

A world map is centered on the page, rendered in a light blue color. The map is overlaid with a pattern of white binary code (0s and 1s) that appears to be floating or falling across the scene. The background is a solid, medium blue color.

# Garnet International Limited

35<sup>th</sup> Annual Report  
2016-17

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Suresh Gaggar	Managing Director
Mr. Ramakant Gaggar	Director
Mrs. Manju Maheshwari	Woman Director
Mr. Dinesh Nandwana	Independent Director
Mr. Sharad Rathi	Independent Director
Dr. Vidhu Rakesh Kakkar	Independent Director

### COMPANY SECRETARY

Koshal Gupta

### CHIEF FINANCIAL OFFICER

Sanjay Ravindra Raut

#### REGISTERED OFFICE

901, Raheja Chambers, Nariman Point  
Mumbai - 400 021

#### SECRETARIAL AUDITORS

M/s. Siddharth Sharma & Associates  
Company Secretaries, Mumbai

#### AUDITORS

M/s. M.V.K & Associates,  
Chartered Accountants, Mumbai

#### BANKERS

HDFC Bank

#### REGISTRAR & TRANSFERS AGENTS

Link Intime India Private Ltd  
C-101, 247 Park,  
LBS Marg, Vikhroli (W), Mumbai-400083

#### INVESTOR CORRESPONDENCE

Company Secretary  
901, Raheja Chambers, Nariman Point, Mumbai

Contents	Page No.
Notice	1-7
Directors Report	8-25
Management Discussion and Analysis	26
Voluntary Report on Corporate Governance	27-39
Auditors Certificate	40
Auditors Report - Standalone	41-47
Balance Sheet - Standalone	48-50
Notes on Financial Statements - Standalone	51-61
Auditors Report - Consolidated	62-66
Balance Sheet - Consolidated	67-69
Notes on Financial Statements - Consolidated	70-81

Disclaimer: The Company has taken utmost care in printing of these documents. However, in case of any discrepancy, the shareholders are requested to bring the same to the notice of the Company. In such case, the information contained in original documents approved by the Board of Directors of the Company shall prevail.

## NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of **GARNET INTERNATIONAL LIMITED** will be held at 1<sup>st</sup> Floor, The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai – 400 063, on Wednesday, September 27, 2017, at 1:00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - A. The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, 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, 2017, together with the Report of the Auditors thereon.
2. To declare dividend on equity shares for the Financial Year 2016-17.
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, read with Companies (Audit & Auditors) Rules, 2014 as may be applicable and pursuant to the recommendation of Audit Committee, M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W), the retiring auditors, be re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Ninth Annual General Meeting, subject to ratification of members every year, as applicable, at such remuneration and out of pocket expenses as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. To appoint Dr. Vidhu Rakesh Kakkar (DIN: 07652551) as an Independent Director in terms of Section 149 of the Companies Act, 2013.

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 Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Vidhu Rakesh Kakkar (DIN: 07652551) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 30<sup>th</sup> May 2017, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013,

from a member proposing Dr. Vidhu Rakesh Kakkar for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 30<sup>th</sup> May 2017 to hold office up to 29<sup>th</sup> May 2022, not liable to retire by rotation.”

By Order of the Board  
FOR GARNET INTERNATIONAL LIMITED

Sd/-

Suresh Gaggar

**Managing Director**

DIN: 00599561

Place: Mumbai

Dated: 30th May, 2017

**NOTES:**

- 1. 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
2. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive).
3. The Board of Directors at their meeting held on May 30, 2017, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹ 1.20/- per share, on equity shares of the Company for the Financial Year 2016-17.
4. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 20, 2017 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 20, 2017 furnished by NSDL and CDSL for this purpose.
5. The Ex-dividend date shall be September 19, 2017. The dividend if declared at the Annual General Meeting shall be paid on or after September 28, 2017 and to be completed within the statutory time limit.
6. The members are requested to notify any change in their address to the registrar and share transfer agent namely M /S Link Intime India Private Ltd having their office at C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai - 400083.
7. Members/proxies are requested to bring their copies of the annual report and the admission slip duly filled in for attending the meeting.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.



9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
10. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
11. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.garnetint.com](http://www.garnetint.com) for their download.
12. In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details / documents to M/s Link Intime Private Limited. Those holding shares in demat form are requested to update their records with DPs in this respect.
13. Details of Dividend declared for the Financial Years 2011-12 onwards are given below :

Financial Year	Declared on	Dividend Yield (%)
2011-12	29 <sup>th</sup> September, 2012	1
2012-13	No Dividend Declared	-
2013-14	No Dividend Declared	-
2014-15	30 <sup>th</sup> September, 2015	5
2015-16	30 <sup>th</sup> September, 2016	7

14. For any communication, the shareholders may also send requests to the Company's investor e-mail ID: [info@garnetint.com](mailto:info@garnetint.com)

#### 15. Voting through Electronic Means

- a. 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 Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015. 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 September 20, 2017, 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.
- b. The Company has appointed M/s. Siddharth Sharma & Associates, Practising Company Secretaries, (Membership No. FCS 7890), Mumbai, as the Scrutinizer for conducting the e-voting process (including remote e-voting) in a fair and transparent manner.
- c. The results shall be declared forthwith upon receipt of the Scrutinizer's Report. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.garnetint.com](http://www.garnetint.com), its Notice Board and on the website of CDSL and communicated to the stock exchanges where shares of the Company are listed.
- d. Procedure for Remote E-Voting:
  - (i) The voting period begins on Saturday, September 23, 2017 at 9 A.M and ends on Tuesday, September 26, 2017 at 5 P.M. 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

