

Annual Report

2014-2015



GARNET
INTERNATIONAL LIMITED

REGISTERED OFFICE

901, RAHEJA CHEMBERS,
FREE PRESS JOURNAL MARG,
NARIMAN POINT,
MUMBAI – 400021

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dinesh Nandwana
 Mr. Suresh Gaggur (MD)
 Mr. Sharad Rathi
 Mr. Ramakant Gaggur
 *Mr. Deven Mehta
 *Mrs. Manju Maheshwari
 (* Mr. Deven Mehta Resign and Mrs. Manju Maheshwari Appoint as on 20th Apr, 2015)

AUDITORS

M/s. MVK Associates

REGISTERED OFFICE

901, Raheja Chambers
 Nariman Point
 Mumbai – 400 021

Tel: 022-66369942

E-mail: info@garnetint.com

Website: www.garnetint.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Ltd
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup(W), Mumbai-400078
 Tel: 022-25963838 Fax: 022-25964969
 email ID – tanushree.rauth@linkintime.co.in

BANKER

HDFC Bank Limited

COMPANY SECRETARY

Kamlesh Manubhai Gagavani

CHIEF FINANCIAL OFFICER

*Sanjay Raut

(* Appointed as on 20th April, 2015)

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NOTICE

GARNET INTERNATIONAL LIMITED (CIN: L99999MH1995PLC093448)

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

Tel: (91) (22) 66369942, **Fax:** (91) (22) 66369943

E-mail: info@garnetint.com **Website:** www.garnetint.com

Notice is hereby given that the 33RD Annual General Meeting of the Members of GARNET INTERNATIONAL LIMITED will be held at registered office of the Company situated at 901, Raheja Chambers, Nariman Point, Mumbai – 400 021, on Wednesday, 30th September, 2015, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

A) The Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.

B) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015, together with the Report of the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Mr. Ramakant Gaggar (DIN: 01019838), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS:

5. Appointment of Mrs. Manju Maheshwari (DIN No.: 03061384) as Women Director of the Company.

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

“RESOLVED THAT pursuant to provisions of 152 and other applicable provisions of the Companies Act, 2013 and rules made there under Mrs. Manju Maheshwari who was appointed as Additional Director of the Company by the Board of Directors with effect from 20th April, 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom company has received a notice in writing from member proposing her candidature for the office of Director of the Company, be and is appointed as Non-executive Director, whose period of office shall be liable to determination by retirement of director by rotation.”

By Order of the Board,
FOR GARNET INTERNATIONAL LIMITED

PLACE: MUMBAI
DATED: 30th May, 2015

SURESH GAGGAR
MANAGING DIRECTOR
DIN No. : 00599561

NOTES:

1. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (“the Act”) in respect of item nos. 5 of the notice set out above, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of Proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable
3. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 24th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive).
4. The members are requested to notify any change in their address to the registrar and share transfer agent namely M /S Link Intime India Pvt Ltd having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078.
5. Members/proxies are requested to bring their copies of the annual report and the admission slip duly filled in for attending the meeting.
6. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20, of the Companies (Management and Administration) Rules, 2014, as amended by Companies (Management and Administration) Amendment, 2015 and Clause 35B of Listing Agreement. The Company is pleased to provide the facility to Members to exercise their right to vote by electronics means.

The members whose names appear in the Register of Members/list of Beneficial owners as on Saturday, 19th September, 2015, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the Book Closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The Voting period will commence on 24/09/2015, Thursday, 09:00 AM and ends on 26/09/2015, Saturday, 06:00 PM. The Company has appointed M/s. Kamlesh Jain and Associates; Practising Company Secretaries, (Membership No. ACS 14068) to act as the scrutinizer, for conducting the scrutiny of the votes cast. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

7. E-voting

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24/09/2015, Thursday, 09:00 AM and ends on 26/09/2015, Saturday, 06:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 19/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Details	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Garnet International Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board,
FOR GARNET INTERNATIONAL LIMITED

PLACE: MUMBAI
DATED: 30th May, 2015

SURESH GAGGAR
MANAGING DIRECTOR
DIN No. : 00599561

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Statement sets out all material facts relating to the business mentioned in the accompanying Notice

Item No 5:

The Board of Directors has appointed Mrs. Manju Maheshwari (DIN: 03061384) as a Women Director under the provisions of Section 149 and 152 of the Companies Act, 2013,

The Resolution seeks the approval of members for the appointment of Mrs. Manju Maheshwari as Women Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. She is liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. Manju Maheshwari proposed to be appointed, as a Women Director, fulfil the conditions specified in the Companies Act, 2013 and the Rules made hereunder and she is independent.

A copy of the draft letter for the appointment of Mrs. Manju Maheshwari as a Women Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

None of the Directors and KMP is interested or concerned in the Resolution.

DIRECTORS' REPORT

To,
The Members,
GARNET INTERNATIONAL LIMITED

Your Directors have pleasure in presenting their Thirty Third Annual Report with Audited Accounts of the Company for the year ended 31st March 2015.

FINANCIAL HIGHLIGHTS

Particulars	Amount in Rs	
	Year ended 31 st March 2015	Year ended 31 st March 2014
Total Income	21536794	6588610
Profit/(Loss) before Depreciation and Tax	7186847	1137418
Less: Depreciation	891267	573297
Profit/(Loss) before Tax	6295580	564121
Less: Provision for Tax	(900664)	308637
Net Profit /(Loss) after Tax	7196244	255484

DIVIDEND

Your directors are pleased to recommend a dividend of 5% i.e. Rs. 0.50 per Equity Share of Rs. 10/- each for the financial year ended 31st March, 2015 subject to approval of the shareholders at the ensuing Annual General Meeting

SHARE CAPITAL

The paid up equity share capital of the Company as on 31st March, 2015 was Rs.6,22,50,000/-.

Further, the company has not issued any shares with differential voting rights nor granted stock options nor sweat equity shares.

As on 31st March, 2015 Mr. Ramakant Gaggar Director of the Company acquired 35,364 shares of the Company and Mr. Suresh Gaggar Director of the Company acquired 2,30,100 shares of the company.

DEPOSITS

Your company has not accepted/invited deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014

SUBSIDIARY COMPANIES

The Company has One (1) subsidiary as on March 31, 2015. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiary.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statement of the Subsidiary company in Form AOC-1 is attached to the a part of this Report as **Annexure- 1**

DIRECTORS

Your Company has 5 (Five) Directors consisting of 2 (Two) Independent Directors, and 3 (Three) Non Independent Directors, as on 31st March, 2015

Appointment/Resignations from the Board of Directors

There is no Appointment/Resignation of Board of Directors during the year

Independent and Non-Executive Directors

In terms of the definition of 'Independence' of Directors as prescribed under Clause 49 of the Listing Agreement entered with the Stock Exchanges and pursuant to Section 149(6) of the Companies Act, 2013 and based on the confirmation/disclosures received from the Directors, the following are the Independent Directors of the Company:

1. Mr. Dinesh Nandwana
2. Mr. Sharad Rathi

Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a company shall have atleast one Woman Director on the Board of the Company. Your company has appointed Mrs. Manju Maheshwari as Director on the Board of the Company since 20th April, 2015.

Chairman & Managing Director (CMD)

Mr. Suresh Gaggar is Managing Director of the Company

Directors Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013 Mr. Ramakant Gaggar being longest in office shall retire by retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Appointment/Resignation of the Key Managerial Personnel

There was no resignation of Key Managerial Personnel during the year under review.

Number of Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. Due to business exigencies, certain business decision are taken by the Board through circulation from time to time.

The Board met 7 (Seven) times during the FY 2014-15 viz, 29th May, 2014, 9th June, 2014, 24th July, 2014, 5th November, 2014, 24th November, 2014, 27th January, 2015 and 20th March, 2015.

Detailed information on the meetings of the Board are included in the report on Corporate Governance, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

Your company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of laws and statutes applicable to the company.

The company has following Committees namely:

1. Audit Committee;
2. Stakeholder Grievance Committee;
3. Remuneration & Nomination Committee;

The details with respect to the composition, powers, roles, terms of reference, etc of the aforesaid committees are given in details in the "Report on Corporate Governance" of the Company which forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, not applicable to the Company.

RISK MANAGEMENT POLICY

During the year under review, the company has adopted a Risk Management Policy wherein all material risk faced by the company are identified and assessed. The Risk Management framework defines the risk management approach of the Company and includes collectively identification of risks impacting the Company's business and document their process of identification, mitigation, optimization of such risks.

REMUNERATION POLICY

During the year under review, the Board has not paid Remuneration to Directors, Key Managerial Personnel, and Senior Management.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented as a separate section forming part of this Annual Report

VIGIL MECHANISM

The Company has not adopted a Whistle Blower Policy.

PERFORMANCE EVALUATION OF THE BOARD

In compliance with the provisions of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and the Listing Agreement with the Stock Exchanges, a structured questionnaire was prepared after taking into consideration various aspects of Board's functioning, composition of Board and Committees, culture, execution and performance of specific duties, obligations and governance.

The performance of evaluation of Independent Directors was completed. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder are given in the notes to the Financial Statement

RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year were in the ordinary course of business and were on arm's length basis. There were no materially significant related party transactions entered by the Company with the Promoters, Director, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. All the related party transactions are placed before the Audit Committee as also to the Board for approval.

Since all the related party transactions entered into by the company were in ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company.

None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Accounting Standards viz; AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and form a part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEM 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.

AUDITORS

a) Statutory Auditors

M/s. MVK Associates, Chartered Accountants (Firm Registration No: 120222W), the Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting (AGM). The Company has obtained written consent from the Auditors and confirmation to the effect that they are not disqualified to be re- appointed as the Auditors of the Company in terms of the provisions of the Companies Act, 2013 and rules made thereunder and that the appointment, if made, would be in conformity with the limits specified in the said Section

Accordingly the Board of Directors have recommended the re-appointment of M/s. MVK Associates, Chartered Accountants to audit the accounts of the Company for the financial

year 2015-16 on the remuneration to be decided by the Board in consultation with the Auditors, subject to approval of shareholders in the ensuing AGM of the Company.

b) Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Mr. Kamlesh Jain, Practising Company Secretary, Mumbai (C.P. No. 14577) to conduct the Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit Report for the Financial Year 2014-15 is annexed to this report as **Annexure- 2**

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status and the Company's operations in future.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 92 of Companies Act, 2013 forms an integral part of this Report as **Annexure - 3**

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not given as none of the employees of the Company is covered under the provisions of the said section.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- (a) that in preparation of Annual Accounts for the year ended 31st March, 2015, the applicable accounting standards has been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the statement of affairs of the company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going on concern basis;
- (e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were operating effectively;
- (f) That the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY DISCLOSURES

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

A. Conservation of Energy, Technology Absorption

As per the provisions of Section 134(1) (m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 considering the Company's business activities, the Directors have nothing to state in connection with Conservation of Energy and Technology Absorption therefore the said provisions are not applicable to the Company.

B. Foreign Exchange Earnings and Outgo

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

C. Business Responsibility Reporting

The Business Responsibility Reporting as required pursuant to Clause 55 of the Listing Agreement with Stock Exchanges is not applicable to your Company for the financial year ended 31st March, 2015.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express deep and sincere gratitude to all the stakeholders of the Company for their confidence and patronage.

Your Directors wish to place on record their appreciation, for the support and contribution made by the employees at all levels and also wish to thank all its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For and on behalf of the Board

Place: Mumbai
Date: 30th May 2015

Suresh Gaggar
Director
DIN No. 00599561

Ramakant Gaggar
Director
DIN No. 01019838

ANNEXURE 1 TO DIRECTORS REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1	Name of the subsidiary	Sukartik Clothing Pvt Ltd
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 2014 to March 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4	Share capital	30,10,000
5	Reserves & surplus	697,74,074
6	Total assets	101831638
7	Total Liabilities	101831638
8	Investments	Nil
9	Turnover	12,43,01,292
10	Profit before taxation	11173488
11	Provision for taxation	2723280
12	Profit after taxation	8450208
13	Proposed Dividend	Nil
14	% of shareholding	60.13

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Name 1	Name 2	Name 3
Latest audited Balance Sheet Date			
Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
Description of how there is significant influence			
Reason why the associate/joint venture is not consolidated			
Net worth attributable to shareholding as per latest audited Balance Sheet			
Profit/Loss for the year			
Considered in Consolidation			
Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

ANNEXURE 2 TO DIRECTORS REPORT**Form No. MR-3
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st March 2015

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

To,
The Members,
GARNET INTERNATIONAL LIMITED
901, Raheja Chambers,
Nariman Point,
Mumbai – 400 021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GARNET INTERNATIONAL LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder, further we have observed that there has been late filing of e-forms.

a) Following e-forms has been filed after the due date of filing as per Companies Act, 2013 with Registrar of Companies. However, the same has been filed as on the date of this report:

Sr. No.	E-Forms	Particulars
1.	MGT-14	Disclosure of Director interest u/s 184
2.	MGT-14	AGM Resolutions
3.	E-Form 23AC & E-Form 23ACA	Filing of Balance Sheet & Profit n Loss A/c

b) There was delay in appointment of Woman Director as required by Section 149 & 152 of Companies Act, 2013 and Rules made thereunder as well as under Corporate Governance Norms, but the same had been complied with before the date of this report.

