the Compliance with the Code from all its Board members and senior management personnel.

3. **Audit Committee**

a) **Constitution of Audit Committee:**

The Committee comprises three Non-executive Directors majority of whom are independent directors. All members of the Committee are financially literate. The Chairman of the Committee is a member of the Institute of Chartered Accountants of India.

b) **Composition of Audit Committee and Number of Meetings Attended:**

During the Financial year 2007-08, Four Audit Committee Meetings were held on 30<sup>th</sup> April 2008, 28<sup>th</sup> June 2007, 31<sup>st</sup> July 2007, 31<sup>st</sup> October 2007 and 24<sup>th</sup> January 2008. The composition of the Audit Committee and the number of meeting attended were as under:

<b>Committee Members Attending the Meeting</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Mr. Dinesh Nandwana	Chairman	4
Mr. Pankaj Goel	Member	4
Mr. Suresh Gaggar	Member	4

c) **Attendees:**

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Executive- Accounts attend such meetings. The Statutory Auditors are also invited to these meetings.

d) **The Terms of Reference of the Audit Committee:**

The terms of reference of the Audit Committee as defined by the Board are as under:

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

# Garnet International Limited

- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

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- e) **Powers of the Audit Committee:**  
The Board has delegated the following powers to the Audit Committee:
- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
  - ii) Seek information from any employee.
  - iii) Obtain outside legal or other professional advice, if necessary.
  - iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

## 4. **Remuneration Committee**

- a) **Constitution of Remuneration Committee:**  
The Remuneration Committee was re-constituted on 24<sup>th</sup> September 2007. Presently, the committee comprises of three members. All the members are Non-Executive Directors.
- b) **Composition of Remuneration Committee and the number of meetings attended:**  
During the financial year 2007-08, there were no meetings of the remuneration committee held.
- c) **Terms of reference:**  
The committee has the mandate to review and recommend compensation payable to the executive directors and senior management of the company. It shall also administer the company's stock option plans, if any, including the review and grant of the stock options to eligible employees under plans. The committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the executive directors at the beginning of the year.
- d) **Remuneration Policy:**
- i) **Management Staff :**  
Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performance, etc.
  - ii) **Non-Executive Directors :**  
The Company does not pay any sitting fees to the Non-executive Directors.

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## 5. Shareholders' / Investors' Grievance Committee

### a) Constitution and Composition of Shareholders' Grievance Committee:

The Shareholders' / Investors' Grievance Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Suresh Gaggar, a Non-Executive Director. 2 Shareholders' / Investors' Grievance Committee Meetings were held during the financial year 2007-08, on 6<sup>th</sup> April 2007 and 11<sup>th</sup> May 2007. The composition of the Shareholders/Investors' Grievance Committee and the number of meeting attended were as under:

Name of Director	Designation	No. of Meeting Attended
Mr. Suresh Gaggar	Chairman	2
Mr. Jitendra Mehta #	Member	2
Mr. Deven Mehta	Member	Nil
Mr. Ramkant Gaggar*	Member	Nil

# Resigned w.e.f. 24<sup>th</sup> September 2007

\* Appointed w.e.f. 24<sup>th</sup> September 2007

- b) Mr. Ramakant Gaggar is the Compliance officer of the Company.
- c) During the year 2007-08, the Company has not received any complaints from shareholders / investors. There were no complaints pending as at end of the year.
- d) Share Transfers in Physical Mode  
Shares sent for physical transfer are generally registered and returned within a Period of 15 days from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee of the Company meets as often as required.
- e) General Body Meetings
- a. Annual General Meeting:
- i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

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Financial Year	Date	Time	Location of the Meeting
2004-05	13/08/05	4:00 P.M.	28, Bombay Samachar Marg, Fort, Mumbai - 400 023
2005-06	22/09/06	4:30 P.M.	28, Bombay Samachar Marg, Fort, Mumbai - 400 023
2006-07	21/08/07	4:30 P.M.	28, Bombay Samachar Marg, Fort, Mumbai - 400 023

ii) Special Resolutions during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2004-05	Special resolution for issue of 7,25,000 Equity Shares of Rs.10/- each for cash at a premium of Rs.2/- per share was passed at the last Annual General Meeting.
2005-06	Nil
2006-07	Nil

iii.) During the year 2007-08, the following special Resolution were been passed by Postal Ballot.

Brief Particulars of the Resolution	Results declared on	Voting Pattern
Special Resolution: Consent under Section 17 of the Companies Act, 1956 for alteration of Clause III(A) {Main Object} of the Memorandum of Association of the Company.	28 <sup>th</sup> September 2007	A total of 42 valid postal ballot forms were received out of whom 39 shareholders holding 1989455 Equity Shares had voted in favour and 3 shareholder holding 1445 Equity Shares had voted against the resolution. Mr. Narayan Rathi, partner of Rathi & Associates has conducted the postal Ballot

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- iii) No Special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

**f) Means of Communication**

The quarterly results of the Company are generally published in Free Press Journal and Dainik Navshakti. The Company proposes that all quarterly, half-yearly and full year audited results be published at least in 2 newspapers. The quarterly results shall further be submitted to the Bombay Exchange Limited shortly after the conclusion of the respective meetings.

No presentations were made to institutional investors or to the analysts during the year under review.

**g) General Shareholder Information**

**i. Annual General Meeting:**

Day, Date and Time : Tuesday, 30th September 2008 at 4.30 p.m.  
Venue : 901, Raheja Chambers,  
Free Press Journal Marg,  
Nariman Point,  
Mumbai - 400 021

**ii. Financial Year:**

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

- iii. Date of Book Closure:** 29<sup>th</sup> September 2008 to 30<sup>th</sup> September 2008  
(Both days inclusive)

**iv. Listing on Stock Exchanges:**

The Company's shares are listed on Bombay Stock Exchange Limited ("BSE") and Calcutta Stock Exchange Association Limited ("CSE"). The Company has paid the listing fees to the Bombay Stock Exchange Limited.