Wednesday, 20/09/2017, 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<b>DOB</b>	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.
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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 <b>the number of shares held by you as on the cutoff date</b> in the <b>Dividend Bank details field</b>.</p>

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

16. The route map to the venue of AGM is provided in the Annual Report for easy location.

By Order of the Board,  
**FOR GARNET INTERNATIONAL LIMITED**

Sd/-

Suresh Gaggar

**Managing Director**

DIN: 00599561

Place: Mumbai

Dated: 30th May, 2017

---

**ANNEXURE TO THE NOTICE****Explanatory Statement under Section 102 of the Companies Act, 2013****Item No. 5**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 30th May, 2017, appointed Dr. Vidhu Rakesh Kakkar, as an Additional Director, under Independent Category, of the Company w.e.f. 30th May, 2017.

She holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Act.

The Company has received a Notice in writing from a Member along with deposit of requisite amount as provided under Section 160 of the Act proposing her candidature for the office of Director of the Company.

Dr. Vidhu Rakesh Kakkar brings into our fold her expertise on IPR and Copyrights. A Bachelor of Law, Post Graduation in Securities Law and a Doctorate in philosophy, Dr. Vidhu Kakkar adds value to the Company with her scientific bent of mind in analyzing and advising for situations. She is not holding any equity shares in the Company. Her brief resume forms part of this Annual Report. This statement, be regarded as disclosure under Listing regulations.

Your Directors recommend passing of the resolution at Item No. 5 of the Notice as an Ordinary Resolution.

Dr. Vidhu Rakesh Kakkar is concerned or interested in the resolution as set out in the Notice at Item No. 5 since it pertains to her appointment.

Save and except the above, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in this item of business, except to the extent of their respective shareholding interest, if any, held in the Company.



**Brief resume of Directors proposed to be appointed/ re-appointed:**

Details as stipulated under *Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015* in respect of the Director seeking appointed/ re-appointment is furnished below:

<b>Name of Director</b>	Ramakant Gaggar	Dr. Vidhu Rakesh Kakkar
<b>Date of Birth</b>	01/07/1973	17/11/1950
<b>Date of First Appointment</b>	24/09/2007	30/05/2017
<b>Qualifications</b>	B.Com	LLB, PG in Securities Law
<b>Expertise in specific functional areas</b>	He is having vast experience in fields of Finance and Marketing.	She is having vast experience in Securities Law.
<b>List of Other Directorship held</b>	<ol style="list-style-type: none"> <li>1. Bhuta Investment Pvt. Ltd.</li> <li>2. Mangal Savitri Bizcon Pvt. Ltd.</li> <li>3. Maxwell Management Services Pvt. Ltd.</li> <li>4. Minex Explore Pvt. Ltd.</li> <li>5. Alaukik Mines &amp; Power Pvt. Ltd.</li> <li>6. GVS Chemical Pvt. Ltd.</li> <li>7. Sukartik Clothing Pvt. Ltd.</li> </ol>	None
<b>Chairman/Member of the Audit Committee of the Board of Directors of the other Companies in which he/she is a Director</b>	None	None
<b>Chairman/Member of the Stakeholders Relationship Committee of the Board of Directors of the other Companies in which he/she is a Director</b>	None	None
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>	Ramakant Gaggar and Suresh Gaggar are brothers.	None
<b>Shareholding in the Company</b>	12,50,863	None

## DIRECTOR'S REPORT

To,  
The Members,  
**GARNET INTERNATIONAL LIMITED**

Your Directors have pleasure in presenting their Thirty Fifth Annual Report with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2017.

### FINANCIAL HIGHLIGHTS

Particulars	Amount in ₹	
	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Total Income	49,47,08,311	22,87,76,026
Profit/(Loss) before Depreciation and Tax	11,11,53,463	57,13,993
Less: Depreciation	7,18,084	7,20,371
Profit/(Loss) before Tax	11,04,35,379	49,93,622
Less: Provision for Tax	2,21,50,022	21,89,569
Net Profit / (Loss) after Tax	8,82,85,357	28,04,053

### DIVIDEND

Your directors are pleased to recommend a dividend of 12% i.e. ₹ 1.20 per Equity Share of ₹ 10/- each for the financial year ended 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 was ₹ 6,22,50,000/-.

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

### 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 Company within the meaning of Section 2(87) of the Companies Act, 2013 ("Act") as on March 31, 2017. 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- 'A'**

### DIRECTORS

Your Company has 5 (Five) Directors consisting of 3 (Three) Independent Non- Executive Directors and 2 (Two) Non Independent Executive Directors, as on 31<sup>st</sup> March, 2017.

**a) Appointment/Resignations from the Board of Directors**

No new appointment and resignation of Directors were made in the company during the year ending 31<sup>st</sup> March 2017.

However, Dr. Vidhu Rakesh Kakkar is being appointed as Independent Director on the Board of Directors of the Company on 30<sup>th</sup> May, 2017.

**b) Independent and Non-Executive Directors**

In terms of the definition of 'Independence' of Directors as prescribed under Regulation 16 (1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, 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
3. Mrs. Manju Maheshwari
4. Dr. Vidhu Rakesh Kakkar (*Appointed on 30-05-2017*)

**c) Woman Director**

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, a company shall have atleast one Woman Director on the Board of the Company. Your company has appointed Mrs. Manju Maheshwari and Dr. Vidhu Rakesh Kakkar as Women Directors on the Board of the Company.