- c) There was delay in appointment of Chief Financial Officer as required by Section 203 Companies Act, 2013, but the same had been complied with before the date of this report.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable during the financial year 2014-2015;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; there was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review as applicable during the financial year 2014-2015.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as applicable during the financial year 2014-2015:
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Other laws applicable to the Company as per the representation made by the management.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(The same was not notified till 31st March 2015)
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review and as per the explanations and clarifications given to us and the representation made by the management, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that as per the explanations and clarifications given to us and the representation made by the management and relied upon by us there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this Report.

For Mr. Kamlesh Jain

Date: 30th May, 2015
Place: Mumbai

Company Secretary
Membership No.14068/CP No.14577

APPENDIX A

To,
The Members,
GARNET INTERNATIONAL LIMITED
901, Raheja Chambers,
Nariman Point,
Mumbai – 400 021

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

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

For Mr. Kamlesh Jain

Date: 30th May, 2015
Place: Mumbai

Company Secretary
Membership No.14068/CP No.14577

ANNEXURE 3 TO DIRECTORS REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

i	CIN	L99999MH1995PLC093448
ii	Registration Date	7th July 1981
iii	Name of the Company	Garnet International Ltd
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	901, Raheja Chambers, Nariman Point, Mumbai – 400021
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India P Ltd. C-13, Pannalal Silk Compound, LBS Marg, Bhandup, Mumbai - 400078. Phone : 022-25963838, Fax: 022-25946969, e-mail: tanushree.rauth@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Trading in Shares	6599	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Sukartik Clothing Pvt Ltd, 28, Bombay Samachar Marg, 3rd Floor, Fort, Mumbai – 400023	U17122MH2004PTC149334	Subsidiary	60.13%	2(87)

d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	2151466	200	2151666	34.56	1867183	200	1867383	30	-284283	-4.56
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	386920	8645	395565	6.35	428025	8445	436470	7.01	40905	0.66
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	637511	0	637511	10.24	579117	0	579117	9.3	-58394	-0.94
Clearing Member	4618	0	4618	0.07	9088	0	9088	0.15	4470	0.08
NRI	2557	0	2557	0.04	2507	0	2507	0.04	-50	0
SUB TOTAL (B)(2):	1031606	8645	1040251	16.7	1018737	8445	1027182	16.5	-13069	-0.2
Total Public Shareholding (B)= (B)(1)+(B)(2)	3183072	8845	3191917	51.28	2885920	8645	2894565	46.5	-297352	-4.78
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6216155	8845	6225000	100	6216355	8645	6225000	100	0	0

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Ramakant Gaggar	1020064	16.39	0	1055428	16.95	0	0.57
2	Evergreen Infotech & Datacom P L	500778	8.04	0	500778	8.04	0	0.00
3	Indra Gaggar	454921	7.31	0	454921	7.31	0	0.00
4	Suresh Gaggar	319206	5.13	0	549306	8.82	0	3.70
5	Savitri Devi Gaggar	220150	3.54	0	219250	3.52	0	-0.01
6	Kartik Gaggar	166539	2.68	0	199327	3.20	0	0.53
7	Suresh Gaggar – HUF	145000	2.33	0	145000	2.33	0	0.00
8	Deven J Mehta	100000	1.61	0	100000	1.61	0	0.00
9	Navratan Gaggar	85775	1.38	0	85775	1.38	0	0.00
10	Jitendra J Mehta	20650	0.33	0	20650	0.33	0	0.00
	Total	3033083	48.72	0	3330435	53.50	0	4.78

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name	Share holding at the beginning of the Year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ramakant Gaggar	1020064	16.39	1055428	16.95
2	Suresh Gaggar	319206	5.13	549306	8.82
3	Savitri Devi Gaggar	220150	3.54	219250	3.52
4	Kartik Gaggar	166539	2.68	199327	3.2
	TOTAL	1725959	27.74	2023311	32.49

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No	Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Navkar Corporation Ltd	1500000	24.1	669500	10.75
2	Ashtvakra Properties P Ltd	0	0	548948	8.82
3	Religare Finvest Ltd	305000	4.9	307000	4.93
4	Blue Square Corp Services P Ltd	90811	1.46	92811	1.49
5	Camelot Enterprises Ltd	96386	1.55	86911	1.4
6	Vishwanath Harlalka	50000	0.8	50000	0.8
7	Vishwanath Harlalka	50000	0.8	50000	0.8
8	Newtree Trading Co P Ltd	46229	0.74	46229	0.74
9	Sarswati Kakkar	42563	0.68	42563	0.68
10	Nickunj Shah	37412	0.6	37353	0.6
	TOTAL	2218401	35.63	1931315	31.01

(v) SHAREHOLDING OF DIRECTORS & KMP

Sl. No	Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ramakant Gaggar	1020064	16.39	1055428	16.95
2	Suresh Gaggar	319206	5.13	549306	8.82
3	Deven J Mehta	100000	1.61	100000	1.61
4	Dinesh Nandwana	0	0	0	0
5	Sharad Rathi	0	0	0	0
	TOTAL	1439270	23.13	1704734	27.38

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year							
i) Principal Amount							
ii) Interest due but not paid							
iii) Interest accrued but not due							
Total (i+ii+iii)							
Change in Indebtedness during the financial year							
Additions							
Reduction							
Net Change							
Indebtedness at the end of the financial year							
i) Principal Amount							
ii) Interest due but not paid							
iii) Interest accrued but not due							
Total (i+ii+iii)							

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission		
	as % of profit		
	others (specify)		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. REMUNERATION TO OTHER DIRECTORS:

SI.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify				
	Total (1)				
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c)Others, please specify.				
	Total (2)				
	Total (B) = (1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SI. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO	Total	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.					
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	as % of profit					
	others, specify					
5	Others, please specify					
	Total					

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCL T/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

MANAGEMENT'S 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' 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

The company is constantly exploring available opportunities. The company has taken constructive steps to undertake activities pertaining to garment industries and allied textile line through its subsidiary.

Opportunities and Threats

There is intense competition in the seamless garments produced by the subsidiary company still the company expects good opportunities through better quality control.

Outlook

The new activities in the subsidiary company promise a bright future. The profit margins in the sector may increase further with expected liberalized government policies.

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.

Environment and Safety

Being conscious of the need for environmentally clean and safe operations, the Company conducts its operations ensuring safety of all concerned, compliance of statutory and industrial requirements for environmental protection and conservation of natural resources to the extent possible.

Human Resources

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

Report on Corporate Governance

(As required under Clause 49 of the Listing Agreement of the Stock Exchange)

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. On the company's website www.garnetint.com information useful to investors are available. The code of conduct is available at registered office of the company for inspection of shareholders.

2. Board of Directors

a) Composition of the Board

The Board, during the year, comprised of 5 Directors all of them are Non-Executive Directors. 2 out of them are independent Directors. The company does not have 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 Gagar	Director	Promoter, Non-Executive; Non Independent	1	Nil	Nil
Mr. Ramakant Gagar	Director	Promoter; Non-Executive; Non-Independent	0	Nil	Nil
Mr. Deven Mehta #	Director	Promoter; Non-Executive; Non-Independent	2	Nil	Nil
Mr. Dinesh Nandwana	Director	Non-Executive; Independent	5	Nil	Nil
Mr. Sharad Rathi	Director	Non-Executive; Independent	0	Nil	Nil
Mrs. Manju Maheshwari #	Director	Non-Executive; Independent	1	Nil	Nil

* Excluded directorship in foreign companies, private companies and companies governed by Section 8 of the Companies Act, 2013.

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

≠ Mr. Deven Mehta Resigned from Directorship as on 20th April, 2015 and Mrs. Manju Maheshwari Appointed as women director as on 20th April, 2015

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

i) **Ramakant Gaggar**

Mr. Ramakant Gaggar has an in-depth knowledge of Capital Market. He has sound experience in investment and fund management and management consultancy, derivatives, fund mobilization, working capital arrangement etc.

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

Sr. No.	Name of the Company
1	Sukartik Clothing Private Limited
2	Bhuta Investment Private Limited
3	Evergreen Infotech and Datacom Pvt Ltd
4	Maxwell Management Services Pvt Ltd
5	Minex Explore Private Limited
6	Alaukik Mines & Power Pvt Ltd
7	GVS Chemical Private Limited

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

Mr. Ramakant Gaggar holds 1055428 equity shares in the Company as on 31st March 2015

- c) Board Meetings and Annual General Meeting:
During the financial year 2014-2015, 7 Board Meetings were held on 29th May 2014, 9th June 2014, 24th July 2014, 5th November 2014, 24th November 2014, 27th January 2015, and 20th March 2015. The last Annual General Meeting of the Company was held on 30th September 2014. 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	7	Yes
Mr. Dinesh Nandwana	7	Yes
Mr. Sharad Rathi	7	Yes
Mr. Ramakant Gaggar	7	Yes

- 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 them are independent directors. All members of the Committee are financially literate.
- b) Composition of Audit Committee and Number of Meetings Attended:
During the Financial year 2014-2015, Four Audit Committee Meetings were held on 29th May 2014, 24th July 2014, 5th November 2014, and 27th January 2015. The composition of the Audit Committee and the number of meeting attended were as under:

Committee Members Attending the Meeting	Designation	No. of Meetings Attended
Mr. Sharad Rathi	Chairman	4
Mr. Dinesh Nandwana	Member	4
Mr. Deven Mehta	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.
 - 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 section 134 of the Companies Act, 2013.
 - (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.
- 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 177 of the Companies Act, 2013, 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. **Subsidiary company:**

- a) The company has one subsidiary company namely Sukartik Clothing Private Limited. Mr. Navratan Gaggar and Mr. Ramakant Gaggar are on the Board of the subsidiary company as on 31st March, 2015.
- b) The audit committee of the company reviews the financial statements of and investments made by the subsidiary company.
- c) The minutes of subsidiary company are placed before the board of directors of the company.
- d) Significant transactions and arrangements entered into by the subsidiary company are, periodically, also brought to the attention of the board of the company.

5. Remuneration Committee

- a) Composition of Remuneration Committee and Number of Meetings Attended: During the Financial year 2014-2015, One Remuneration Committee Meetings were held on 28th May 2014. The composition of the Remuneration Committee and the number of meeting attended were as under:

Committee Members Attending the Meeting	Designation	No. of Meetings Attended
Mr. Deven Mehta	Chairman & Member	1
Mr. Ramakant Gaggar	Member	1
Mr. Suresh Gaggar	Member	1

- b) 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.
- c) 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.

6. 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. Two Meetings of Shareholders' / Investors' Grievance Committee held on 24th July 2014 and 27th January 2015, during the financial year 2014-2015. The Composition of the Shareholders/Investors' Grievance Committee and the number of meeting attended were as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Suresh Gaggar	Chairman	2
Mr. Ramakant Gaggar	Member	2
Mr. Deven Mehta	Member	2

- b) Mr. Ramakant Gaggar is the Compliance officer of the Company.
- c) During the year 2014-2015, 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

7. General Body Meetings

- a) Location, time and date of holding of the last three Annual General Meetings are given below:

Financial Year	Date	Time	Location of the Meeting
2011-12	29/09/12	11.00 A.M	Raheja Chambers, Nariman Point Mumbai – 400 021
2012-13	06/07/13	11.00 A.M	Raheja Chambers, Nariman Point Mumbai – 400 021
2013-14	30/09/14	11.00 A.M	Raheja Chambers, Nariman Point Mumbai – 400 021

- b) Special Resolutions during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2011-12	Nil
2012-13	Fill the Casual Vacancy of Auditor
2013-14	Resolution u/s 180(1)(C) and 180(1) (a)

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

8. Disclosures

- a) **Related Party Transactions:**
There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc that may have potential conflict with the interest of the Company at large.