**v. Stock Code/Symbol**

BSE - 512493

**vi. Market Price Data:**

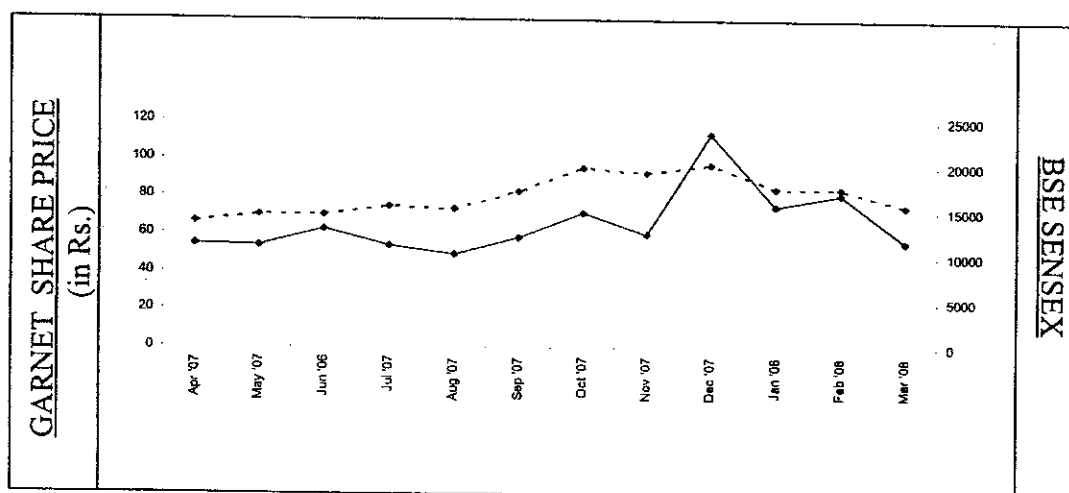
The monthly high and low quotations of shares traded on the Bombay Stock Exchange Ltd. During each month post listing is as follows:



# Garnet International Limited

Month	BSE	
	High (Rs.)	Low (Rs.)
April 2007	69.00	53.20
May 2007	61.40	51.85
June 2007	68.60	48.00
July 2007	65.70	45.10
August 2007	62.00	47.10
September 2007	76.95	46.00
October 2007	80.00	52.50
November 2007	74.55	54.25
December 2007	127.00	60.00
January 2008	120.00	74.00
February 2008	95.95	71.30
March 2008	81.00	52.55

Performance in comparison to broad – based indices of BSE Sensex is as under:



#### g. Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. They attend to share transfer formalities at least once in 15 days.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

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Physical shares received for dematerialisation are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

## h. Category wise Shareholding as at March 31, 2008:

Sr. No.	Category	No. of Shares held	%
1.	Promoter Group	2499215	52.89
2	Non-Resident Indians	59	0.00
3.	Private Bodies Corporate	727091	15.39
4.	Indian Public	1479053	31.30
5.	Market Maker	19582	0.42
	<b>Total</b>	<b>4725000</b>	<b>100.00</b>

## i. Distribution of Shareholding as at March 31, 2008:

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	Share Capital Amount (Rs.)	% of Total
1 - 5,000	638	64.7720	1124450	2.3800
5,001 - 10,000	130	13.1980	1143370	2.4200
10,001 - 20,000	75	7.6140	1138250	2.4090
20,001 - 30,000	32	3.2490	834280	1.7660
30,001 - 40,000	12	1.2180	452660	0.9580
40,001 - 50,000	19	1.9290	870310	1.8420
50,001 - 100,000	32	3.2490	2324880	4.9200
100,001 and above	47	4.7720	39361800	83.3050
<b>TOTAL</b>	<b>985</b>	<b>100.00</b>	<b>47250000</b>	<b>100.00</b>

## j. Dematerialisation of Shares and Liquidity:

About 98.64% of the shares have been dematerialized as on March 31, 2008. The equity shares of the Company are traded at Bombay Stock Exchange Ltd. (BSE) and Calcutta Stock Exchange Association Limited (CSE).

## k. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs. There were no outstanding convertible warrants as on March 31, 2008.

## l. Registrar and Share Transfer Agents:

Intime Spectrum Registry Ltd.  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup, Mumbai-400078.

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m. Plant Locations: The Company does not have any manufacturing activities.

n. Address for Correspondence:

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Intime Spectrum Registry Ltd.  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup, Mumbai-400078.  
Tele: 022 - 25963838  
Fax: 022 - 25946969 / 25960329

For general correspondence:

Garnet International Limited  
Secretarial Department  
901, Raheja Chambers,  
Free Press Journal Marg,  
Nariman Point Mumbai - 400 021.  
Tel: 022 - 66369942  
Fax: 022 - 66369943

## b) Other Disclosures

- a. The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2008.
- b. The Company has complied with the requirements of regulatory authorities on capital markets and no penalty / stricture was imposed on the Company during the last three years.
- c. The Company has complied with the non-mandatory requirements relating to remuneration Committee. The financial statements of the Company are unqualified.
- d. The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under the code of the Corporate Governance.

# Garnet International Limited

## CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that Garnet International Limited has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Dinesh Nandwana  
Chairman – Audit Committee

Place: Mumbai  
Date: 30<sup>th</sup> June 2008

# Garnet International Limited

## CEO/CFO certification

I, Dinesh Nandwana, Chairman of Audit Committee of Garnet International Limited to the best of my knowledge and belief, certify that:

- a. I have reviewed financial statements and the cash flow statement for the financial year 2007-08 and that to the best of my knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- e. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Place: Mumbai  
Date: 30<sup>th</sup> June 2008

Dinesh Nandwana  
Chairman – Audit Committee

# Garnet International Limited

## AUDITORS' CERTIFICATE

To  
The Members,  
GARNET INTERNATIONAL LIMITED

We have examined the compliance of conditions of Corporate Governance by GARNET INTERNATIONAL LIMITED, for the year ended on March 31, 2008, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement subject to that *the company does not have the whole time company secretary to act as the secretary of the audit committee which is not in conformity with the requirements of clause 49 of the listing agreements with the stock exchanges.*

As per the records maintained by the Shareholders/Investors Grievances Committee, we state that, in respect of investors grievances received during the year ended 31<sup>st</sup> March 2008, no investor grievances are pending against the company for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**R. S. AGRAWAL & ASSOCIATES**  
Chartered Accountants

**R. S. Agrawal**  
Partner  
M. No. 033216

Place : Mumbai  
Dated : 30<sup>th</sup> June 2008

# Garnet International Limited

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Directors have been constantly exploring available opportunities. The Company has taken constructive steps to undertake activities pertaining to construction and/or dealing in real estate.