**d) Chairman & Managing Director (CMD)**

Mr. Suresh Gaggar is Managing Director of the Company.

**e) 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.

**f) Appointment/Resignation of the Key Managerial Personnel**

No new appointment and resignation of KMP were made in the company during the year ending 31<sup>st</sup> March 2017.

**g) 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 decisions are taken by the Board through circulation from time to time.

The Board met 8 (Eight) times during the FY 2016-17 viz, 30<sup>th</sup> May, 2016, 14<sup>th</sup> August,2016, 14<sup>th</sup> November, 2016, 21<sup>st</sup> November,2016, 24<sup>th</sup> November,2016, 24<sup>th</sup> January, 2017 , 14<sup>th</sup> February, 2017 and 15<sup>th</sup> February, 2017.

Detailed information on the meetings of the Board is 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**

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 documents their process of identification, mitigation, optimization of such risks.

## **REMUNERATION POLICY**

The remuneration policy is in consonance with the existing industry practice and also with provisions of the Companies Act, 2013. The Board of Directors has adopted a Remuneration Policy for Key Managerial Personnel and other employees. The Company's remuneration policy is driven by the success and performance of the individual employee and the performance of the Company. The details of remuneration/sitting fee paid to Directors during the financial year are given in Form MGT 9, the Extract of Annual Return, annexed with the Directors report. There is no other pecuniary relationship or transactions between the Company and the non-executive directors. All the Directors have waived their remuneration; therefore no Remuneration is paid to any of the directors of Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, is annexed as **Annexure - 'E'** and forms part of this Report.

## **LISTING AND DEMATERIALISATION**

The equity shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE) and Calcutta Stock Exchange (CSE). The shareholder can avail the facility provided by NSDL and CDSL to demat their shares. Shareholders are requested to convert their holdings to dematerialized form to derive the benefits of holding the shares in electronic form.

## **VIGIL MECHANISM**

The Company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism/ Whistle Blower policy has been posted on the website of the Company (www.garnetint.com)

## **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 Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, 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 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 & AUDITORS REPORTS**

### **a) Statutory Auditors**

M/s. MVK Associates, Chartered Accountants (Firm Registration No: 120222W), the Statutory Auditors of the Company shall 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 section 139 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

The Auditors if appointed shall hold office from the conclusion of this Annual General Meeting till the conclusion of Thirty Ninth Annual General Meeting on the remuneration to be decided by the Board in consultation with the Auditors. As required under the SEBI (LODR), Regulations, 2015 M/s. MVK Associates, Chartered Accountants have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Statutory Auditors in their report to the members have given qualified opinion and remarks and the response of your Directors with respect to it is that Company Management is under process to resolve the issue.

#### **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 M/s. Siddharth Sharma & Associates, Company Secretaries, Mumbai to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year 2016-17 is annexed to this report as **Annexure-'B'**

The Secretarial Auditors in their report to the members have given remarks and the response of your Directors with respect to it is that Company Management is under process to ratify the same.

#### **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 - 'C'**.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure - 'D'** to this Report.

None of the employees have drawn remuneration more than ₹ 5,00,000/- p.m., if employed for the part of the year and ₹ 60,00,000/- p.a., if employed throughout the Year.

#### **CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law of the land. The company voluntarily complies with the requirement of the SEBI (LODR) regulations 2015.

The Board of Directors of the Company had also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the website of the Company [www.garnetint.com](http://www.garnetint.com).

A separate report on Management Discussion and Analysis and Corporate Governance which is voluntarily adopted by the Company is included in this Annual Report as **Annexure 'E' & 'F'** respectively.

### **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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 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 Regulation 34 (2) f of SEBI (LODR) Regulation 2015, is not applicable to your Company for the financial year ended 31<sup>st</sup> March, 2017.

**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**

sd/-  
Suresh Gaggar  
**Managing Director**  
DIN: 00599561

sd/-  
Ramakant Gaggar  
**Director**  
DIN: 01019838

Date: 30<sup>th</sup> May, 2017

Place: Mumbai

**ANNEXURES TO DIRECTORS REPORT 2016-2017****ANNEXURE 'A'****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 ₹)

S. No.	Particulars	Details
1	Name of the subsidiary	Sukartik Clothing Private Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 16 to March 17
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	8,91,94,942
6	Total assets	14,17,99,387
7	Total Liabilities	14,17,99,387
8	Investments	Nil
9	Turnover	14,34,78,177
10	Profit before taxation	1,35,93,128
11	Provision for taxation	49,75,481
12	Profit after taxation	86,17,647
13	Proposed Dividend	Nil
14	% of shareholding	70.10

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

- Names of subsidiaries which are yet to commence operations - None
- Names of subsidiaries which have been liquidated or sold during the year - None
- There were no associate or joint venture company of Garnet International Limited, as on 31<sup>st</sup> March, 2017.

ANNEXURE 'B'

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017

[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  
Free Press Journal Marg,  
Nariman Point, Mumbai - 400 021.

I 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**" CIN: L74110MH1995PLC093448). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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) I 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, 2017 according to the provisions of:
- i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company as neither any Foreign Direct Investment or Overseas Direct Investment came into the Company nor the Company has availed or taken any External Commercial Borrowings during the period under review i.e. Financial Year 2016-17)
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
    - 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



- e) 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; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. Others laws applicable to the Company as per the representation made by the Management.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited.

We further report that the Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, Service Tax etc., has not been reviewed in this Audit since the same has been subject to review by/under the Statutory Financial Audit and other designated professionals.