Attention of members is drawn to the disclosures of transactions with the related parties set out in Note 26 of Notes on financial statements.

The Company's major related party transactions are generally with its Associates considering various business and other factors.

All related party transactions are negotiated on arms length basis and are only intended to further the interest of the Company.

- b) **Statutory Compliance, Penalties and Strictures:**
The Company has complied with requirements of the Stock Exchange/SEBI and Statutory Authorities on all matters related to capital markets during the last year. There are no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities relating to the above.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements. The Company does not have Whistle Blower Policy. No employee of the Company has been denied access to the Audit Committee of the Company.

- c) The Company has complied with the non-mandatory requirements relating to remuneration Committee. The financial statements of the Company are unqualified.

9. General Shareholder Information

- a) **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.

- b) **Annual General Meeting:**
- **Day, Date and Time** : Wednesday, 30th September, 2015 at. 11.00 a.m.
 - **Venue** : 901, Raheja Chambers, Nariman Point, Mumbai – 400 021
 - **Financial Year** : 2014-2015
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.
 - **Date of Book Closure** : 24th Sept, 2015 to 30th Sept, 2015 (Both days inclusive)
 - **Dividend Payment Date** : on or after 30th Sept, 2015
- c) **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.

d) Stock Code / Symbol:

BSE - 512493

CSE – 35007

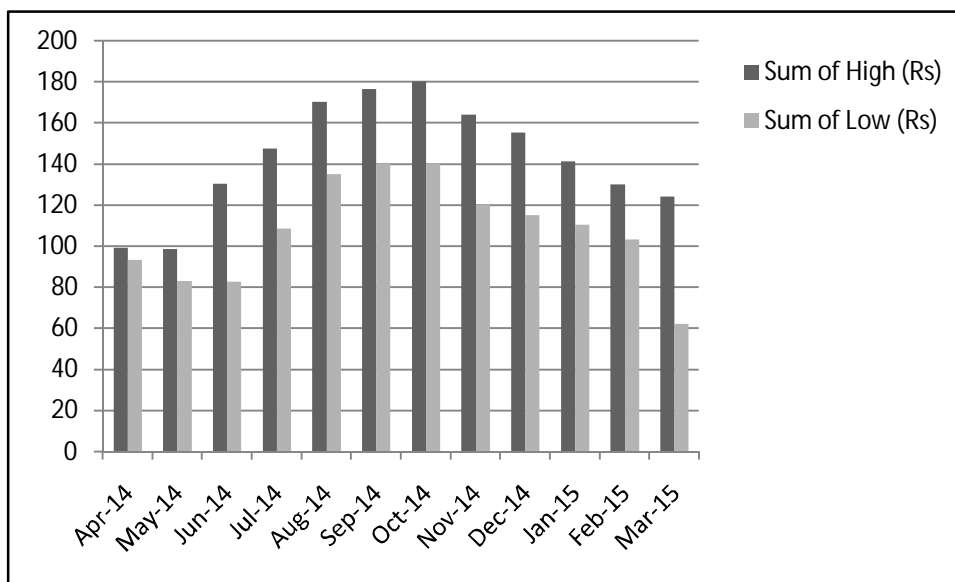
ISIN No: – INE590B01010

(Fully paid up shares having face value of Rs. 10)

e) 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:

Month	BSE	
	High (₹)	Low (₹)
Apr-14	99.00	93.10
May-14	98.35	83.00
Jun-14	130.25	82.50
Jul-14	147.40	108.30
Aug-14	170.00	135.00
Sep-14	176.30	140.00
Oct-14	180.00	140.00
Nov-14	164.00	120.00
Dec-14	155.00	115.00
Jan-15	141.00	110.20
Feb-15	130.00	103.10
Mar-15	124.00	62.00



f) 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.

Physical shares received for dematerialization 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.

g) Category wise Shareholding as at March 31, 2015:

Sr. No.	Category	No. of Shares held	%
1	Promoter Group	3330435	53.5009%
2	Non-Resident Indians	2507	0.0403%
3	Private Bodies Corporate	1867383	29.9981%
4	Indian Public	1015587	16.3147%
5	Market Maker	9088	0.1460%
	Total	6225000	100.00%

h) Distribution of Shareholding as at March 31, 2015:

Shareholding of Nominal Value (Rs.)	No. of Share holders	% of Total	Share Capital Amount (Rs.)	% of Total
1 - 5,000	615	72.1831	784970	1.2610
5,001 - 10,000	84	9.8592	670020	1.0763
10,001 - 20,000	49	5.7512	713840	1.1467
20,001 - 30,000	23	2.6995	598480	0.9614
30,001 - 40,000	10	1.1737	344400	0.5533
40,001 - 50,000	7	0.8216	343000	0.5510
50,001 - 100,000	20	2.3474	1401430	2.2513
100,001 and above	44	5.1643	57393860	92.1990
TOTAL	852	100.000	62250000	100.000

i) Dematerialisation of Shares and Liquidity:

About 99.86% of the shares have been dematerialized as on March 31, 2015. The equity shares of the Company are traded at Bombay Stock Exchange Ltd. (BSE) and Calcutta Stock Exchange Association Limited (CSE).

j) 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, 2015.

k) Registrar and Share Transfer Agents:

Link Intime India Pvt Ltd.

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

- l) Plant Locations: The Company does not have any manufacturing activities.
- m) Address for Correspondence:
For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Link Intime India Pvt 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

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for the year ended on 31st March, 2015.

For Garnet International Limited

Sharad Rathi
Chairman – Audit Committee

Mumbai, 30th May 2015

CEO/CFO Certification

Mr. Suresh Gaggar, Managing Director and Mr. Sanjay Raut, Chief Financial Officer, have certified to the Board in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO/ CFO certification for the financial year ended 31st March, 2015.

For Garnet International Limited

Sanjay Raut
CFO

Mumbai, 30th May 2015

Auditors' certificate to the members of Garnet International Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2015, under clause 49 of the listing agreements with relevant stock exchanges.

We have examined the compliance of conditions of corporate governance by Garnet International Limited ("the Company") for the year ended 31st March, 2015, as stipulated in clause 49 of the listing agreements of the Company with relevant stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 representations made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

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 MVK Associates
Chartered Accountants
Registration No. 120222W

CA Vishnu Garg
Partner
Membership No.: 045560
Mumbai: May 30, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of
Garnet International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Garnet International Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and Fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its **Profit** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any Sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For MVK Associates
Chartered Accountants
Firm Registration No. 120222W

CA. Vishnu Garg
Partner
Member ship No. 045560

Place: Mumbai
Dated: 30th May 2015

Annexure referred to in our Report of even date to the members of Garnet International Limited on the accounts of the company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. In respect of fixed assets of company:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
2. In respect of Inventories of company:
 - a. The Physical verification of inventories have been conducted at reasonable intervals by the management;
 - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management reasonable and adequate in relation to size of the company and the nature of its business.
 - c. Company is maintaining proper records of Inventory and no material discrepancies found during the year.
3. The company has granted unsecured loans to 3 companies covered in the register maintained under section 189 of the Companies Act.
 - a. Receipt of the principal amount and interest are regular; and
 - b. There were no overdue amounts with respect to above loans as on 31st March, 2015.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of shares & securities. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
5. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore the provisions of this clause 3(v) of the companies (Auditor's Report) order are not applicable to the company.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
7. In respect of statutory dues of the company:
 - a. According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
8. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. According to the records of the company examined by us and as per the information and explanations given to us, the company does not have any outstanding dues to any financial institution or banks and has not issued debentures.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
11. In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
12. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of any material fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For MVK Associates
Chartered Accountants
Firm Registration No. 120222W

CA. Vishnu Garg
Partner
Member ship No. 045560

Place: Mumbai
Dated: 30th May 2015

GARNET INTERNATIONAL LIMITED
Balance Sheet as at 31st March 2015

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	62,250,000	62,250,000
Reserves and surplus	3	<u>361,394,336</u>	<u>358,404,317</u>
		423,644,336	420,654,317
Non-current liabilities			
Deferred tax liabilities (net)	4	-	284,438
Current liabilities			
Short term borrowings	5	8,350,000	9,654,870
Trade payables	6	313,515	394,013
Other current liabilities	7	197,794	5,724,889
Short term provisions	8	<u>3,817,027</u>	<u>72,692</u>
		12,678,336	15,846,463
TOTAL		<u>436,322,672</u>	<u>436,785,218</u>
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	9	2,262,471	3,625,148
Intangible assets	9	-	-
		<u>2,262,471</u>	<u>3,625,148</u>
Non-current investments	10	278,215,499	365,195,499
Long term loans and advances	11	30,000	30,000
Deferred tax Assets (net)	4	20,664	-
Other noncurrent assets	12	<u>15,661,335</u>	<u>13,510,073</u>
		296,189,969	382,360,720
Current assets			
Inventories	13	22,263,578	17,754,261
Trade receivables	14	-	668,627
Cash and bank balances	15	11,978,874	268,977
Short term loans and advances	16	104,870,470	33,771,076
Other current assets	17	<u>1,019,781</u>	<u>1,961,558</u>
		140,132,703	54,424,498
TOTAL		<u>436,322,672</u>	<u>436,785,218</u>
Significant accounting policies	1		
See accompanying notes to financial Statements		2-30	

As per our attached report of even date

For MVK Associates
Chartered Accountants
Firm Registration No. 120222W

For and on behalf of the board

CA. Vishnu Garg
Partner
Membership no. 045560

Ramakant Gaggar
Director
DIN: 01019838

Suresh Gaggar
Director
DIN: 00599561

Mumbai
Dated: 30th May 2015

Mumbai
Dated: 30th May 2015

GARNET INTERNATIONAL LIMITED
Statement of Profit and Loss for the year ended 31st March 2015

(Amount in Rs)

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from operations	18	17,776,496	6,517,387
Other income	19	<u>3,760,298</u>	<u>71,224</u>
Total Revenue		21,536,794	6,588,610
Expenses:			
Purchases of Stock-in-Trade	20	15,197,633	3,327,448
Changes in inventories	21	(4,509,318)	51,802
Employee benefit expenses	22	1,043,967	827,173
Finance cost		-	-
Depreciation and amortisation expenses	9	891,267	573,297
Other expenses	23	<u>2,617,665</u>	<u>1,244,770</u>
Total expenses		<u>15,241,214</u>	<u>6,024,490</u>
Profit before Tax		6,295,580	564,121
Current tax		1,555,700	347,700
Deferred tax		(305,102)	(39,063)
Tax expenses for earlier year		(595,562)	-
MAT credit entitlement		<u>(1,555,700)</u>	<u>-</u>
		<u>(900,664)</u>	<u>308,637</u>
Profit after tax for the period		<u>7,196,244</u>	<u>255,484</u>
Earning per equity share			
Basic and Diluted	24	1.16	0.04
Significant accounting policies	1		
See accompanying notes to financial statements	2-30		

As per our attached report of even date

For MVK Associates

For and on behalf of the board

Chartered Accountants
Firm Registration No. 120222W**CA. Vishnu Garg****Ramakant Gaggar****Suresh Gaggar****Partner****Director****Director**

Membership no. 045560

DIN: 01019838

DIN: 00599561

Mumbai

Mumbai

Dated: 30th May 2015

Dated: 30th May 2015

GARNET INTERNATIONAL LIMITED

Cash Flow Statement For The Year Ended 31st March, 2015

(Amount in Rs.)