### Opportunities and Threats

Construction sector provides various opportunities and different segments. Opportunities exist in undertaking contracts for various construction projects for Government, Semi-Government bodies or for private sectors. Similarly, the demand for commercial spaces in metropolis is constantly witnessing an upward trend. With increase in the disposable income of middle class families and concept of nuclear families, the gap between demand and supply for residential premises seems to increase further.

Your Company shall be a new entrant in the proposed diversified activities. Recently, it has been noticed that big corporate houses have been focusing on realty sector. These big players possess sound infrastructure, manpower and expertise.

### Outlook

The proposed new activities promises a bright future. It is believed that the boom in the realty sector is just a beginning. The profit margins in the sector may increase further with expected liberalized government policies.

# Garnet International Limited

## **Internal control systems and their adequacy**

Garnet's internal control systems and procedures are adequately commensurate with the magnitude of its current business. The operating and business control procedures have been planned and implemented in a manner that ensures efficient use of resources, as well as compliance with procedures and regulatory requirements. The internal control system is being further strengthened by laying out well-documented guidelines, approval and authorization procedures.

## **Human Resources**

During the year under review, the Company has enjoyed cordial professional relations with employees at all levels.



# Garnet International Limited

## AUDITORS' REPORT

TO,  
THE MEMBERS,  
**GARNET INTERNATIONAL LIMITED**  
(Formerly known as Gslot Entertainment Limited)

We have audited the attached Balance Sheet of M/s. **GARNET INTERNATIONAL LIMITED (Formerly known as Gslot Entertainment Limited)** as at 31<sup>st</sup> March 2008 and also the Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditors' Report) Order 2003 (hereinafter referred to as "the CARO 2003"), issued by the Central Government of India in terms of the section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as "the Act"), we give in the annexure a statement on the matters specified in the paragraph 4 & 5 of the said order to the extent applicable to the company.
3. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
  - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Act.
  - e. Based on the representation made by the directors of the company and information and explanation given to us, none of the directors is prima-facie disqualified as on 31<sup>st</sup> March, 2008, from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Act, on the said date.

# Garnet International Limited

f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to:

- i) *Note No. '7' to Schedule '17' to the accounts for non-provision of Rs. 354.65 lacs for decline in the market value of the quoted investments;*
- ii) *Loans & Advances, involving an amount of Rs. 193.00 lacs, given during the year under review, are in contraventions of Section 295 of the Companies Act, 1956;*
- iii) *Contracts of purchase and sale of shares, amounting to Rs. 214.85 lacs, in which directors are interested, entered in to during the year, are in contravention of section 297 of the Companies Act, 1956;*
- iv) *Deposits accepted, amounting to Rs. 82.32 lacs, during the year under review are in contraventions of Section 58A of the Companies Act, 1956; and*
- v) *Inter-corporate loans given and investments made during the year under review are in contraventions of Section 372A of the Companies Act, 1956.*

read together with significant accounting policies and notes forming part of the accounts, 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:

- i) In case of Balance Sheet, of the state of affairs of the company as at 31st March, 2008;
- ii) In the case of Profit and Loss Account, of the profit for the year ended on that date and;
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
R.S.AGRAWAL & ASSOCIATES  
Chartered Accountants

R.S. Agrawal  
Partner  
Membership No. 33216

Place: Mumbai  
Date: 30<sup>th</sup> June, 2008

# Garnet International Limited

## ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED IN PARAGRAPH (2) OF AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2008 OF GARNET INTERNATIONAL LIMITED (FORMERLY KNOWN AS Gslot ENTERTAINMENT LIMITED) ON THE BASIS OF SUCH CHECKS AS WE CONSIDER APPROPRIATE AND IN TERMS OF THE INFORMATION AND EXPLANATION GIVEN TO US, WE STATE THAT: -

1. In respect of fixed assets:
  - a) The Company has maintained records, showing particulars including quantitative details and situation of its Fixed Assets.
  - b) As explained to us, all the fixed assets have been physically verified by the Management at the end of year. We are informed that no material discrepancies have been noticed by the management on such verification as compared to the aforesaid records of fixed assets.
  - c) During the year company has not disposed any of its fixed assets.
2. The company's nature of operations does not require it to hold inventories.
3. According to information and explanation given to us :
  - a) The company has granted unsecured loan to the companies, firm and other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 48.00 lacs to 3 parties. The year end balance was Rs. 6.25 lacs from such one party;
  - b) The terms and conditions of the aforesaid loan granted are prima facie not prejudicial to the interest of the company and such loan was granted free of interest;
  - c) The receipt of principal amount of the aforesaid loan granted is regular;
  - d) Since the aforesaid loans granted, as informed to us, are receivable on demand, therefore no amount has been classified as overdue;
  - e) The company has taken unsecured loan from the companies, firm and other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 2.00 lacs from 1 party. The year end balance was Rs. Nil of such party;
  - f) The terms and conditions of the aforesaid loans taken are prima facie not prejudicial to the interest of the company and such loans were taken free of interest.
  - g) The payment of the principal amount of the aforesaid unsecured loans taken, as informed to us, are repayable on demand, therefore the same is considered to be regular.

# Garnet International Limited

4. On the basis of selective checks carried out during the course of audit and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business for purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any major weaknesses in internal control system.
5. a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.  
b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available. However, in respect of certain transactions of services and purchase and sale of shares, we are unable to comment in respect thereof in absence of similar transactions with other parties.
6. As explained to us, the company has not accepted any deposit from the public.
7. In our opinion, the company has an internal check system commensurate with its size and nature of its business. *However, the company has no formal internal audit system.*
8. We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Act.
9. In respect of statutory dues:
  - a) According to the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, FBT, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities as applicable to it. There are no arrears of undisputed statutory dues as at the last day of financial year concerned, outstanding for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of Income tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty/ Excise Duty/ Cess, outstanding on account of any dispute.
10. The accumulated losses of the company at the end of the financial year have not exceeded fifty percent of its net worth. The company has not incurred cash losses during the financial year under audit and in the immediately preceding financial year.