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, Guidelines, Standards, etc as mentioned above except the following:

- a) *The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, as on date of this report, company has changed its objects and also under process of registering itself with RBI.*

I further report that:

1. 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; however, following Forms were filed with additional fees:

S. No	E-Forms	Purpose	SRN	Dt. of Filing
1	MGT - 14	Postal Ballot - Change in main objects clause	G43025709	07.05.2017

2. 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.
3. Majority decision is carried through while the dissenting members view, if any, are captured and recorded as part of the minutes.
4. I further report that 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.
5. I further report that during the audit period, the company has changed its Main Object Clause and also adopted new set of Articles of Association in place of and to the exclusion of existing Articles of Association, in the Meeting of Members held on January 24, 2017, in order to re-align it

as per provisions of Companies Act, 2013.

6. We have relied on the information supplied and representation made by the Company and its officers for systems and mechanism followed by the Company for compliance under the applicable Acts, Laws and Regulations to the Company.

For **SIDDHARTH SHARMA & ASSOCIATES**  
**Company Secretaries**  
UCN : S2016MH368200

Sd/-  
**Siddharth Sharma**  
M.No. FCS 7890  
COP. 8872

Date: 30<sup>th</sup> May, 2017  
Place: Mumbai

*This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report*

*'Annexure A'*

To,  
The Members,  
**Garnet International Limited**  
901, Raheja Chambers  
Free Press Journal Marg,  
Nariman Point, Mumbai - 400 021.

The Secretarial Audit 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures 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 **SIDDHARTH SHARMA & ASSOCIATES**  
**Company Secretaries**  
UCN : S2016MH368200

Sd/-  
**Siddharth Sharma**  
M.No. FCS 7890  
COP. 8872

Date: 30<sup>th</sup> May, 2017  
Place: Mumbai

ANNEXURE 'C'

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

## I. REGISTRATION &amp; OTHER DETAILS:

CIN	L74110MH1995PLC093448
Registration Date	09-10-1995
Name of the Company	Garnet International Ltd
Category/Sub-category of the Company	Public Limited Company
Address of the Registered office & contact details	901, Raheja Chambers, Nariman Point, Mumbai - 400021
Whether listed company	YES
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India P Ltd. Link Intime India Pvt Ltd C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai-400083 Phone : 022 49186270, Fax: 022 49186060, e-mail: rnt.helpdesk@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

S. 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 &amp; ASSOCIATE COMPANIES:

S. No	Name & Address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% Of shares held	Applicable section
1	Sukartik Clothing Private Limited, 28, Bombay Samachar Marg, 3rd Floor, Fort, Mumbai - 400023	U17122MH2004 PTC149334	Subsidiary	70.10%	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):****(i) Category -wise Share Holding**

	Category of Shareholders	No. of Shares held at the beginning of the year (01.4.2016)				No. of Shares held at the end of the year (31.3.2017)				% Change during the year
		Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Share	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
a)	Individual / HUF	2859321	0	2859321	45.93	2812439	0	2812439	45.18	-0.75
b)	Central/State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	750149	0	750149	12.05	806041	0	806041	12.95	0.90
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total(A)(1)</b>	<b>3609470</b>	<b>0</b>	<b>3609470</b>	<b>57.98</b>	<b>3618480</b>	<b>0</b>	<b>3618480</b>	<b>58.13</b>	<b>0.14</b>
<b>(2)</b>	<b>Foreign</b>									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>3609470</b>	<b>0</b>	<b>3609470</b>	<b>57.98</b>	<b>3618480</b>	<b>0</b>	<b>3618480</b>	<b>58.13</b>	<b>0.14</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
b)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
c)	Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d)	Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
e)	Insurance companies	0	0	0	0.00	0	0	0	0.00	0.00
f)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
g)	Foreign Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
h)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total(B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>



	Category of Shareholders	No. of Shares held at the beginning of the year (01.4.2016)				No. of Shares held at the end of the year (31.3.2017)				% Change during the year
		Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Share	
<b>(2)</b>	<b>Non-Institutions</b>									
a)	Bodies Corp.	1688246	200	1688446	27.12	1467777	200	1467977	23.58	-3.54
b)	Individual shareholders holding									
	i) upto Rs 1 lacs	536563	8445	545008	8.76	617253	8445	625698	10.05	1.30
	ii) Excess of 1 Lacs	251944	0	251944	4.05	335634	0	335634	5.39	1.34
c)	Clearing Member	8501	0	8501	0.14	52810	0	52810	0.85	0.71
d)	Hindu Undivided Family	121630	0	121630	1.95	115950	0	115950	1.86	-0.09
e)	NRI	1	0	1	0.00	8451	0	8451	0.14	0.14
	<b>Sub Total(B)(2)</b>	<b>2606885</b>	<b>8645</b>	<b>2615530</b>	<b>42.02</b>	<b>2597875</b>	<b>8645</b>	<b>2606520</b>	<b>41.87</b>	<b>-0.14</b>
<b>C.</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>									
(1)	Promoters	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total shareholding Shares held by Custodians for GDRs &amp; ADRs (C) = (C) (1) + (C) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A + B + C)</b>	<b>6216355</b>	<b>8645</b>	<b>6225000</b>	<b>100.00</b>	<b>6216355</b>	<b>8645</b>	<b>6225000</b>	<b>100.00</b>	<b>0.00</b>