(A) CASH FLOW FROM OPERATING ACTIVITIES	2014-15	2013-14	
Net profit before tax and extraordinary items	6,295,580	564,121	
Adjustment for:			
Depreciation	891,267	573,297	
Loss / (Profit) on sale of Investments	(1,061)	(33,692)	
Investment Income:			
- Interest	(3,760,298)	(35,357)	
- Dividend	(219,358)	(171,914)	
Operating Profit before Working Capital changes	3,206,131	896,455	
Adjutment for:			
- Trade and other Receivables	664,048	223,969,424	
- Inventories	(4,509,318)	51,802	
- Trade Payables	(5,598,072)	(863,088)	
Cash generated from operations	(6,237,211)	224,054,593	
Direct taxes paid	(609,345)	(2,399,536)	
Cash flow before extraordinary Items	(6,846,556)	221,655,057	
Extraordinary Items	-	-	
NET CASH FROM OPERATING ACTIVITIES	(6,846,556)	-	221,655,057
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Sale/(Purchase) of Investments (Net)	86,980,000	(218,335,385)	
	(71,099,394)		
Loan (given) / Refund)	-	
Interest / Other income	3,760,298	35,357	
Profit / (Loss) on sale of Investments	1,061	33,692	
Dividend received	219,358	171,914	
Proceeds from / Payment for Deposits	-	-	
NET CASH USED IN INVESTING ACTIVITIES	19,861,323	-	(218,094,422)
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Short Term Borrowings	(1,304,870)	(3,836,830)	
Dividend paid	-	-	
NET CASH FROM FINANCING ACTIVITIES	(1,304,870)	-	(3,836,830)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	11,709,897	-	(276,195)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	268,977	-	545,172
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	11,978,874	-	268,977

Notes to cash flow statement:

1. All figures in brackets are outflow.
2. Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date

For MVK Associates

Chartered Accountants

Firm Registration No. 120222W

CA. Vishnu Garg
Partner

Membership no. 045560

Place : Mumbai

Dated: 30th May 2015

Suresh Gaggur
Director

DIN: 01019838

Place : Mumbai

Dated: 30th May 2015

For and on behalf of the Board

Ramakant Gaggur
Director

DIN: 00599561

GARNET INTERNATIONAL LIMITED

Notes on Financial Statements for the Year ended 31st March 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company follows mercantile system of accounting. The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principle in India, the provisions of the Companies Act, 2013 and the applicable accounting standard.

2. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the same are known / materialised.

3. FIXED ASSETS

Fixed Assets are stated at cost less depreciation and impairment. The Company capitalises all costs relating to Fixed Assets acquisition and installation of the same and necessary incidental costs.

Capital Work-in-Progress is carried at cost, comprising direct cost and related incidental expenses.

4. DEPRECIATION / AMORTISATION

(a) Depreciation on additions to Assets is calculated Pro-rata from the date of such additions and similarly on deletion from assets is calculated pro rata up to the date of deletion.

(b) Depreciation on assets except to the extent stated in (a) above, has been provided at the rates and in the manner prescribed in schedule II to the Companies Act, 2013 on Written Down Value Method and in accordance with the provisions of Section 123 of the Companies Act, 2013.

5. INVENTORIES

Stock-in-trade is valued at lower of cost and net realisable value. Cost is computed based on First in First out (FIFO) basis in respect of procured materials. Cost also includes all charges incurred for bringing the inventories to their present location and condition.

6. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets and Contingent Liabilities are neither recognised nor disclosed in the financial statements.

7. REVENUE RECOGNITION

(a) 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.

(b) Income and Expenditure are accounted on an accrual basis.

(c) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

8. TAXES ON INCOME

Provision for Income Tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and laws that has been enacted as of the Balance Sheet date.

9. BORROWING COSTS

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to the Profit & Loss Account.

10. EMPLOYEE BENEFITS

(a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss account of the year in which the related service is rendered.

(b) Post employment and other long term benefits are recognized as an expense in the Profit & Loss Account for the year in which the employee has rendered services. Gratuity payable is recognized at the full value of the amounts actual payable.

11. IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

		(Amt in Rs)			
Particulars		As at 31.03.2015		As at 31.03.2014	
Note 2: Share capital					
	Particulars	Numbers	Amount (Rs)	Numbers	Amount (Rs)
Authorised:					
	Equity Shares of Rs. 10/- each	7,500,000	75,000,000	7,500,000	75,000,000
	Total		<u>75,000,000</u>		<u>75,000,000</u>
Issued, subscribed and paid-up :					
	Equity Shares of Rs. 10/- each fully paid	6,225,000	62,250,000	6,225,000	62,250,000
	Total		<u>62,250,000</u>		<u>62,250,000</u>

2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period :-

Particulars	Numbers	Amount (Rs)	Numbers	Amount (Rs)
Outstanding at the beginning of the year	6,225,000	62,250,000	6,225,000	62,250,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	6,225,000	62,250,000	6,225,000	62,250,000

2.b Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

i. The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share.

ii.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(Amt in Rs)

Particulars	As at 31.03.2015	As at 31.03.2014
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2.c Shareholders holding more than 5% of the share capital at the end of the year:

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Shri Ramakant Gagar	1,055,428	16.95	1,020,064	16.39
Evergreen Infotech & Datacom Private limited	500,778	8.04	500,778	8.04
Smt. Indra Gagar	454,921	7.31	454,921	7.31
Shri Suresh Gagar	549,306	8.82	319,206	5.13
Navkar Corporation Limited	674,500	10.84	1,500,000	24.10
Ashtvakra Properties Private Limited	548,948	8.82	-	-

2.d Detailed note on Shares reserved to be issued under option and contracts/ commitments for the sale of shares / divestments including the terms and conditions.

The company does not have any such contracts / commitment as on reporting date.

2.e Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.

The Company does not have any securities convertible into shares as on reporting date.

Note 3: Reserves and surplus**Securities premium**

Balance at the beginning of the year	326,349,189		326,349,189	
Add: Received during the year on issue of shares	-		-	
	326,349,189		326,349,189	
Less : Share Issue expenses	-	326,349,189	-	326,349,189

Surplus in Statement of Profit and loss :

Balance at the beginning of the year	32,055,128		31,781,395	
Add (less): Profit (loss) after tax for the year	7,196,244		255,484	
Add : Excess DDT Provided in earlier year (2011-12)	-	39,251,372	18,250	32,055,128

Less : Appropriations

Additional Depreciation Charged from Retained

Earnings	471,410		-	
Proposed Dividend	3,112,500		-	
Tax on Proposed Dividend	622,315	4,206,225	-	-

Total**361,394,336****358,404,317****Note 4: Deferred tax liabilities (Net)**

Deferred Tax Liabilities on account of :				
Depreciation		4,740		306,900
Deferred Tax Assets on account of :				
Business Losses *		-		-
Gratuity		25,404		22,462
Deferred Tax Liabilities / (Assets)		(20,664)		284,438

* Deferred tax assets arising on losses has not been recognized in view of uncertainty in generating the profit in the future.

Note 5: Short term borrowings**Unsecured Loans: ***

Loans repayable on demand				
- To related party		-		304,870
- To others		8,350,000		9,350,000
Total		8,350,000		9,654,870

* All the above loans are interest free and repayable on demand.

Particulars	As at 31.03.2015	As at 31.03.2014
-------------	------------------	------------------

Note 6: Trade payables

Micro and small enterprises*	-	-
Others	313,515	394,013
Total	<u>313,515</u>	<u>394,013</u>

* 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 and small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2015.

Note 7: Other current liabilities

Unpaid dividends*	162,816	162,816
Statutory liabilities	31,215	36,688
Accrued Expenses	3,763	4,385
Other Payables	-	5,520,999
Total	<u>197,794</u>	<u>5,724,889</u>

* There is no outstanding dues to be paid to Investor Education and Protection Fund.

Note 8: Short term provisions

Provision for employees benefits (Gratuity) (refer note 27)	82,212	72,692
Provision for taxation (net of taxes paid)	-	-
Proposed Dividend for F.Y. 2014-15	3,112,500	-
Provision for Tax on Proposed dividend	622,315	-
Total	<u>3,817,027</u>	<u>72,692</u>

Note 9: Fixed Assets

(Amount in Rs)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION					NET BLOCK	
	As at 01.04.2014	Additions During the Year	Sold/transfer During the Year*	Total As at 31.03.2015	Provided upto 01.04.2014	Provided for the Year	Adjustments during the Year	Written Back during the Year	Total upto 31.03.2015	Total as at 31.03.2015	Total as at 01.04.2014
Tangible Assets											
Land	78,090	-	-	78,090	-	-	-	-	-	78,090	78,090
Vehicle	5,160,200	-	-	5,160,200	2,096,939	880,516	-	-	2,977,455	2,182,745	3,063,261
Office Equipments	1,210,810	-	-	1,210,810	762,967	-	447,843	-	1,210,810	0	447,843
Computers	558,750	-	-	558,750	525,894	10,751	20,469	-	557,114	1,636	32,856
Electric Equipment	192,500	-	-	192,500	189,402	-	3,098	-	192,500	(0)	3,098
									-		
Intangible Asset											
Computer Software	3,481,275	-	-	3,481,275	3,481,275	-	-	-	3,481,275	-	-
Total as at 31.03.2015	10,681,625	-	-	10,681,625	7,056,477	891,267	471,410	-	8,419,154	2,262,471	3,625,148
Total as at 31.03.2014	10,681,625	-	-	10,681,625	6,483,180	573,297	-	-	7,056,477		

(Amt in Rs.)

Particulars	As at 31.03.2015		As at 31.03.2014	
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Note 10: Non-current investments

Other than trade (at cost):	Numbers	Amount (Rs)	Numbers	Amount (Rs)
Quoted: Investments in fully paid equity instruments:				
Vakrangee Software Limited having face value of Rs. 1/-	220	1,819	220	1,819
Unquoted: Investments in fully paid equity instruments:				
a) Investment in a Subsidiary Company: Sukartik Clothing Pvt. Ltd (Face value Rs. 10)	181,000	28,700,000	181,000	28,700,000
b) Investment in an Associate Company: Bhuta Investment Pvt Ltd (Face value Rs. 100)	60,000	12,000,000	60,000	12,000,000
c) Investment in Shares of other Companies:				
T.N.R Infrastructures Limited (Face value Rs. 10)	1,435,000	107,625,000	1,435,000	107,625,000
Reliable SmartCity Limited (Face value Rs. 10)	400,000	4,740,898	400,000	4,740,898
Alaukik Mines & Power Pvt. Ltd. (Face value Rs. 10)	4,200,000	110,500,000	4,200,000	110,500,000
Swastik Express Pvt Ltd (Face value Rs. 10)	119,166	14,300,000	844,166	101,300,000
Investments in Government securities National Saving Certificates*		43,000		23,000
Other non-current investment Silver bar	16.445Kg	304,783	16.445Kg	304,783
Total		<u>278,215,499</u>		<u>365,195,499</u>

Particulars	Book value (Rs.)	Market value (Rs.)**	Book value (Rs.)	Market value (Rs.)**
Aggregate value of: Quoted investments	1,819	197,339	1,819	21,945
Unquoted investments	277,865,898	N.A.	364,865,89	8

(*) stands in the name of one of the directors

** The market value of quoted investments is based on the Bombay Stock Exchange quotations as on 31.03.2015 or nearest traded date, wherever available. The market value of shares, for which the quotations of the Bombay Stock Exchange were not available, has been considered as nil.

Note 11: Long term loans and advances**Unsecured, considered good**

Security deposit	30,000	30,000
Share Application money To a company in which two directors of the company are members and director	-	-
Intercorporate Loans	-	-
Total	<u>30,000</u>	<u>30,000</u>

	(Amt in Rs.)	
Particulars	As at 31.03.2015	As at 31.03.2014
Note 12: Other Noncurrent Assets		
Minimum alternate tax credit entitlement	15,661,335	13,510,073
Total	<u>15,661,335</u>	<u>13,510,073</u>
Note 13: Inventories		
Stock-in- trade- Shares	22,263,578	17,754,261
Total	<u>22,263,578</u>	<u>17,754,261</u>
Details of Stock -in- trade- Shares (Face value of Rs. 10/- each):		
438555 (P.Y 371613) equity shares of Gini Silk Mills Ltd	19,753,444	15,700,649
841 (P.Y Nil) equity shares of Pankaj Polypack Limited	9,714	-
194143 (P.Y 179393) equity shares of Pankaj Polymers Limited	2,493,717	2,046,907
100 (P.Y 100) equity shares of Vakrangee Limited	<u>6,704</u>	<u>6,704</u>
	<u>22,263,578</u>	<u>17,754,261</u>
Note 14: Trade receivables		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they are due for payments		
Due from a director	-	307,820
Others	-	<u>360,807</u>
	-	668,627
Total	<u>-</u>	<u>668,627</u>
Note 15: Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In a Current account	11,477,138	26,716
In a Unpaid dividend account*	162,816	162,816
Cash in hand	233,272	78,077
Other bank balances		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	105,647	1,368
Total	<u>11,978,874</u>	<u>268,977</u>
* Earmarked against the corresponding provision.		