# Garnet International Limited

11. As per the information and explanation given to us and based on documents and record produced to us, there were no dues payable to any financial institution, bank or debenture holders during the year therefore provisions of clause 4 (xi) of the CARO 2003 are not applicable to the company.
12. According to the information and explanation given to us and based on documents and record produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi / mutual benefit fund or a society. Therefore provisions of clause 4 (xiii) of the CARO 2003 are not applicable to the company.
14. In respect of dealing / trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and other investments have been held by the company in its own name or in process of transfer in the name of the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. As per the records of the company, the company has not obtained any term loan during the year.
17. As per the information and explanation given to us and on the overall examinations of the financial statements of the company, we are of the opinion that funds raised on short-term basis have not been utilized for long-term investments.
18. During the year, the Company has not made any preferential allotment of share to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company did not have any outstanding debenture during the year.
20. The company has not raised any money through a public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For and on behalf of  
**R.S.AGRAWAL & ASSOCIATES**  
Chartered Accountants

**R. S. AGRAWAL**  
Partner  
M. No. 33216

Place: Mumbai  
Date: 30<sup>th</sup> June 2008

# Garnet International Limited

## BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	Schedules	As at 31.03.2008	As at 31.03.2007
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	46623800.00	46623800.00
Reserves & Surplus	2	135994240.00	135994240.00
		182618040.00	182618040.00
Total		<b>182618040.00</b>	<b>182618040.00</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	5992825.05	5955660.05
Less : Depreciation		4538566.28	4414763.64
Net Block		1454258.77	1540896.41
<b>INVESTMENTS</b>			
	4	109831469.28	97400603.87
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
Cash & Bank Balances	5	5176409.60	754142.57
Sundry Debtors	6	3174948.00	2701000.00
Loans & Advances	7	18879133.84	15154962.52
		27230491.44	18610105.09
<b>LESS :CURRENT LIABILITIES &amp; PROVISIONS :</b>			
Current Liabilities	8	8279959.20	155040.12
Provisions	9	4011804.00	2662454.00
		12291763.20	2817494.12
<b>NET CURRENT ASSETS</b>			
		14938728.24	15792610.97
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)	10	123536.74	175494.82
<b>PROFIT &amp; LOSS ACCOUNT</b>			
	11	56270046.97	67708433.93
Total		<b>182618040.00</b>	<b>182618040.00</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>NOTES FORMING PART OF ACCOUNTS</b>			

As per our attached report of even date  
For and on behalf of

**R.S.AGRAWAL & ASSOCIATES**  
Chartered Accountants

**R.S.AGRAWAL**  
Partner  
Membership No. 33216

Place : Mumbai  
Date : 30th June, 2008

For and on behalf of the Board

**Suresh Gaggar**  
Director

**Deven Mehta**  
Director

Place : Mumbai  
Date : 30th June, 2008

# Garnet International Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	Schedules	For the year ended 31.03.2008	For the year ended 31.03.2007
<b>INCOME</b>	<b>12</b>	14956095.10	21632099.96
		<u>14956095.10</u>	<u>21632099.96</u>
<b>EXPENDITURE :</b>			
Works Contract Payments		1026000.00	0.00
Personnel Expenses	<b>13</b>	166562.00	159204.00
Administrative & Other Expenses	<b>14</b>	794720.74	1177527.23
Depreciation	<b>3</b>	123802.64	99339.87
Miscellaneous Expenditure Written Off	<b>10</b>	51958.08	51958.08
		<u>2163043.46</u>	<u>1488029.18</u>
<b>PROFIT/ (LOSS) BEFORE TAX</b>		12793051.64	20144070.78
Less/(Add: Prior period items)		5180.00	0.00
		<u>12787871.64</u>	<u>20144070.78</u>
<b>PROVISION FOR TAXATION</b>			
Current Tax		1329400.00	2395500.00
Fringe Benefit Tax		16200.00	21600.00
Deferred Tax		0.00	0.00
		<u>1345600.00</u>	<u>2417100.00</u>
<b>PROFIT/ (LOSS) AFTER TAX</b>		11442271.64	17726970.78
Less/Add: Tax Adjustments for earlier years		(3884.68)	0.00
<b>ADD: BALANCE B/F FROM LAST YEAR</b>		(67708433.93)	(85435404.71)
		<u>(56270046.97)</u>	<u>(67708433.93)</u>
<b>BALANCE CARRIED OVER TO BALANCE SHEET</b>			
<b>BASIC AND DILUTED EPS</b>		2.42	3.75
(See Note No. '11' of Schedule '16')			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>15</b>		
<b>NOTES FORMING PART OF ACCOUNTS</b>	<b>16</b>		