## (ii) SHARE HOLDING OF PROMOTERS

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	1202442	19.32	0.00	1250863	20.09	0.00	0.78
2	Mangal Savitri Bizcon P.Ltd	750149	12.05	0.00	806041	12.95	0.00	0.90
3	Indra Gaggar	454921	7.31	0.00	375909	6.04	0.00	-1.27
4	Suresh Gaggar	467411	7.51	0.00	602270	9.68	0.00	2.17
5	Savitri Devi Gaggar	219250	3.52	0.00	0	0.00	0.00	-3.52
6	Kartik Gaggar	152808	2.45	0.00	152808	2.45	0.00	0.00
7	Suresh Gaggar – HUF	145000	2.33	0.00	114400	1.84	0.00	-0.49
8	Navratan Gaggar	85775	1.38	0.00	305025	4.90	0.00	3.52
9	Jitendra J Mehta	120650	1.94	0.00	0	0.00	0.00	-1.94
10	Sarika Gaggar	11064	0.18	0.00	11164	0.18	0.00	0.00
	<b>TOTAL</b>	<b>3609470</b>	<b>57.98</b>	<b>0</b>	<b>3618480</b>	<b>58.13</b>	<b>0.00</b>	<b>0.14</b>

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

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	1202442	19.32	1250863	20.09
2	Mangal Savitri Bizcon P.Ltd	750149	12.05	806041	12.95
3	Indra Gaggar	454921	7.31	375909	6.04
4	Suresh Gaggar	467411	7.51	602270	9.68
5	Savitri Devi Gaggar	219250	3.52	0	0.00
6	Suresh Gaggar - HUF	145000	2.33	114400	1.84
7	Navratan Gaggar	85775	1.38	305025	4.90
8	Jitendra J Mehta	120650	1.94	0	0.00
<b>TOTAL</b>		<b>3445598</b>	<b>55.35</b>	<b>3454508</b>	<b>55.49</b>

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

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	Hetanshi Properties Private Limited	341451	5.49	333601	5.36
2	Religare Finvest Limited	228000	3.66	327200	5.26
3	Ashtvakra Properties Pvt Ltd	386948	6.22	197201	3.17
4	Telelink Commerce Pvt Ltd	136551	2.19	136551	2.19
5	Amar Packaging (Pvt) Ltd	106750	1.71	106750	1.71
6	Blue Square Corporate Services Pvt Ltd	92811	1.49	92811	1.49
7	Hem Chand Jain	26000	0.42	62500	1.00
8	Parameshwai Devi Kakkar	37275	0.60	57275	0.92
9	Newtree Trading Company Pvt Ltd	46229	0.74	46229	0.74
10	R.B.K Share Broking Ltd	59500	0.96	45000	0.72

(v) SHAREHOLDING OF DIRECTORS & KMP

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	1202442	19.32	1250863	20.09
2	Suresh Gaggar	467411	7.51	602270	9.68
3	Dinesh Nandwana	0	0	0	0
4	Sharad Rathi	0	0	0	0
5	Manju Maheshwari	0	0	0	0

V. INDEBTEDNESS:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	<b>Gross salary</b>		
	(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	NIL	
3	Sweat Equity		
4	Commission as % of profit		
5	Others, please specify		
	<b>Total (A)</b>		
	<b>Ceiling as per the Act</b>		

B. Remuneration to other Directors:

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

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

No	Particulars of Remuneration	Key Managerial Personnel		Total
1	<b>Gross Salary</b>	<b>Company Secretary</b>	<b>CFO</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	3,30,000	3,30,000
	(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			
3	Sweat Equity			
4	Commission as % of profit others, specify			
5	Others, please specify			
	<b>Total</b>	-	<b>3,30,000</b>	<b>3,30,000</b>

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

ANNEXURE 'D'

<b>Disclosure in the Board's Report under Rule 5 of Companies (Appointment &amp; Remuneration) Rules, 2014</b>	
1) The Ratio of Remuneration of each director to the median Remuneration of the employees of the company for the Financial Year 2016-17.	
<b>Director Name</b>	<b>Ratio to Median Remuneration</b>
None of the Directors take remuneration from the Company.	
2) The Percentage increase in the remuneration of each Director, CFO, CEO, Company Secretary or Manager if any in the Financial Year 2016-17 compared to 2015-16 means part of the Year.	
<b>Director/ CFO/ CEO/ CS/ Mgr. Name</b>	<b>% age increase in remuneration</b>
a) <i>Sanjay Raut</i>	8.50%
3) Percentage increase/ (decrease) in the median remuneration of employees in the Financial Year 2016-17 as compared to 2015-16: (0.23%)	
4) Number of permanent employees on the rolls of the company : 7 employees as on 31.03.2017	
5) Average percentile increase in salaries of Employees other than managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 20% for Employees other than Managerial Personnel and 8.5% for Managerial Personnel.	
6) Affirmation that the remuneration is as per the remuneration policy of the Company - NOT APPLICABLE	

ANNEXURE 'E'

**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.



ANNEXURE 'F'

**REPORT ON CORPORATE GOVERNANCE**

Your Company is generally complying with the requirements of the Corporate Governance Practices. Pursuant to the Listing Agreement read with Regulation 15(2) of the SEBI (LODR) Regulations 2015, the requirement of compliance with the corporate governance provisions as specified in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V is not mandatory to the Company. However, as a good Corporate Governance practice a report on the implementation of the Corporate Governance provisions by your Company is furnished below:-

**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 is committed to adhere to the corporate governance code as prescribed by the SEBI and has accordingly implemented various aspects of the Code. The information useful to investors is available on the company's website [www.garnetint.com](http://www.garnetint.com).