Particulars	As at 31.03.2015	As at 31.03.2014
Note 16: Short term loans and advances		
Unsecured, considered good		
Loans and advances to related parties (refer note 26)		
Office Deposits to Associate company	-	10,000,000
Loan to Subsidiary company	-	-
Loan to Associate company	3,075,000	5,575,000
Others		
<u>Intercorporate loans</u>		
To the companies in which director(s) is(are) member(s) and director(s)	23,100,000	-
Others	<u>78,676,881</u>	<u>18,175,744</u>
	101,776,881	18,175,744
Prepaid expenses	18,569	15,332
Advance to employees	-	5,000
Other receivables	20	-
Total	<u>104,870,470</u>	<u>33,771,076</u>
Note 17: Other current assets		
Interest Accrued on deposits	26,612	22,033
<u>Balance with Government authorities</u>		
Provision for taxation (net of taxes paid)	993,170	1,939,525
	<u>1,019,781</u>	<u>1,961,558</u>
Note 18: Revenue from operations		
Sale of Shares	12,560,395	6,203,587
Profit (loss) on sale of Shares transaction - intra-day	1,061	(2,174)
Profit (loss) on Shares transactions- F & O	4,995,683	144,060
Other operating revenues		
Dividend	219,358	171,914
Commission	<u>-</u>	<u>-</u>
	219,358	171,914
Total	<u>17,776,496</u>	<u>6,517,387</u>
Note 19: Other income		
Interest		
on fixed deposits	291,808	-
on National saving certificate	3,838	2,569
on Loans	<u>3,464,652</u>	<u>32,788</u>
	3,760,298	35,357
Net gain on sale of Current investments	-	35,866
Total	<u>3,760,298</u>	<u>71,224</u>

(Amt in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
Note 20: Purchases of Stock in trade		
Shares & Securities	15,197,633	3,327,448
Total	<u>15,197,633</u>	<u>3,327,448</u>
Note 21: Changes in inventories		
Stock in Trade – Shares		
Opening stocks:	17,754,261	17,806,062
Less: Closing stocks	22,263,578	17,754,261
Total	<u>(4,509,318)</u>	<u>51,802</u>
Note 22: Employee benefit expenses		
Salaries and Wages	959,358	744,796
Contribution to Provident Fund and other funds	48,682	48,272
Staff Welfare Expenses	35,927	34,105
Total	<u>1,043,967</u>	<u>827,173</u>
Note 23: Other expenses		
Advertisement and publicity	67,854	59,609
Auditors' remuneration (refer note 25)	286,518	280,900
Bank charges	5,706	449
Communication expenses	36,945	56,327
Demat charges	6,919	6,842
Donation	100,000	15,200
General expenses	69,623	34,190
Insurance	13,366	34,956
Legal and professional charges	175,098	235,961
Margin Money Charges	1,500,000	-
Bad debts	-	201,379
Printing and stationery	16,268	22,420
Prior Period Exp.	-	62,619
Rates and taxes	166,418	52,356
Repairs and maintenance	10,629	8,094
Securities Transaction Tax	31,650	9,633
Share Trading Expenses	79,642	18,584
Travelling and conveyance	51,029	24,707
Vehicle Expenses	-	120,543
Total	<u>2,617,665</u>	<u>1,244,770</u>
Note 24 : Earning per equity share		
	UNIT	
Net profit (loss) after tax	Rs.	7,196,244
Weighted average number of shares used in computing basic earnings per share	Numbers	6,225,000
Face value of equity shares	Rs.	10
Basic earnings per share	Rs.	1.16
Diluted earnings per share	Rs.	1.16

(Amt in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
Statutory audit under the Companies Act 1956	196,630	196,630
Tax Audit under the Income Tax Act 1961	33,708	33,708
Taxation matters	5,618	5,618
Certifications	50,562	44,944
	286,518	280,900

Note 26: Related party disclosures

Related party disclosures as required by Accounting Standard (AS) -18 "Related Party Disclosures", notified by Companies (Accounting Standards) Rules, 2006(as amended) are given below:

I) Names of related parties and description of relationships

a) Key Managerial Personnel (KMP)

Ramakant Gaggar	Director
Suresh Gaggar	Director
Sanjay Raut	CFO
Kamlesh Gagavani	Company Secretary

b) Relatives of KMP & Entities over which KMP exercises significant influence (with whom company has transactions during the year)

Indra Gaggar	Relative of Director
Bhuta Investment Private Limited	Associate Company
Alaukik Mines & Power Private Limited	Entity controlled by Director
GVS Chemical Private Limited	Entity controlled by Director

c) Holding / Subsidiary Company

Sukartik Clothing Private Limited	Subsidiary Company
-----------------------------------	--------------------

(Amt in Rs.)

Particulars	As at 31.03.2015		As at 31.03.2014	
II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:				
Particulars	Volume of Transactions		Balances as on	
	2014-15	2013-14	31.03.2015	31.03.2014
Current liabilities				
Short term borrowings				
Unsecured Loans:				
Ramakant Gaggar	42,810	-	-	-
Non current assets				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Sukartik Clothing Private Limited	-	12,000,000	28,700,000	28,700,000
Bhuta Investment Private Limited	-	-	12,000,000	12,000,000
Alaukik Mines & Power Private Limited	-	110,500,000	110,500,000	110,500,000
Particulars	Volume of Transactions		Balances as on	
	2014-15	2013-14	31.03.2015	31.03.2014
Current assets				
Short term loans and advances				
Office Deposit				
Bhuta Investment Private Limited	(10,000,000)	10,000,000	-	10,000,000
Intercorporate loans				
Sukartik Clothing Private Limited	-	14,000,000	-	-
Bhuta Investment Private Limited	(2,500,000)	8,200,000	3,075,000	5,575,000
Alaukik Mines & Power Private Limited	94,722,500	-	18,200,000	-
GVS Chemical Private Limited	9,900,000	-	4,900,000	-
Purchases				
Ramakant Gaggar	-	81,000	NA	NA
Indra Gaggar	-	304,870	NA	NA
Sarika Gaggar	-	599,450	NA	NA
Sales				
Ramakant Gaggar	-	332,820	NA	NA

Sub note: Related party relationship is identified by the Company and relied upon by the auditors.

Note 27: 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 recognised as an expense, the short term benefits to its employees such as bonus, leave encashment etc.

Note 28: The Company has disclosed the segment information in the consolidated financial statements, in accordance with Accounting Standard 17, Segment reporting.

Note 29: The Company had NIL contingent Liability at the end of Financial Year 2014-15.

Note 30: The Company has reclassified previous year figures to conform to this year's classification.

As per our attached report of even date

For and on behalf of board

For MVK Associates

Chartered Accountants

Firm Registration No. 120222W

CA. Vishnu Garg

Partner

Membership no. 045560

Mumbai

Dated: 30th May 2015

Ramakant Gaggar

Director

DIN: 01019838

Mumbai

Dated: 30th May 2015

Suresh Gaggar

Director

DIN: 00599561

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Garnet International Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Garnet International Limited** ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

The management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to preparation and presentation of the consolidated financial statements that gives true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by Institute of Chartered Accounts of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and Fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of consolidated Balance sheet, of the state of affairs of the company as at 31st March, 2015.
- (ii) In the case of consolidated Statement of Profit and Loss, of the profit for the year then ended on that date ; and
- (iii) In the case of consolidated Cash Flow Statements, of the cash flows for the year ended on that date.

Other Matters

1. *As stated in Note 30 to the consolidated financial statements, the subsidiary has not made provision for gratuity as per Accounting Standard 15 "Employee Benefits", the financial impact of same, as given in said note, is not ascertainable and therefore cannot be commented upon.*

For MVK Associates

Chartered Accountants

Firm registration No. 120222W

CA. Vishnu Garg

Partner

Membership no. 045560

Place - Mumbai

Date - 30th May, 2015

GARNET INTERNATIONAL LIMITED

Consolidated Balance Sheet as at 31st March 2015

(Amount in
Rs.)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	62,250,000	62,250,000
Reserves and surplus	3	<u>374,222,612</u>	<u>367,203,492</u>
		436,472,612	429,453,492
Minority Interest			
		29,855,625	25,648,053
Non-current liabilities			
Long Term Borrowing	4	459,335	-
Deferred tax liabilities (net)	5	<u>2,339,676</u>	<u>2,261,128</u>
		2,799,011	2,261,128
Current liabilities			
Short term borrowings	6	8,350,000	9,889,870
Trade payables	7	20,993,854	14,143,086
Other current liabilities	8	4,105,593	7,963,849
Short term provisions	9	<u>5,456,779</u>	<u>1,573,330</u>
		38,906,226	33,570,134
TOTAL		<u>508,033,474</u>	<u>490,932,807</u>
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	10	47,911,849	44,301,473
Intangible assets	10	<u>3,517,689</u>	<u>3,535,748</u>
		51,429,538	47,837,221
Non-current investments	11	244,597,637	331,791,172
Long term loans and advances	12	763,183	420,617
Other non current assets	13	<u>16,414,115</u>	<u>14,513,419</u>
		313,204,473	394,562,429
Current assets			
Inventories	14	25,879,592	24,407,097
Trade receivables	15	33,223,087	25,430,865
Cash and bank balances	16	25,240,496	4,021,106
Short term loans and advances	17	109,130,999	40,491,663
Other current assets	18	<u>1,354,826</u>	<u>2,019,648</u>
		194,829,001	96,370,378
TOTAL		<u>508,033,474</u>	<u>490,932,807</u>
Contingent Liabilities and Commitments (To the extent not provided for)	27		
Significant accounting policies	1		
See accompanying notes to financial	2-36		

As per our attached report of even date

For **MVK Associates**

Chartered Accountants

Firm registration No. 120222W

CA. Vishnu Garg

Partner

Membership no. 045560

Place: Mumbai

Dated: 30th May 2015

For and on behalf of the board

Ramakant Gaggar

Director

DIN: 01019838

Place: Mumbai

Dated: 30th May 2015

Suresh Gaggar

Director

DIN: 00599561

GARNET INTERNATIONAL LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March 2015

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
Gross revenue from operations	19	141,337,598	107,494,388
Less: Excise Duty		-	-
Net revenue from operations		141,337,598	107,494,388
Other income	20	4,500,488	574,381
Total Revenue		145,838,086	108,068,769
Expenses:			
Cost of materials consumed	21	53,387,015	48,049,821
Purchases of stock-in-Trade	22	24,608,636	4,214,885
Changes in inventories	23	(3,494,365)	1,838,188
Employee benefit expenses	24	5,123,063	3,665,437
Finance cost	25	32,477	10,328
Depreciation and amortisation expenses	10	4,386,741	4,927,952
Other expenses	26	44,325,451	36,793,163
Total expenses		128,369,018	99,499,774
Profit before Tax		17,469,068	8,568,995
Tax expenses			
Current tax		4,688,300	2,733,400
Deferred tax		78,548	63,367
MAT credit entitlement		(1,555,700)	-
Tax adjustment for earlier years		(1,388,532)	-
		1,822,616	2,796,767
Profit after tax before share of result of Associates and minority interest		15,646,452	5,772,228
Add/(Less): Minority Interest		(4,207,573)	(2,199,367)
Add/(Less): Share in Profit (Loss) of an		(213,535)	(166,113)
		(4,421,107)	(2,365,480)
Profit after tax for the year		11,225,345	3,406,748
Earning per equity share	27		
Basic and Diluted		1.80	0.55

Significant accounting policies 1
See accompanying notes to financial statements

As per our attached report of even date

For MVK Associates

Chartered Accountants

Firm registration No. 120222W

For and on behalf of the board

CA. Vishnu Garg

Partner

Membership no. 045560

Ramakant Gaggar

Director

DIN: 01019838

Suresh Gaggar

Director

DIN: 00599561

Place: Mumbai

Dated: 30th May 2015

Place: Mumbai

Dated: 30th May 2015

GARNET INTERNATIONAL LIMITED

Consolidated Cash Flow Statement for the Year Ended 31st March, 2015

(Amount in Rs.)