As per our attached report of even date

For and on behalf of

**R.S.AGRAWAL & ASSOCIATES**

Chartered Accountants

**R.S.AGRAWAL**

Partner

Membership No. 33216

Place : Mumbai

Date : 30th June, 2008

For and on behalf of the Board

**Suresh Gaggar**

Director

**Deven Mehta**

Director

Place : Mumbai

Date : 30th June, 2008

# Garnet International Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	(Amt. in Rs.)	
(A) CASH FLOW FROM OPERATING ACTIVITIES	2007-2008	2006-2007
Net Profit before Tax and Extraordinary Items	12787871.64	20144070.78
Adjustment for		
Depreciation	123802.64	99339.87
Miscellaneous Expenditure written off	51958.08	51958.08
Loss / (Profit) on sale of Fixed Assets	0.00	0.00
Loss / (Profit) on sale of Investments	(7264693.10)	(21179335.96)
Investment Income		
- Interest	(32055.00)	(68432.00)
- Dividend	(1575399.00)	(384332.00)
Interest Expenses	0.00	0.00
Operating Profit before Working Capital changes	4091485.26	(1336731.23)
Adjustment for		
- Trade and other Receivables	(2499026.00)	604728.52
- Inventories	0.00	0.00
- Trade Payables	96169.08	(21517.45)
Cash generated from operations	1688628.34	(753520.16)
Advance Tax & TDS	(1702978.00)	825718.00
Cash flow before Extraordinary Items	(14349.66)	72197.84
Extraordinary Items	0.00	0.00
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(14349.66)</b>	<b>72197.84</b>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Investments (Net)	(12430865.41)	(21429433.48)
Purchase of Fixed Assets	(37165.00)	(551000.00)
Loan (given) / Refund	0.00	0.00
Sale of Fixed Assets	0.00	0.00
Interest / Other income	32055.00	68432.00
Loss / (Profit) on sale of Investments	7264693.10	21179335.96
Dividend received	1575399.00	384332.00
Proceeds from / Payment for Deposits	0.00	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3595883.31)</b>	<b>(348333.52)</b>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	0.00	0.00
Premium on Share Capital	0.00	0.00
Miscellaneous Expenditure	0.00	0.00
Proceeds from Long Term Borrowings	0.00	0.00
Repayment of Long Term Borrowings	0.00	0.00
Proceeds from Short Term Borrowings	8032500.00	0.00
Repayment of Short Term Borrowings	0.00	0.00
Changes in Working Capital Borrowings from Banks	0.00	0.00
Interest Paid	0.00	0.00
Dividend paid	0.00	0.00
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>8032500.00</b>	<b>0.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>4422267.03</b>	<b>(276135.68)</b>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	754142.57	1030278.25
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	5176409.60	754142.57

As per our attached report of even date  
For and on behalf of  
**R.S.AGRAWAL & ASSOCIATES**  
Chartered Accountants

**R.S.AGRAWAL**  
Partner  
Membership No. 33216

Place : Mumbai  
Date : 30th June, 2008

For and on behalf of the Board

**Suresh Gaggar**  
Director

**Deven Mehta**  
Director

Place : Mumbai  
Date : 30th June, 2008



# Garnet International Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31.03.2008	As at 31.03.2007
<b><u>SCHEDULE '1' SHARE CAPITAL :</u></b>		
<b>AUTHORISED :</b>		
75,00,000 (Previous Year 75,00,000) Equity Shares of Rs. 10/- each	75000000.00	75000000.00
	<u>75000000.00</u>	<u>75000000.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
47,25,000 (Previous Year 47,25,000) Equity Shares of Rs. 10/- each	47250000.00	47250000.00
Less : Allotment money in arrears From Others	626200.00	626200.00
	<u>626200.00</u>	<u>626200.00</u>
<b>Total</b>	<b><u>46623800.00</u></b>	<b><u>46623800.00</u></b>
<b><u>SCHEDULE '2' RESERVES &amp; SURPLUS :</u></b>		
Share Premium	139000000.00	139000000.00
Add: Received during the year	0.00	0.00
Less : Premium in arrears From Directors	139000000.00	139000000.00
From Others	0.00	0.00
	<u>3005760.00</u>	<u>3005760.00</u>
<b>Total</b>	<b><u>3005760.00</u></b>	<b><u>3005760.00</u></b>
	<b><u>135994240.00</u></b>	<b><u>135994240.00</u></b>

# Garnet International Limited

SCHEDULE '3' FIXED ASSETS		GROSS BLOCK						DEPRECIATION				NET BLOCK	
		As at 01.04.2007	Addition during the year	Sold / Transfer during the year	As at 31.03.2008	Total up to 31.03.2007	Provided for the year	Written back during the year	Total up to 31.03.2008	Total as at 31.03.2008	Total as at 31.03.2007		
PARTICULARS													
LAND	78090.00	0.00	0.00	78090.00	0.00	0.00	0.00	0.00	0.00	78090.00	78090.00	78090.00	78090.00
COMPUTERS	469500.00	15000.00	0.00	484500.00	469499.00	965.85	0.00	470464.85	14035.15	1.00	1.00	1.00	1.00
OFFICE EQUIPMENTS	1183295.05	22165.00	0.00	1205460.05	361131.33	56882.03	0.00	418013.37	787446.68	822163.72	822163.72	822163.72	822163.72
COMPUTER SOFTWARES	3481275.00	0.00	0.00	3481275.00	3481275.00	0.00	0.00	3481275.00	0.00	0.00	0.00	0.00	0.00
EQUIPMENTS	192500.00	0.00	0.00	192500.00	94134.14	13609.76	0.00	107743.90	84756.10	98365.86	98365.86	98365.86	98365.86
VEHICLES	551000.00	0.00	0.00	551000.00	8724.17	52345.00	0.00	61069.17	489930.83	542275.83	542275.83	542275.83	542275.83
TOTAL	5955660.05	37165.00	0.00	5992825.05	4414763.64	123802.64	0.00	4538566.28	1454258.77	1540896.41	1540896.41	1540896.41	1540896.41
PREVIOUS YEAR	5404660.05	551000.00	0.00	5955660.05	4315423.77	99339.87	0.00	4414763.64	1540896.41	1540896.41	1540896.41	1540896.41	1540896.41