**2. Board of Directors**

**a) Composition of the Board**

The Board, during the year, comprised of 5 Directors out of which 2 are executive non-independent Directors and 3 are non-executive & Independent Directors. The company does not have chairman.

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

Name of the Director	Designation	Category of Directorship	No. of Other Directorships*	No. of Other Committee Memberships #	
				Chairman	Member
Mr. Suresh Gaggar	Managing Director	Promoter, Executive; Non Independent	1	Nil	Nil
Mr. Ramakant Gaggar	Director	Promoter; Executive; Non-Independent	0	Nil	Nil
Mr. Dinesh Nandwana	Director	Non-Executive; Independent	4	Nil	Nil
Mr. Sharad Rathi	Director	Non-Executive; Independent	0	Nil	Nil
Mrs. Manju Maheshwari	Director	Non-Executive; Independent; Women Director	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.

**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 Ltd.
2	Bhuta Investment Private Ltd.
3	Mangal Savitri Bizcon Private Ltd.
4	Maxwell Management Services Private Ltd.
5	Minex Explore Private Ltd.
6	Alaukik Mines & Power Private Ltd.
7	GVS Chemical Private Ltd.

Mr. Ramakant Gaggar does not hold any Chairmanship/Membership in committees of other companies. Mr. Ramakant Gaggar holds 1250863 equity shares in the Company as on 31<sup>st</sup> March 2017.

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

During the financial year 2016-2017, 8(eight) Board Meetings were held on 30<sup>th</sup> May, 2016, 14<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, 21<sup>st</sup> November, 2016, 24<sup>th</sup> November, 2016, 24<sup>th</sup> January, 2017, 14<sup>th</sup> February, 2017 and 15<sup>th</sup> February, 2017.

The last Annual General Meeting of the Company was held on 30<sup>th</sup> September 2016. 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	8	No
Mrs. Manju Maheshwari	8	Yes
Mr. Dinesh Nandwana	8	No
Mr. Sharad Rathi	8	Yes
Mr. Ramakant Gaggar	8	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. The Code with revision made in accordance with the requirements of Listing Regulations has been posted on the Company's website [www.garnetint.com](http://www.garnetint.com)

### 3. Audit Committee

- a) Constitution of Audit Committee:  
The Committee comprises three Non-executive Directors and all 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 2016-2017, Four Audit Committee Meetings were held on 30<sup>th</sup> May 2016, 14<sup>th</sup> August 2016, 14<sup>th</sup> November 2016, and 14<sup>th</sup> February 2017. 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. Manju Maheshwari	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 judgment 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 PART C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.
- 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, Mr. Ramakant Gaggar and Mr. Sharad Rathi are on the Board of the subsidiary company as on 31<sup>st</sup> March, 2017.
- 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. Nomination & Remuneration Committee

- a) Composition of Remuneration Committee and Number of Meetings Attended:  
The Nomination and Remuneration Committee is constituted in compliance with the requirements of Listing Agreement read with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

The Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board the policy relating to the remuneration for the directors, Key Managerial Personnel and other employees and evaluation of Independent Directors and the Board. It identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carry out evaluation of every director's performance. The Nomination and Remuneration Committee held a meeting on 14<sup>th</sup> February, 2017 and all the committee members were present at the meeting.

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. Sharad Rathi	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. Sharad Rathi, a Non-Executive Director. Two Meetings of Shareholders' / Investors' Grievance Committee held on 14<sup>th</sup> August 2016 and 14<sup>th</sup> February 2017, during the financial year 2016-2017. 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. Sharad Rathi	Chairman	2
Mr. Ramakant Gaggar	Member	2
Mr. Suresh Gaggar	Member	2

- b) Mr. Koshal Gupta is the Compliance officer of the Company.
- c) During the year 2016-2017, 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
2013-14	30/09/14	11.00 A.M	Raheja Chambers, Nariman Point Mumbai - 400 021
2014-15	30/09/15	11.00 A.M	Raheja Chambers, Nariman Point Mumbai - 400 021
2015-16	30/09/16	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
2013-14	Resolution u/s 180(1)(C) and 180(1) (a)
2014-15	Appointment of Women Director u/s 152
2015-16	None

- c) EGM/Postal Ballot

Special Resolution(s) passed through Postal Ballot

During the Financial Year 2016-17, Five (5) Special Resolutions were approved by Shareholders of the Company through postal ballot process. The Company had followed the procedure relating to Postal Ballot and E-voting pursuant to applicable provisions of the Companies Act, 2013 read with Rules thereto and the provisions of the SEBI Listing Regulations. The details of the Postal Ballot are given at website of the Company - [www.garnetint.com](http://www.garnetint.com).

**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 28 of Notes on standalone financial statements. The Company's major related party transactions are generally with its group companies 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. 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 Financial Express and Dainik Mumbai Lakshadeep. 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, September 27, 2017 at 1.00 p.m.
Venue	1 <sup>st</sup> Floor, The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai - 400 063
Financial Year	2016-2017 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	September 21, 2017 to September 27, 2017 (Both days inclusive)
Dividend Payment date	On or after September 28, 2017
Ex-Dividend Date	September 19, 2017
E-Voting Period	September 23, 2017 to September 26, 2017
Cut Off Date for E-Voting	September 20, 2017

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.