(A) CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31.03.2015	For the year ended 31.03.2014
Net Profit before Tax and Extraordinary Items	17,469,068	8,568,995
Adjustment for		
Depreciation	4,386,741	4,927,952
Loss / (Profit) on sale of Fixed Assets	153,320	-
Loss / (Profit) on sale of Investments	(1,061)	(33,692)
Investment Income		
- Interest	(4,484,779)	(491,125)
- Dividend	(219,358)	(171,914)
Interest Expenses	<u>32,477</u>	<u>10,328</u>
Operating Profit before Working Capital changes	17,336,409	12,810,544
Adjustment for		
- Trade and other Receivables	(5,363,130)	208,325,862
- Inventories	(1,472,496)	897,688
- Trade Payables	<u>3,002,032</u>	<u>4,361,786</u>
Cash generated from operations	13,502,815	226,395,880
Advance Tax & TDS	<u>(2,809,863)</u>	<u>(3,802,774)</u>
Cash flow before Extraordinary Items	10,692,952	222,593,106
Extraordinary Items	<u>-</u>	<u>-</u>
NET CASH FROM OPERATING ACTIVITIES	10,692,952	222,593,106
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Investments (Net)	86,980,000	(206,335,385)
Purchase of Fixed Assets	(8,913,787)	(1,427,238)
Loan (given) / Refund	(71,099,394)	-
Sale of Fixed Assets	310,000	-
Interest / Other income	4,484,779	491,125
Profit / (Loss) on sale of Investments	1,061	33,692
Dividend received	<u>219,358</u>	<u>171,914</u>
NET CASH USED IN INVESTING ACTIVITIES	11,982,016	(207,065,892)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	459,335	(106,600)
Increase (decrease) in unsecured loans	(342,566)	27,573
Proceeds from Short Term Borrowings	-	-
Repayment of Short Term Borrowings	(1,539,870)	(16,836,830)
Interest Paid	(32,477)	(10,328)
Dividend paid	<u>-</u>	<u>-</u>
NET CASH FROM FINANCING ACTIVITIES	(1,455,578)	(16,926,185)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	21,219,390	(1,398,971)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	4,021,106	5,420,077
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	25,240,496	4,021,106

Notes to cash flow statement:

1. All figures in brackets are outflow.

2. Previous year's figures have been regrouped wherever necessary. As per our attached report of even date For MVK Associates

For and on behalf of the Board

Chartered Accountants

Firm registration No. 120222W

CA. Vishnu Garg
Partner
 Membership no. 045560

Ramakant Gaggar
Director
 DIN: 01019838

Suresh Gaggar
Director
 DIN: 00599561

Place : Mumbai
 Dated: 30th May 2015

Place : Mumbai
 Dated: 30th May 2015

GARNET INTERNATIONAL LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March 2015

Note 1: Significant Accounting Policies on consolidated accounts:

1. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated positions of the Companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.
2. Principles of Consolidation:
The Consolidated Financial Statements relate to Garnet International Limited and its subsidiary Sukartik Clothing Private Limited. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006. The consolidated financial Statements have been prepared on the following basis:
 - a) The Financial Statements of the Company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating Intra group balances, intra group transactions and unrealized profits or losses.
 - b) The difference between the costs of investment in the subsidiary and the Company's share of equity at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
 - c) The difference between the proceeds from the disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary
 - d) Minority Interest's share of net profit (loss) of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
 - e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
 - f) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements"
 - g) As far as possible, the consolidated financial statements are prepared using the uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements
3. Significant accounting policies :
 - a) CAPITAL WORK IN PROGRESS
The cost incurred for fixed assets, the construction of which is not completed, are included under "capital work-in-progress" and the same are classified and added to the respective assets on the completion.
 - b) VALUATION OF STOCK OF SHARES AND SECURITIES AND INVENTORIES
 - (i) Shares and securities held as "stock-in-trade" are valued at cost or net realizable value whichever is lower and on FIFO basis.
 - (ii) Valuation of inventories is exclusive of taxes or duties incurred and on FIFO basis except otherwise stated.
 - (iii) Raw materials and Work in progress are being valued at cost or net realisable value whichever is lower.
 - (iv) Stores, spares and tools are being valued at weighted average cost.
 - (v) Goods in transit, if any, are stated at actual cost up to the date of the Balance Sheet.
 - (vi) Finished stocks are being valued at direct cost or net realisable values whichever is lower.
 - c) REVENUE RECOGNITION
 - (i) 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.
 - (ii) Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is on the dispatch of goods.
 - (iii) Sales are stated net of discount, claims, and shortage. Commission, brokerage and incentives on sales, wherever applicable, have been separately recognized as an expense.
 - (iv) Incomes from job charges are recognized as and when the services are rendered.
 - (v) Interest income is accounted on accrual basis.
 - d) PRIOR PERIOD EXPENSES/INCOME

The group follows the practice of making adjustments through "prior period items" in respect of all material transaction pertaining to the period prior to current accounting period/year.

e) MISCELLANEOUS EXPENDITURE

Miscellaneous expenditure, such as preliminary expenditure and share issue expenditure is amortized over a period of 5 years, as the case may be, from the financial year in which it is incurred.

f) EMPLOYEE BENEFITS

(i) Employees' benefit under defined contribution plan such as contribution to provident fund and employees' benefits under defined benefit plan for leave encashment are charged off at the undiscounted amount in the year in which the related service provided.

(ii) Post employment benefits under defined benefit plan such as gratuity are charged off in the year in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and/or losses in respect of post employment benefits are charged to profit and loss account or capitalised in case of new projects are taken up by the company.

g) BORROWING COSTS

The group capitalizes interest and other costs incurred by it in connection with funds borrowed for the acquisition of fixed assets. Where specific borrowings are identified to a fixed asset or a new unit, the group uses the interest rates applicable to that specific borrowing as the capitalization rate. Capitalization of borrowing costs ceases when all the activities necessary to prepare the fixed assets for their intended use are substantially complete. Other borrowing costs are charged to Profit and Loss Account.

h) SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the group. Segments have been identified in line with the Accounting Standard - 17, taking into account the organisational structure as well as the differing risks and returns. The business segment is disclosed as primary segment.

i) EXCISE DUTY

(i) CENVAT credit available as per the provisions of the Excise Rules on raw material, packing material, etc purchased, is accounted for by reducing the cost of the respective items.

(ii) Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the Excise Rules.

(iii) CENVAT credit available as per the provisions of the Excise Rules on capital goods is accounted for by reducing the cost of capital goods.

j) TRANSACTION IN FOREIGN CURRENCIES

(i) Initial Recognition: Transactions denominated in foreign currencies are recorded by applying the exchange rates prevailing at the date of the transactions.

(ii) Conversion: Monetary items denominated in foreign currencies remaining unsettled at the end of the year, are restated using the closing rates.

(iii) Exchange Difference: The exchange difference arising on the settlement of monetary items or on reporting unsettled monetary items at the rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expenses in the year in which they arise.

In case the monetary items are covered by the forward exchange contracts, the difference between the yearend exchange rate and the exchange rate at the date of the inception of the forward exchange contract is recognised as exchange difference.

(iv) Forward Exchange Contracts: In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

Exchange differences on such contracts are recognised in the statement of profit and loss account in the year in which the exchange rate changes.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

In case of transactions covered by forward exchange contracts, which are intended for trading or speculation purposes, the premium/discount is ignored and at each balance sheet date, the value of the contract is marked to its market value and gain/loss on the contract is recognised.

(v) Non-monetary foreign currency items such as investments are carried at cost.

k) IMPAIRMENT LOSS

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm length transaction between knowledgeable, willing parties, less the cost of disposal.

Particulars	As at 31.03.2015		As at 31.03.2014	
	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Note 2: Share capital				
Authorised:				
Equity Shares of Rs.10/- each	7,500,000	<u>75,000,000</u>	7,500,000	<u>75,000,000</u>
Total		<u>75,000,000</u>		<u>75,000,000</u>
Issued, subscribed and paid-up :				
Equity Shares of Rs.10/- each fully paid	6,225,000	<u>62,250,000</u>	6,225,000	<u>62,250,000</u>
Total		<u>62,250,000</u>		<u>62,250,000</u>
2. Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period :-				
a				
Particulars	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Outstanding at the beginning of the year	6,225,000	62,250,000	6,225,000	62,250,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	6,225,000	62,250,000	6,225,000	62,250,000
2. The equity shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act, 1956.				
2. Shareholders holding more than 5% of the share capital at				
c the end of the year:				
Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Shri Ramakant Gaggar	1,055,428	16.95	1,020,064	16.39
Evergreen Infotech & Datacom Private limited	500,778	8.04	500,778	8.04
Smt. Indra Gaggar	454,921	7.31	454,921	7.31
Shri Suresh Gaggar	549,306	8.82	319,206	5.13
Navkar Corporation Limited	674,500	10.84	1,500,000	24.10
Ashtvakra Properties Private Limited	548,948	8.82	-	-

Particulars	As at 31.03.2015		As at 31.03.2014	
Note 3: Reserves and surplus				
Securities premium				
Balance at the beginning of the year	326,349,189		326,349,189	
Add: Received during the year on issue of shares	-		-	
	326,349,189		326,349,189	
Less : Share Issue expenses	-	326,349,189	-	326,349,189
Capital Reserve on consolidation				
At the beginning of the year and at the end of year		4,948,063		4,948,063
Surplus in Statement of Profit and loss :				
Balance at the beginning of the year	35,906,240		32,481,242	
Add (less): Profit (loss) after tax for the year	11,225,345		3,406,748	
Add (less): Excess DDT Provided in earlier Year	-		18,250	
Less: Appropriations				
Proposed dividend for the year (Rs. 0.5 Dividend per share)	3,112,500		-	
Provision for tax on proposed dividend for the year	622,315		-	
Less: Additional Depreciation Charged from Retained Earnings	471,410		-	
		42,925,360		35,906,240
Total		374,222,612		367,203,492

Note 4: Long term borrowings

Secured Loan				
Vehicle loan from HDFC bank		459,335		-
Total		459,335		-

(a) Nature of security: Hypothecation of the vehicle financed by the bank.

(b) Terms of Repayment : 60 EMIs commencing from October 2014 of Rs. 13,250/- each (outstanding 1 EMI).

(c) Current maturities of EMIs has been grouped under "Other Current Liabilities" refer note 8.

Note 5: Deferred tax liabilities (Net)

Deferred Tax Liabilities on account of :				
Depreciation		2,365,080		2,283,590
Deferred Tax Assets on account of :				
Business Losses *		-		-
Gratuity		25,404		22,462
Total		2,339,676		2,261,128

* Deferred tax assets arising on losses has not been recognized in view of uncertainty in generating the profit in the future.

Particulars	As at 31.03.2015	As at 31.03.2014
Note 6: Short term borrowings		
Unsecured Loans:		
Loans repayable on demand from:		
Others Companies	8,350,000	9,585,000
Related parties	-	304,870
	<u>8,350,000</u>	<u>9,889,870</u>
Total	<u><u>8,350,000</u></u>	<u><u>9,889,870</u></u>

Note 7: Trade payables

Micro and small enterprises*	-	-
Others	20,993,854	14,143,086
Total	<u><u>20,993,854</u></u>	<u><u>14,143,086</u></u>

* 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 and small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2015.

Note 8: Other current liabilities

Current maturities of a long-term debt	104,300	9,575
Unpaid dividends*	162,816	162,816
Overdrawn Bank balance	-	-
Creditors for capital expenditure	-	295,602
Payables to Employees	2,284,916	929,386
Advance from Customers	317,810	154,971
Statutory liabilities	118,322	314,737
Accrued expenses	722,556	575,761
Other payables	-	5,520,999
Salary payable to Directors and their relatives	394,873	-
Total	<u><u>4,105,593</u></u>	<u><u>7,963,849</u></u>

* There is no outstanding dues to be paid to Investor Education and Protection Fund.