# Garnet International Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31.03.2008	As at 31.03.2007
<b><u>SCHEDULE '4' INVESTMENTS :</u></b>		
Long Term : At cost		
Non Trade : Quoted		
Fully Paid-up Equity Shares of Rs. 10/- each unless otherwise stated:		
143471 (279239) Vakrangee Software Limited	32238510.76	43980004.86
250000 (250000) Servotech Eng. Ind. Limited	5325000.00	5325000.00
0 (221) Kernex Micro Systems Limited	0.00	62894.39
76 (76) Suryalakshmi Cotton Mills Limited	13852.54	13852.54
268890 (380000) Suryajyoti Spinning Mills Limited	14533787.52	20539399.95
581621 (157300) Reliable Ventures India Limited	34061081.13	3538711.58
34700 (0) Jayavant Products Limited	1652414.00	0.00
( See Note No. '7' of Schedule '16' )		
	<b>87824645.95</b>	<b>73459863.32</b>
Non Trade : Unquoted		
Fully Paid-up Equity Shares of Rs. 10/- each unless otherwise stated		
20000 (0) Brongce Logistic (P) Ltd.	1427833.00	0.00
0 (10000) 0.01% Cumulative Redeemable Preference Shares of Essar Steels Limited	0.00	595083.55
632500 (840000) ARSS Infrastructure Projects Limited	8433333.33	11200000.00
1650 (1650) Casanova Builcons Pvt. Ltd.	145657.00	145657.00
60000 (60000) Bhuta Investment Private Limited	12000000.00	12000000.00
<b>Total</b>	<b>22006823.33</b>	<b>23940740.55</b>
	<b>109831469.28</b>	<b>97400603.87</b>
Aggregate Cost of Quoted Investments	87824645.95	73459863.32
Aggregate Market Value of Quoted Investments	52359527.25	69859005.50
Aggregate Cost of Unquoted Investments	22006823.33	23940740.55
<b><u>SCHEDULE '5' CASH AND BANK BALANCES :</u></b>		
Cash on hand	127654.00	296181.00
Bank Balances with Scheduled Banks In Current Accounts	5048755.60	457961.57
<b>Total</b>	<b>5176409.60</b>	<b>754142.57</b>

# Garnet International Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31.03.2008	As at 31.03.2007
<b><u>SCHEDULE '6' SUNDRY DEBTORS :</u></b> (Unsecured, Considered good )		
Outstanding for more than six months	0.00	2701000.00
Others (See Note No. '12' to Schedule '16' )	3174948.00	0.00
<b>Total</b>	<b>3174948.00</b>	<b>2701000.00</b>
<b><u>SCHEDULE '7' LOANS &amp; ADVANCES :</u></b> (Unsecured, Considered good)		
Advances recoverable in cash or in kind or for Value to be received.	458900.00	9274.00
Inter Corporate Loans (See Note No. '13(a)' to Schedule '16' )	13800452.00	2150000.00
Advances for Investments (See Note No. '13(b)' to Schedule '16' )	2500000.00	12600000.00
Deposits	30000.00	5000.00
Income tax & Tax deducted at source	2089781.84	390688.52
<b>Total</b>	<b>18879133.84</b>	<b>15154962.52</b>
<b><u>SCHEDULE '8' CURRENT LIABILITIES :</u></b>		
Sundry creditors		
a) Dues of Micro enterprise and small enterprise	0.00	0.00
b) Dues of creditors other than Micro enterprise and small enterprise (See note no. '6' of schedule '16')	220057.20	146585.12
Other Liabilities	27402.00	8455.00
Deposits	8032500.00	0.00
<b>Total</b>	<b>8279959.20</b>	<b>155040.12</b>
<b><u>SCHEDULE '9' PROVISIONS :</u></b>		
Provision for tax	3981804.00	2636204.00
Provision for Gratuity	30000.00	26250.00
	<b>4011804.00</b>	<b>2662454.00</b>
<b><u>SCHEDULE '10' MISCELLANEOUS EXPENDITURE :</u></b> (To the extent not written off or adjusted)		
Miscellaneous Expenditure	175494.82	227452.90
Less : Written off during the year	51958.08	51958.08
	<b>123536.74</b>	<b>175494.82</b>
<b>Total</b>	<b>123536.74</b>	<b>175494.82</b>
<b><u>SCHEDULE '11' PROFIT &amp; LOSS ACCOU</u></b>		
Debit Balance in Profit & Loss Account	56270046.97	67708433.93
<b>Total</b>	<b>56270046.97</b>	<b>67708433.93</b>

# Garnet International Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	For the year ended 31.03.2008	For the year ended 31.03.2007
<b><u>SCHEDULE '12' INCOME :</u></b>		
Works contracts sales (Gross, TDS Rs. 33990/- Pr. Yr. Nil)	6083948.00	0.00
Interest (Gross, TDS Rs. 6603/- Pr. Yr. Nil)	32055.00	68432.00
Dividend	1575399.00	384332.00
Profit on sale of Investments / trading in shares	7264693.10	21179335.96
<b>Total</b>	<b>14956095.10</b>	<b>21632099.96</b>
<b><u>SCHEDULE '13' : PERSONNEL EXPENSE</u></b>		
Salaries and other allowances	142250.00	135933.00
Contribution to PF & other funds	10680.00	10907.00
Staff Welfare	13632.00	12364.00
<b>Total</b>	<b>166562.00</b>	<b>159204.00</b>
<b><u>SCHEDULE '14' ADMINISTRATIVE &amp; OTHER EXP.:</u></b>		
Rent	5316.00	5316.00
Advertisement & Publicity	50462.00	12693.00
Auditors Remuneration (See note No. '4' of Schedule '16')	120787.00	93810.00
Bank Charges & Commission	559.55	0.00
Travelling & Conveyance	126980.00	551076.00
Electricity Charges	38657.00	60147.00
Miscellaneous Expenses	128953.93	107152.32
Communication Expenses	114667.66	105558.16
Printing & Stationery	48532.00	26130.00
Repairs & Maintenance	2535.00	24554.00
Legal & Professional Charges	131910.60	181091.30
Donation	25360.00	0.00
Business Promotion Expenses	0.00	9999.45
<b>Total</b>	<b>794720.74</b>	<b>1177527.23</b>

# Garnet International Limited

## SCHEDULE 15: SIGNIFICANT ACCOUNTING POLICIES

### 1. SYSTEM OF ACCOUNTING

- (a) The Company generally, except under uncertain circumstances, follows mercantile method of accounting and recognizes income and expenditure on accrual basis.
- (b) Financial statements are based on historical cost.
- (c) Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles followed by the company.

### 3. FIXED ASSETS

All fixed assets except land are stated at cost of acquisition less accumulated depreciation.

### 4. INVESTMENTS

- (a) Long term Investments are being valued at cost of acquisition.
- (b) Short term investments are being valued at cost or market value whichever is lower.

### 5. DEPRECIATION

- (a) No depreciation is provided on land.
- (b) Depreciation on fixed assets is being provided on "Straight line method basis" at the rates specified in Scheduled XIV to the Act except the computer software which are depreciated over a period of 3 years based on evaluation of the useful economic life of the software.
- (c) Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the month in which such assets are acquired/ installed.
- (d) Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the month in which such assets are sold, discarded or demolished.