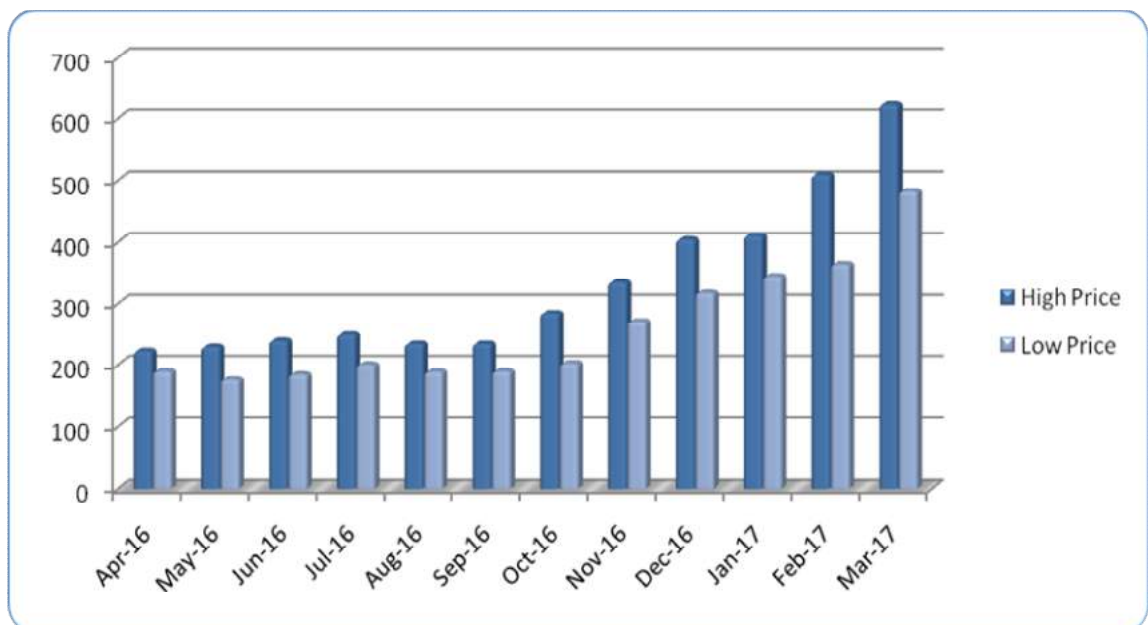
d) **Stock Code / Symbol:**

BSE - 512493  
CSE - 35007  
ISIN No: - INE590B01010  
(Fully paid up shares having face value of ₹ 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-16	223.00	190.00
May-16	230.00	177.00
Jun-16	239.90	185.00
Jul-16	250.00	201.00
Aug-16	235.00	189.50
Sep-16	235.00	190.10
Oct-16	284.70	203.00
Nov-16	335.70	270.80
Dec-16	405.00	318.50
Jan-17	411.00	345.25
Feb-17	509.90	365.00
Mar-17	623.00	483.00



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, 2017:**

Sr. No.	Category	No. of Shares held	%
1	Promoter Group	3575588	57.44%
2	Non-Resident Indians	8451	0.14%
3	Private Bodies Corporate	1510869	24.27%
4	Indian Public	961332	15.44%
5	Clearing Member	52810	0.85%
6	HUF	115950	1.86%
	<b>Total</b>	<b>6225000</b>	<b>100.00%</b>

**h) Distribution of Shareholding as at March 31, 2017:**

Shareholding of Nominal Value (₹)	No. of Share holders	% of Total	Share Capital Amount (Rs.)	% of Total
1 - 5,000	836	77.4791	616600	0.9905
5,001 - 10,000	63	5.8387	497240	0.7988
10,001 - 20,000	49	4.5412	701150	1.1263
20,001 - 30,000	25	2.3170	645250	1.0365
30,001 - 40,000	13	1.2048	451720	0.7257
40,001 - 50,000	11	1.0195	516370	0.8295
50,001 - 100,000	32	2.9657	2339440	3.7581
100,001 and above	50	4.6339	56482230	90.7345
<b>TOTAL</b>	<b>1079</b>	<b>100.000</b>	<b>62250000</b>	<b>100.000</b>

**i) Dematerialisation of Shares and Liquidity:**

About 99.86% of the shares have been dematerialized as on March 31, 2017. The equity shares of the Company are traded at Bombay Stock Exchange Ltd (BSE).

**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, 2017.

**k) Registrar and Share Transfer Agents:**

Link Intime India Pvt Ltd.  
C-101, 247 Park,  
LBS Marg, Vikhroli (W), Mumbai-400083

- 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-101, 247 Park,  
LBS Marg, Vikhroli (W), Mumbai-400083  
Tele: 022 - 49186270  
Fax: 022 - 22 49186060

**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

## COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulation and the same is annexed to this Report.

### DECLARATION

#### **Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Garnet International Limited Code of Business Conduct and Ethics for the year ended March 31, 2017.

**For GARNET INTERNATIONAL LIMITED**

sd/-  
Suresh Gaggar  
**Managing Director**  
DIN No. : 00599561

Place: Mumbai  
Date: 30<sup>th</sup> May 2017

## CEO/CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Garnet International Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**For Garnet International Limited**

sd/-  
**Suresh Gaggar**  
Managing Director

sd/-  
**Sanjay Raut**  
CFO

Place: Mumbai  
Date: 30<sup>th</sup> May 2017



**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE**

To the Members of Garnet International Limited

We have examined the compliance of conditions of Corporate Governance by Garnet International Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to 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,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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

Sd/-  
**CA Vishnu Garg**  
Partner  
Membership No.: 045560

Place: Mumbai  
Date: 30<sup>th</sup> May 2017

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Garnet International Limited,

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Garnet International Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone 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 there under. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying standalone 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 March 31, 2017, and its **Profit** and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the accompanying standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- (ii) The Company didn't have any long-term contracts or derivative contracts as at March 31,2017 for which there were no material foreseeable losses;
- (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.
- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 16.