Note 9: Short term provisions

Provision for employees benefits (Gratuity) (refer note 30)	82,212	72,692
Provision for taxation (net of taxes paid)	1,639,752	1,500,638
Provision for proposed dividend	3,112,500	-
Provision for tax on proposed dividend	622,315	-
Total	<u><u>5,456,779</u></u>	<u><u>1,573,330</u></u>

Note 10: Fixed assets

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION					NET BLOCK	
	As at 31.03.2014	Addition during the year	Sold / Transfer during the year *	As at 31.03.2015	Total up to 31.03.2014	Provided for the year	Adjusments During the Year	Written back during the year	Total up to 31.03.2015	Total as at 31.03.2015	Total as at 31.03.2014
Tangible assets											
Land	4,428,690	-	-	4,428,690	-	-	-	-	-	4,428,690	4,428,690
Office Premises	1,042,601	-	-	1,042,601	154,366	35,529	-	-	189,895	852,706	888,235
Office Equipments	2,213,923	60,967	-	2,274,890	1,113,031	372,003	447,843	-	1,932,877	342,013	1,100,892
Factory Building	8,885,079	1,003,462	-	9,888,541	994,547	301,088	-	-	1,295,635	8,592,906	7,890,532
Plant And Machinery	35,470,451	6,224,051	-	41,694,502	10,673,240	2,236,339	-	-	12,909,579	28,784,923	24,797,211
Furniture And Fixtures	572,031	581,364	-	1,153,395	131,645	96,341	-	-	227,986	925,409	440,386
Electric Equipment	192,500	-	-	192,500	189,402	-	3,098	-	192,500	-	3,098
Computers	849,686	40,555	-	890,241	699,518	108,624	20,469	-	828,612	61,629	150,168
Vehicles	7,396,258	1,003,388	634,323	7,765,323	2,793,997	1,218,757	-	171,003	3,841,751	3,923,572	4,602,261
Intangible assets											
Computer Software	3,531,275	-	-	3,531,275	3,513,216	18,059	-	-	3,531,275	-	18,059
Goodwill arise on consolidation	3,517,689	-	-	3,517,689	-	-	-	-	-	3,517,689	3,517,689
Total as at 31.03.2015	68,100,183	8,913,787	634,323	76,379,647	20,262,963	4,386,740	471,410	171,003	24,950,109	51,429,538	47,837,221
Total as at 31.03.2014	66,535,689	1,564,495	-	68,100,183	15,335,011	4,927,952	-	-	20,262,963		

Particulars	As at 31.03.2015		As at 31.03.2014	
Note 11: Non-current investments				
Other than trade (at cost):	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Quoted: Investments in fully paid equity instruments:				
Vakrangee Software Limited having face value of Rs. 10/-	220	1,819	220	1,819
Unquoted: Investments in fully paid equity instruments:				
a) Investment in an Associate Company: (refer note 34)				
Bhuta Investment Private Ltd having face value of Rs.100/-	60,000	7,082,138	60,000	7,295,673
b) Investment in other Companies:				
T.N.R Infrastructures Ltd having face value of Rs.10/- @	1,435,000	107,625,000	1,435,000	107,625,000
Reliable SmartCity Limited having face value of Rs. 10/-	400,000	4,740,898	400,000	4,740,898
Alaukik Mines & Power Pvt. Ltd.having face value of Rs. 10/-	4,200,000	110,500,000	4,200,000	110,500,000
Swastik Express Pvt Ltd having face value of Rs. 10/-	119,166	14,300,000	844,166	101,300,000
Investments in Government securities				
National Saving Certificates*	-	43,000	-	23,000
Other non-current investment				
Investment in Silver bar	16.445Kg	304,783	16.445Kg	304,783
Total		244,597,637		331,791,172

Particulars	Book value (Rs.)	Market value (Rs.)**	Book value (Rs.)	Market value (Rs.)**
Aggregate value of:				
Quoted investments	1,819	197,339	1,819	14,762
Unquoted investments	244,248,036	N.A.	331,461,570	N.A.

(*) stands in the name of one of the directors

** The market value of quoted investments is based on the Bombay Stock Exchange quotations as on 31.03.2015 or nearest traded date, wherever available. The market value of shares, for which the quotations of the Bombay Stock Exchange were not available, has been considered as nil.

@Particulars of investment in

Associate company:

Name of the Associate :

Bhuta Investment Private limited

Particulars	As at 31.03.2015	As at 31.03.2014
No.of Equity Shares held :	60,000	60,000
% of holding :	32%	32%
Original cost of Investment :	12,000,000	12,000,000
Amount of Goodwill in original cost :	3,380,433	3,380,433
Share in accumulated Profit/ (Loss) / Reserves :	(1,323,894)	(1,157,781)
Share in current year Profit/(Loss) :	(213,535)	(166,113)
Carrying amount of Investment :	7,082,138	7,295,673

Particulars	As at 31.03.2015	As at 31.03.2014
Note 12: Long term loans and advances		
Unsecured, considered good		
Security deposits	763,183	360,250
Advance tax (net of provision for tax)	-	-
Unsecured, considered doubtful		
Advance for capital goods	-	60,367
Share Application money		
To a company in which two directors of the company are members and directors	-	-
Others	-	-
	-	-
Intercorporate Loans	-	-
Total	<u>763,183</u>	<u>420,617</u>
Note 13: Other non current assets		
Deposits / Investment for various projects		
20,000 shares of Punjab dyers association	40,000	40,000
Investment in CETP Project	660,000	100,000
Minimum alternate tax credit entitlement	15,714,115	14,373,419
Total	<u>16,414,115</u>	<u>14,513,419</u>
Note 14: Inventories		
Raw Materials	2,613,897	4,660,903
Work in progress	-	-
Finished goods	487,906	1,277,800
Stock-in trade:		
Shares and securities	22,263,578	17,754,261
Fabrics	<u>186,916</u>	<u>411,974</u>
	22,450,494	18,166,235
Consumables	<u>327,295</u>	<u>302,159</u>
Total	<u>25,879,592</u>	<u>24,407,097</u>
Details of Raw Materials:		
Yarn	659,431	1,890,218
Dyes & Cemicsals	<u>1,954,466</u>	<u>2,770,685</u>
	<u>2,613,897</u>	<u>4,660,903</u>
Details of work in progress:		
Garments	-	-
Details of Finished goods:		
Garments	487,906	1,277,800

Particulars	As at 31.03.2015	As at 31.03.2014
Details of Stock-in trade:		
Shares and securities (Face value of Rs. 10/- each):		
438555 (P.Y 371613) equity shares of Gini Silk Mills Ltd	19,753,444	15,700,649
194143 (P.Y 179393) equity shares of Pankaj Polymers Limited	2,493,717	2,046,907
100 (P.Y 100) equity shares of Vakrangee Limited	6,704	6,704
841 (P.Y Nil) equity shares of Pankaj Polypack Limited	9,714	
Fabric	186,916	411,974

Note 15: Trade receivables

Unsecured, considered good Debts outstanding for a period exceeding six months from the date they are due for payments	2,797,742	646,746
Others	-	-
Other debts		
Due from a director	-	307,820
Others	<u>30,425,345</u>	<u>24,476,300</u>
	<u>30,425,345</u>	<u>24,784,120</u>
Total	<u><u>33,223,087</u></u>	<u><u>25,430,865</u></u>

Note 16: Cash and bank balances

Cash and cash equivalents:		
Balances with banks		
In Current accounts	13,636,992	1,398,857
Unpaid dividends*	162,816	162,816
Cash in hand	525,915	473,271
Other bank balances:		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	10,914,773	1,986,162
Fixed deposits with banks with maturity period more than 12 months.	-	-
Total	<u><u>25,240,496</u></u>	<u><u>4,021,106</u></u>

(Amount in Rs.)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 17: Short term loans and advances		
Unsecured, considered good		
Loans and advances to related parties (refer note 29)		
Office Deposits to Associate company	-	10,000,000
Loan to Associate company	3,075,000	5,575,000
Others		
Intercorporate loans		
To related parties	25,625,753	5,000,000
Others	<u>78,676,881</u>	18,245,744
	104,302,634	23,245,744
Advance to suppliers	99,172	198,352
Prepaid expenses	293,041	182,492
Advance to employees	52,578	38,745
Vat credit receivable	1,308,554	1,209,442
Duty Drawback receivable	-	41,888
Other receivables	<u>20</u>	<u>-</u>
Total	<u><u>109,130,999</u></u>	<u><u>40,491,663</u></u>

Note 18: Other current assets

Interest Accrued on fixed deposits	314,524	33,976
Interest Accrued on National saving certificate	-	-
Interest Accrued on security deposit	39,450	46,147
Minimum alternate tax credit entitlement	-	-
Interest Others	7,683	-
Provision for taxation (net of taxes paid)	<u>993,170</u>	<u>1,939,525</u>
	<u>1,354,826</u>	<u>2,019,648</u>

Note 19: Revenue from operations

Sales :

Shares and securities	12,560,395	6,203,587
Garments		
Local	76,615,061	53,684,159
Export	<u>274,032</u>	<u>692,093</u>
	76,889,093	54,376,252
Dyes & Chemicals	-	88,474
Profit (loss) on sale of Shares transaction - intra-day	1,061	(2,174)
Profit (loss) on Shares transactions- F & O	4,995,683	144,060
Services:		
Job work charges	46,672,009	46,512,275
Other Operating revenues		

Particulars	as at 31.03.2015	as at 31.03.2014
Dividend	219,358	171,914
Commission	-	-
	219,358	171,914
Less: Excise duty	-	-
Total	<u>141,337,598</u>	<u>107,494,388</u>

Note 20: Other income

Interest		
on fixed deposits	837,113	409,621
on National saving certificate	3,838	2,569
on Loans	3,604,378	32,788
on security deposits	39,450	38,464
on Income tax refund	-	7,683
	4,484,779	491,125
Net gain on sale of Non-current investments	-	35,866
Miscellaneous income	22	-
Export Incentive	15,687	47,390
Total	<u>4,500,488</u>	<u>574,381</u>

Note 21: Cost of materials consumed

Opening stocks:				
Raw material				
Yarn	1,890,218		1,784,301	
Stock in Trade	-		-	
Dyes & Cemicals	2,770,685		1,836,215	
		4,660,903		3,620,515
Add : Cost of purchases				
Raw materials				
Yarn	17,054,591		12,518,354	
Dyes & Cemicals	34,285,418		36,571,855	
		51,340,009		49,090,208
Less: Closing stock				
Raw material				
Yarn	659,431		1,890,218	
Dyes & Cemicals	1,954,466		2,770,685	
		2,613,897		4,660,903
Total		<u>53,387,015</u>		<u>48,049,821</u>
Imported and Indigenous Raw materials consumed:	Consumption in Rs.	% of total consumption	Consumption in Rs.	% of total consumption
Imported	-	-	-	0
Indigenous	53,387,015	100	48,049,821	100
	<u>53,387,015</u>	<u>100</u>	<u>48,049,821</u>	<u>100</u>

(Amount in Rs.)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Note 22: Purchases of stock-in-Trade		
Fabric	9,411,003	887,437
Shares and securities	15,197,633	3,327,448
	<u>24,608,636</u>	<u>4,214,885</u>
Note 23: Changes in inventories		
Opening stocks:		
Finished goods	1,277,800	3,209,720
Stock in Trade :		
Shares and Securities	17,754,261	17,806,062
Fabrics	<u>411,974</u>	<u>266,441</u>
	18,166,235	18,072,503
Less: Closing stocks:		
Finished goods	487,906	1,277,800
Stock in Trade :		
Shares and Securities	22,263,578	17,754,261
Fabrics	186,916	411,974
Work in progress	-	-
Add/(Less): Variation in excise duty on opening and closing stock of finished goods	-	-
Total	<u>(3,494,365)</u>	<u>1,838,188</u>
Note 24: Employee benefit expenses		
Salaries and Wages	4,461,099	3,083,571
Contribution to Provident Fund and other funds	356,889	230,607
Staff Welfare Expenses	305,075	351,259
Total	<u>5,123,063</u>	<u>3,665,437</u>
Note 25: Finance cost		
Interest on loan	29,998	9,656
Interest on late payment of taxes	2,480	672
Total	<u>32,477</u>	<u>10,328</u>
Note 26: Other expenses		
Manufacturing Expenses		
Job Charges	11,335,072	10,559,985
Power and Fuel	9,943,859	8,295,416
Freight Inward	151,277	142,665
Dyeing Charges	51,703	105,057
Packing Expenses	56,816	76,458
Fabrication Charges	320,815	863,636
Husk and Ash Lifting Charges	248,765	134,700
Stores and Spares Consumed*	13,649,297	11,446,638
Insurance	149,010	92,288
Repairs & Maintenance(Machinery)	<u>1,495,778</u>	<u>1,245,521</u>
	37,402,392	32,962,364

Particulars	as at 31.03.2015	as at 31.03.2014
Administration and other expenses		
Brokerage and Commission	359,879	134,546
Communication Expenses	198,523	255,420
Demat charges	6,919	6,842
Advertisement and publicity	67,854	59,609
Securities Transaction Tax	31,650	9,633
Share Trading Expenses	79,642	18,584
Legal and Professional Charges	263,580	261,933
Auditors' remuneration (refer note 28)	398,878	364,794
Insurance	13,366	34,956
General expenses	69,623	34,190
Prior Period Exp.	-	62,619
Donation	100,000	15,200
Bank Commission / Charges	20,156	9,312
Membership and Subscription	100,522	106,966
Bad debts	-	201,379
Miscellaneous Expenses	472,452	538,645
Printing and Stationery	212,637	169,363
Rates and taxes	178,971	77,856
Repairs & Maintenance	979,204	323,670
Vehecal Expenses	-	120,543
Travelling and Conveyance	824,854	607,188
Margin Money Charges	1,500,000	-
Sales Promotion Expenses	5,100	260,296
Festival Expenses	440,063	144,130
Directors Remuneration	450,000	-
Loss on Sale of Fixed Asset	153,320	-
	6,927,192	3,817,675
Net foreign exchange loss(gain)	(4,133)	13,124
Total	44,325,451	36,793,163

* All stores and spares consumed are indigenous in nature.