### 6. EXPENDITURE FOR BENEFIT OF ENDURING NATURE

Miscellaneous expenditure, such as preliminary expenditure and share issue expenditure is amortised over a period of 10 years from the financial year in which it is incurred.

# Garnet International Limited

## 7. INCOME FROM INVESTMENTS

Incomes from Investments, where appropriate, are taken into revenue in full on declaration or receipt and tax deducted at source thereon is treated as advance tax.

## 8. TREATMENT OF CONTINGENT LIABILITIES

Contingent liabilities are disclosed by way of note to the accounts. Disputed demands in respect of Income Tax, Sales Tax etc. are disclosed as contingent liabilities. Payments in respect of such demands, if any, are shown as advances till the final disposal of the matter.

## 9. TAXATION

Income tax expense comprises of Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable income at the rate applicable for the relevant assessment year. The Deferred Tax Assets and Deferred Tax Liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, arising mainly on account of unabsorbed depreciation and losses under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realization. At each balance sheet date the carrying amount of deferred tax assets are reviewed to reassure realization.

### SCHEDULE 16: NOTES FORMING PART OF THE ACCOUNTS

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if recognize in the ordinary course of business. The provision for all the known liabilities is adequate.
2. Figures of the previous year have been regrouped, rearranged and recasted to make them comparable with the figures of the current year.
3. Balances due to/from the parties are subject to confirmation, reconciliation and consequential adjustments thereof.
4. Auditors' Remuneration:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees	61,798.00	61,798.00
Tax Audit Fees	22,472.00	22,472.00
Income tax matters	16854.00	0.00
Certifications	19663.00	9540.00
<b>Total</b>	<b>120787.00</b>	<b>93810.00</b>

# Garnet International Limited

5. No managerial remuneration has been paid to any of its director, hence, no computation of managerial remuneration u/s. 349 of the Companies Act. 1956 is given.
6. As per the information available with the Company in response to the enquiries from all existing suppliers with whom Company deals, none of the suppliers are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2008.
7.
  - (a) The market value of quoted investments are based on the quotations of the Stock Exchange, Mumbai as on 31.03.2008 wherever available or the nearest date to the close of year.
  - (b) No provision for Rs. 35465118.70 (Pr. Yr. Rs. 3600857.82) has been made in the accounts for diminution in the value of the Quoted Investments by reason of those investments being "Long Term Investments" and the decline in their value being considered on account of temporary factors.
8. The office of the company secretary is vacant; the company is in process of appointing a full time company secretary.
9. Deferred Taxation:
  - (a) In accordance with the Accounting Standard 22 'Accounting for taxes on Income' issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax liabilities during the year.
  - (b) In view of continuous losses suffered in the operational and other activities and looking at the future business prospective, the company has reviewed the certainty of realization of deferred tax assets and decided to recognize the deferred tax assets only equivalent to the deferred tax liabilities recognized.
10. Related Party Disclosure:
  - (a) Where control exists: Nil
  - (b) Key Management Personnel & Individuals having significant influence over the enterprise:  
  
Shri Suresh Gaggar, Shri Jitendra Mehta and Shri Deven Mehta.
  - (c) Relatives of the individuals having significant influence over the enterprise:  
  
Shri Ramakant Gaggar (Director of the company), Prakash Gaggar (Brother of Shri Suresh Gaggar) Indra Gaggar (Wife of Mr. Suresh Gaggar).



# Garnet International Limited

(d) Other related parties enterprises where transactions have taken place:

Pals Overseas Pvt. Ltd. (a company in which Shri Deven Mehta is a director), Noble Impex (a proprietary concern of Shri Navratan Gaggar), Deven Impex (a proprietary concern of Shri Deven Mehta), S. J. Impex (a proprietary concern of Shri Jitendra J. Mehta), Ami Impex ( a proprietary concern of Shri Deven Mehta), Jyoti Bright Bar Limited ( a company where Shri Deven Mehta is director) Jayavant Products Ltd.(a company where Shri Ramakant Gaggar, Jitendra Mehta and Deven Mehta are directors). Bhuta Investment Private Limited (a company where Shri Suresh Gaggar is director), Maxwell Management Services Pvt. Ltd. (a company where Shri Suresh Gaggar is director ) Anand Mangal Fintrade Ltd. (a company where Shri Prakash Gaggar is director ) Senorita Impex Private Limited (a company where Shri Deven Mehta is director), Sukartik Export Private Limited (a company where Shri Suresh Gaggar is director) Vakrangee Softwares Limited (Dinesh Nandwana is Managing Director) and Casanova Bulcons Pvt. Ltd. ( a company where Shri Suresh Gaggar is director) .

(e) Transactions with related parties: (Rupees)

Sr. No.	Particulars	2007-08	2006-07
A.	Purchase/Contracts Works Contracts	10,26,000.00	Nil
B.	INVESTMENT & FINANCE		
	Loans given	87,50,000.00	20,85,000.00
	Loans received	2,00,000.00	1,51,00,000.00
	Advances Received for Business Transaction	0.00	29,00,000.00
	Advances for Investment	1,45,35,000.00	1,26,00,000.00
	Purchases of Investments/Shares	1,72,91,499.24	4,18,94,457.00
	Sale of Investments/Shares	31,68,487.75	3,89,51,122.15
C.	OUTSTANDINGS		
	Loans	6,25,000.00	Nil
	Advances for Investments	4,35,000.00	1,26,00,000.00
	Debtors	91,000.00	27,01,000.00
	Creditors (Works Contracts)	40,432.00	Nil

# Garnet International Limited

## 11. Basic and Diluted EPS

	For the year 2007-08	For the year 2006-07
Profit/(Loss) for the year (Rs. In Lacs)	114.38	177.27
No. of Weighted Equity Shares	47,25,000	47,25,000
Basic and Diluted EPS (Rs.)	2.42	3.75
Nominal Value of Shares (Rs.)	10.00	10.00

## 12. Sundry Debtors include the following amounts due from directors, their relatives, other parties and companies in which directors or their relatives are interested as proprietors, partners or directors.