(Amount in Rs.)

Particulars		For the year ended 31.03.2015	For the year ended 31.03.2014
Note 27: Earning per equity share			
Net profit (loss) after tax	Unit Rs.	11,225,345	3,406,748
Weighted average number of shares used in computing basic earnings per share	Numbers	6,225,000	6,225,000
Face value of equity shares	Rs.	10	10
Basic and diluted earnings per share	Rs.	2	1

Note 28: Payment to Auditors (including service tax)

Statutory audit under the Companies Act 1956	252,810	241,574
Tax Audit under the Income Tax Act 1961	67,416	56,180
Taxation matters	28,090	19,663
Certifications	50,562	36,141
Others	-	32,828
	<u>398,878</u>	<u>386,386</u>

Note 29: Related party disclosures

Related party disclosures as required by Accounting Standard (AS) -18 "Related Party Disclosures", notified by Companies (Accounting Standards) Rules, 2006(as amended) are given below:

- I) Names of related parties and description of relationships
- a Key Managerial Personnel (KMP)
- | | |
|-----------------|----------|
| Ramakant Gaggar | Director |
| Suresh Gaggar | Director |
- b Relatives of KMP & Entities over which KMP exercises significant influence (with whom company has transactions during the year)
- | | |
|-----------------------------------|-------------------------------|
| Indra Gaggar | Relative of Director |
| Bhuta Investment Private Limited | Associate Company |
| Alaukik Mines & Power Private Ltd | Entity controlled by Director |
| GVS Chemical Private Limited | Entity controlled by Director |

II Transactions during the year and balances outstanding as at year end with the related parties are as follows:

Particulars	Volume of Transactions		Balances as on	
	2014-15	2013-14	31.03.2015	31.03.2014
Current liabilities				
Short term borrowings				
Unsecured Loans:				
Ramakant Gaggar	42,810	-	-	-
Non current assets				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Bhuta Investment Private Limited	-	-	12,000,000	12,000,000
Alaukik Mines & Power Private Limited	-	110,500,000	110,500,000	110,500,000
Current assets				
Short term loans and advances				
Office Deposit				
Bhuta Investment Private Limited	(10,000,000)	10,000,000	-	10,000,000
Intercorporate loans				
Bhuta Investment Private Limited	(2,500,000)	8,200,000	3,075,000	5,575,000
Alaukik Mines & Power Private Limited	94,722,500	-	18,200,000	-
GVS Chemical Private Limited	9,900,000	-	4,900,000	-

Particulars	as at 31.03.2015		as at 31.03.2014	
Purchases				
Ramakant Gaggar	-	81,000	NA	NA
Indra Gaggar	-	304,870	NA	NA
Sarika Gaggar	-	599,450	NA	NA
Sales				
Ramakant Gaggar	-	332,820	NA	NA

Sub note: Related party relationship is identified by the Company and relied upon by the auditors.

Note 30:

- (a) In case of Subsidiary Company: No provision has been made for accrued liability in respect of gratuity payable to employees, as the company is in the process of taking actuarial valuation certificate for present value of future liabilities.
- (b) 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 recognised as an expense, the short term benefits to its employees such as bonus, leave encashment etc.

Note 31: Contingent liabilities (to the extent not provided for)

	As at 31.03.2015	As at 31.03.2014
Undertakings given by the subsidiary company under EPCG Scheme, pending fulfillment of export obligation	1,143,839	1,143,839

Note 32: C. I. F. value of imports:

	For the year ended	
	2014-2015	2013-2014
Raw Materials	45,274	-

Note 33: Earnings in Foreign Exchange:

	For the year ended	
	2014-2015	2013-2014
FOB value of Exports	274,032	692,093

Note 34: Detail of Subsidiary and Associate Company considered in the Consolidated Financial Statements are:

a) Subsidiary Company

Sukartik Clothing Private Limited ("the subsidiary")

Country of incorporation: India

Proportion of ownership interest as at 31st March 2015 is 60.13% (P.Y. 60.13%).

Financial statement is drawn up to 31st March 2015

b) Associate Company

Bhuta Investment Private Limited ("the associate")

Country of incorporation – India

Percentage of ownership interest as at 31st March 2015 is 32.43% (PY 32.43%)

Financial statement is drawn up to 31st March 2015.

Note 35: Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary.

Note 36: Segment information

Primary segment Disclosure - Business segment

Particulars	Shares and Securities		Textile		Consolidated Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
(i) Segment Revenue						
Operating income	17,776,496	6,553,253	123,561,102	100,977,001	141,337,598	107,530,255
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	17,776,496	6,553,253	123,561,102	100,977,001	141,337,598	107,530,255
(ii) Result						
Segment Results	2,535,282	528,764	10,481,463	7,559,435	13,016,744	8,088,199
Less: Unallocated corporate expenses					-	-
Operating Profit					13,016,744	8,088,199
Less: Interest expense (Net)					(4,452,324)	(480,797)
Profit before Tax					17,469,068	8,568,996
Provision for Taxation (Net)						
Current Tax					4,688,300	2,733,400
MAT Credit Entitlement					(1,555,700)	-
Deferred Tax					78,548	63,367
Adjustment for earlier years					(1,388,532)	-
Profit for the year before Minority Interests					1,822,616	2,796,767
(iii) Other Information					15,646,452	5,772,229
Segment Assets	407,602,008	408,085,219	101,831,638	84,034,227	509,433,646	492,119,445
Unallocated Common Assets					-	-
Total Assets					509,433,646	492,119,445
Segment Liabilities	12,678,336	15,846,463	26,687,224	17,723,671	39,365,560	33,570,134
Unallocated Common Liabilities					-	-
Total Liabilities					39,365,560	33,570,134
Capital Expenditure	-	-	8,913,787	1,427,238	8,913,787	1,427,238
Depreciation and Amortisation	891,267	573,297	3,495,474	4,354,655	4,386,741	4,927,952
Non-cash expenses other than depreciation	-	-	-	-	-	-

Secondary Segment Disclosure - Geographical segment

	Domestic		Overseas		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Revenue from Customers	141,337,598	107,530,255	-	-	141,337,598	107,530,255

Foot notes:

- Business Segment :
The group has considered business segments as the primary segment for disclosure.
The segments have been identified taking into account the organizational structure as well as the differing risks and returns of these segments.
Shares and Securities Segment comprises of income from share trading, intra-day transaction, investments and dividend.
Textile Segment comprises of sales of garments and dyeing done on job work basis.
- Secondary Segment :
The geographical segments are considered for disclosure as secondary segment
Domestic segment includes sales to customers located in India and income accrued in India
Overseas segment includes sales to customers located outside India and income derived from outside India
- Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

As per our attached report
of even date

For **MVK Associates**
Chartered Accountants
Firm registration No.
120222W

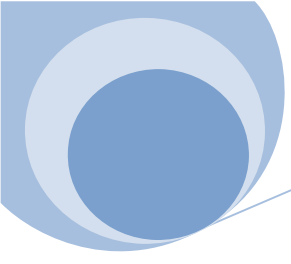
For and on behalf of the board

CA. Vishnu Garg
Partner
Membership no. 045560
Place: Mumbai
Dated: 30th May 2015

Ramakant Gaggar
Director
DIN: 01019838
Place: Mumbai
Dated: 30th May 2015

Suresh Gaggar
Director
DIN: 00599561

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If Undelivered Please Return To:

GARNET INTERNATIONAL LIMITED

Regd Office: 901, Raheja Chambers,
Nariman Point,
Mumbai – 400 021 (India)
Phone. : (022) 6636 9942
Fax No.: (022) 6636 9943
Web Site: www.garnetint.com
Email: info@garnetint.com

PROXY FORM

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

GARNET INTERNATIONAL LIMITED

Reg. Off.: 901, Raheja Chambers, Nariman Point, Mumbai-400021
Tel.: (022)-66369942 **Email:** info@garnetint.com
CIN: L99999MH1995PLC093448 **Website:** www.garnetint.com

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name: _____ E-mail Id: _____ Address: _____

Signature _____ or failing him/her
2. Name: _____ E-mail Id: _____ Address: _____

Signature _____ or failing him/her
3. Name: _____ E-mail Id: _____ Address: _____

Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual general meeting of the company, to be held on the 30th day of September, 2015 At 11.00 A.M. at 901, Raheja Chambers, Nariman Point, Mumbai-400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

Sr. No.	Particulars
	ORDINARY BUSINESS
1.	Adoption of Financial statements for the year ended 31 March 2015 and the Directors' and Auditors' Reports thereon
2.	Declare Dividend on equity shares
3.	Re-appointment of Mr. Ramakant Gaggar as Director, who retires by rotation
4.	Appointment of M/s MVK Associates., Chartered Accountants as Auditors and fixing their remuneration
	SPECIAL BUSINESS
5.	Appointment of Mrs. Manju Maheshwari as Women Director

Signed this ____ day of _____ 2015

Signature of shareholder _____

Signature of Proxy holder(s) _____

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

Form No. MGT-12**Ballot Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

GARNET INTERNATIONAL LIMITED**Reg. Off.:** 901, Raheja Chambers, Nariman Point, Mumbai-400021**Tel.:** (022)-66369942**Email:** info@garnetint.com**CIN:** L99999MH1995PLC093448**Website:** www.garnetint.com

Sr. No.	Particulars	Details
1)	Name of the First Named Shareholder (in block letters)	
2)	Postal Address	
3)	Registered folio No./ * Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4)	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1)	Adoption of Financial statements for the year ended 31 March 2015 and the Directors' and Auditors' Reports thereon			
2)	Declare Dividend on equity Shares			
3)	Re-appointment of Mr. Ramakant Gaggar as Director, who retires by rotation			
4)	Appointment of M/s MVK Associates., Chartered Accountants as Auditors and fixing their remuneration			
5)	Appointment of Mrs. Manju Maheshwari as an Woman Director			

Place:

Date:

(Signature of the shareholder)

INSTRUCTIONS

- 1) This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
- 2) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member cast votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- 3) For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form

- 1) Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. Kamlesh Jain and Associates; Practising Company Secretaries, at Link Intime India Pvt Ltd., Mr. Kamlesh Jain (Scrutinizer), (Unit : Garnet International Limited) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(W), Mumbai-400078
- 2) The Form should be signed by the Member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
- 3) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on Saturday, September 19, 2015 as per the Register of Members of the Company.
- 6) Duly completed Ballot Form should reach the Scrutinizer not later than Saturday, September 26, 2015 (6:00 p.m. IST). Ballot Form received after September 26, 2015 will be strictly treated as if the reply from the Members has not been received.
- 7) A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
- 8) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected.
- 9) A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 10) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 11) The results declared along with Scrutinizer's Report, shall be placed on the Company's website <http://www.garnetint.com> and on the website of the Central Depository Securities Limited within two days of the passing of the Resolutions at the AGM of the Company on Wednesday, September 30, 2015, and communicated to the BSE Limited, where the shares of the Company are listed.

GARNET INTERNATIONAL LIMITED

Reg. Off.: 901, Raheja Chambers, Nariman Point, Mumbai-400021

Tel.: (022)-66369942

Email: info@garnetint.com

CIN: L99999MH1995PLC093448

Website: www.garnetint.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the Thirty Third Annual General Meeting of the Company held on Wednesday, the 30th day of September, 2015 At 11.00 A.M. at 901, Raheja Chambers, Nariman Point, Mumbai-400021.

Note:

- 1. Only Member/Proxyholder can attend the Meeting.**
- 2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.**

Signature of Shareholder/Proxy