(Rs.)

Name of the party	Debit Balance as on		Maximum debit balance at any time during the year	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Deven Impex	0.00	0.00	0.00	23,87,236
S. J. Impex	91,000.00	27,01,000.00	27,01,000.00	72,85,802

## 13.

### a) Inter corporate loans include the following amount due from the parties and companies in which director/their relatives are interested as proprietor(s) and director(s) respectively.

(Rs.)

Name of the party	Debit Balance as on		Maximum debit balance at any time during the year	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Noble Impex	Nil	Nil	10,75,000.00	Nil
Jayavant Products Ltd	Nil	Nil	Nil	47,28,155.52
Senorita Impex Pvt. Ltd	Nil	Nil	Nil	30,00,000.00
Indra Gaggar	Nil	Nil	3,00,000.00	Nil
Bhuta Investments Pvt. Limited	6,25,000.00	Nil	34,25,000.00	Nil

# Garnet International Limited

- b) Advances for investment represents amount given to Maxwell Management Services Pvt. Limited and Sukartik Export Pvt. Ltd. companies in which directors are interest as directors.

Name of the party	Debit Balance as on		Maximum debit balance at any time during the year	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Maxwell Management Services Pvt. Ltd.	Nil	1,26,00,000.00	1,41,00,000.00	1,42,00,000.00
Sukartik Export Pvt. Ltd.	4,35,000.00	Nil	4,35,000.00	Nil

14. In view of brought forward losses, provision for Minimum Alternate Tax has been made for the Financial Year 2007-2008.
15. Contingent liabilities not provided for: Nil
16. The company has provided gratuity payable to its employees at full value without ascertaining the present value of future payment of gratuity as the Payment of Gratuity Act, 1972 is, in view of number of employees, not applicable to the company. The company has recognized as an expense, the short term benefits to its employees such as bonus, leave-encashment etc.
17. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of schedule VI of the Companies Act 1956, (Figures in the brackets indicate previous year figures).

(a) Capacities

	Current Year	Previous Year
i) Licensed Capacity	N. A.	(N. A.)
ii) Installed Capacity	N. A.	(N. A.)
iii) Actual production	N. A.	(N. A.)

(b) Earnings in Foreign Exchange (Rs. in lacs)

FOB Value of Services provided	NIL	(Nil)
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(c) Expenditure in Foreign Currency (Rs. in lacs)

Foreign Traveling Expenses	NIL	(Nil)
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18. Balance Sheet abstract and Company's General Business profile pursuant to Part IV of Schedule VI to the Companies Act, 1956.

# Garnet International Limited

## I. Registration Details

Registration No. : 93448 State Code : 11

Balance sheet Date : 31.03.2008

## II. Capital raised during the year

	(Rs. in thousands)
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

## III. Position of Mobilisation and Deployment of Funds

	(Rs. In thousands)
Total Liabilities	194909
Total Assets	194909

Sources of funds	(Rs. in thousands)	Application of funds	(Rs. In thousands)
Paid-up-Capital	46624	Net Fixed Assets	1454
Reserve & Surplus	135994	Investments	109831
Secured Loans	Nil	Net Current Assets	14939
Unsecured Loans	Nil	Misc. Expenditure	124
		Accumulated Losses	56270
Total	<u>182618</u>	Total	<u>182618</u>

## IV. Performance of Company

	(Rs. In thousands)
Income from operation and other Income	14956
Total Expenditure	2163
Profit/(Loss) before tax	12793
Profit/(Loss) after tax	11437
Earning per share in Rs.	2.42
Dividend rate %	Nil

# Garnet International Limited

- V. Generic Names of Principal Products of Company (as per monetary terms)
1. Investment.

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## SIGNATURES TO SCHEDULES '1' TO '16'

As per our attached report of even date

for and on behalf of the Board

For and on behalf of

**R.S. AGRAWAL & ASSOCIATES**

Chartered Accountants

**SURESH GAGGAR**

Director

**R. S. AGRAWAL**

Partner

M. No. 33216

**DEVEN MEHTA**

Director

Place : Mumbai

Date : 30<sup>th</sup> June, 2008

Place : Mumbai

Date : 30<sup>th</sup> June, 2008

# Garnet International Limited

## GARNET INTERNATIONAL LIMITED

### PROXY FORM

Registered Office: 901, Raheja Chambers, Nariman Point, Mumbai – 400 021

I/ We \_\_\_\_\_  
of \_\_\_\_\_  
being a Shareholder/Shareholders of **GARNET INTERNATIONAL LIMITED** hereby appoint  
of \_\_\_\_\_

of failing him/her \_\_\_\_\_  
of \_\_\_\_\_  
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on \_\_\_\_\_ day the \_\_\_\_\_ day of \_\_\_\_\_, 2008 at \_\_\_\_\_ a.m./p.m. and at any adjournment thereof.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2008  
Signature of Shareholder \_\_\_\_\_

Affix  
Rs . 1.00  
Revenue  
Stamp

Note:

The Proxy form duly completed and signed must be deposited at the Registered Office of the Company at \_\_\_\_\_ not less than 48 hours before the time for holding the Meeting.

Name \_\_\_\_\_ Address \_\_\_\_\_  
\_\_\_\_\_ Regd. Folio. No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_  
Client I.D. No. \_\_\_\_\_ DP. ID. No. \_\_\_\_\_

## GARNET INTERNATIONAL LIMITED ATTENDANCE SLIP

Registered Office: : 901, Raheja Chambers, Nariman Point, Mumbai – 400 021

I/We hereby record my/our presence at the Twenty Sixth Annual General Meeting of the Company at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_, 2008 at \_\_\_\_\_ a.m/p.m.

Name \_\_\_\_\_ Address \_\_\_\_\_  
\_\_\_\_\_ Regd.Folio. No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_  
Client ID. No. \_\_\_\_\_ DP. ID. No. \_\_\_\_\_

Name of Proxy/Representative, if any \_\_\_\_\_  
Signature of the Shareholder(s)/Proxy/Representative \_\_\_\_\_