For MVK Associates

**Chartered Accountants**

Firm Registration Number: 120222W

Sd/-

CA. Vishnu Garg

**Partner**

Mem. No. : 045560

Place: Mumbai

Date: 30<sup>th</sup> May, 2017.

### Annexure A to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of the **Garnet International Limited** on the standalone financial statements as of and for the year ended March 31, 2017.

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:

- i.
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As informed, the fixed assets are physically verified by the Management at regular intervals. No material discrepancies have been noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventory of the company i.e., Shares has been kept in dematerialized form. Hence, question of physically verification by the Management would not arise. Hence this clause is not applicable. Hence, the provisions of Clause 3(ii) of the Order are not applicable to the Company.
- iii. The company had granted interest free unsecured loans to One (1) Company covered in the register maintained under section 189 of the Companies Act during the year. The same was repaid during the year and no amounts were outstanding at the end of financial year.
  - a) In our opinion the terms and conditions on which loans have been granted are not prejudicial to the interest of the company.
  - b) The parties have repaid the principle and interest amounts as stipulated and have been regular in the payment of the company.
  - c) There is no overdue amount of loans so granted to the parties.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or security in respect of loans or made investments, as per the provisions of section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act.
- vii.
  - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, 2017 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.

- viii. According to the records of the Company, the company has not borrowed from financial institutions or banks or Government or has not issued any debentures till March 31, 2017. Accordingly, provisions of Clause 3(viii) of the Order are not applicable to the company.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer and term loans during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. As the Company has not paid any Managerial remuneration during the year, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of Clause 3(xiv) of the Order are not applicable to the company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. *The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. In lieu of this, Company has changed its main object clause and is also under process of registration itself with RBI under section 45-IA.*

**For MVK Associates**  
**Chartered Accountants**  
Firm Registration Number: 120222W

Sd/-  
**CA. Vishnu Garg**  
Partner  
**Mem. No. : 045560**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2017.



## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of **GARNET INTERNATIONAL LIMITED** on the standalone financial statements as of and for the year ended March 31, 2017.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of **GARNET INTERNATIONAL LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :
- i. pertains to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;
  - ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial controls over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the company, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MVK Associates**

**Chartered Accountants**

Firm Registration No.: 120222W

Sd/-

**CA. Vishnu Garg**

Partner

**Mem. No. : 045560**

Place: Mumbai

Date: 30<sup>th</sup> May, 2017

Balance Sheet as at 31st March 2017

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	6,22,50,000	6,22,50,000.00
Reserves and Surplus	3	43,82,91,448	35,89,69,647
Money Received against Share Warrants		-	-
		50,05,41,448	42,12,19,647
<b>Share Application Money Pending Allotment</b>			
		-	-
<b>Non-Current Liabilities</b>			
Long Term Borrowing		-	-
Deferred Tax Liabilities (Net)		-	-
Other Non Current Assets		-	-
Long Term Provision		-	-
<b>Current Liabilities</b>			
Short Term Borrowings	5	72,91,673	87,32,500
Trade Payables	6	3,53,163	6,85,62,058
Other Current Liabilities	7	2,57,419	3,48,576
Short Term Provisions	8	1,54,14,938	63,19,392
		2,33,17,193	8,39,62,526
<b>TOTAL</b>		<b>52,38,58,641</b>	<b>50,51,82,173</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	8,59,191	15,77,275
Intangible Assets		-	-
Capital Work in Progress		-	-
Intangible Assets Under Development		-	-
		8,59,191	15,77,275
Non Current Investments	10	47,19,05,591	29,76,85,680
Deferred Tax Assets (Net)	4	3,24,809	1,87,395
Long Term Loans and Advances	11	80,000	93,93,801
Other Non-Current Assets	12	22,27,521	1,72,68,749
		47,53,97,112	32,61,12,900
<b>Current Assets</b>			
Current Investment		-	-
Inventories	13	38,48,137	13,32,44,449
Trade Receivables	14	-	-
Cash and Cash Equivalents	15	3,45,99,928	1,34,26,832
Short-Term Loans and Advances	16	98,45,325	3,23,81,915
Other Current Assets	17	1,68,139	16,077
		4,84,61,529	17,90,69,273
<b>TOTAL</b>		<b>52,38,58,641</b>	<b>50,51,82,173</b>
Significant accounting policies	1		
See accompanying notes to financial statements	2-31		

As per our attached report of even date

For MVK Associates  
Chartered Accountants

Firm Registration No. : 120222W

sd/-  
CA. Vishnu Garg  
Partner  
Membership No. 045560

For and on behalf of the board

sd/-  
Suresh Gaggur  
Managing Director  
DIN : 00599561

sd/-  
Ramakant Gaggur  
Director  
DIN : 01019838

Place : Mumbai  
Dated :30th May, 2017

Statement of Profit and Loss for the year ended 31st March 2017

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from Operations	18	40,83,16,911	21,94,03,000
Other Income	19	8,63,91,400	93,73,027
<b>Total Revenue</b>		<b>49,47,08,311</b>	<b>22,87,76,027</b>
<b>Expenses:</b>			
Purchases of Stock-in-Trade	20	31,46,96,391	32,51,45,385
Changes in inventories	21	6,06,25,969	(11,09,80,871)
Employee benefit expenses	22	13,96,053	14,00,083
Finance cost	23	3,55,630	18,02,936
Depreciation and Amortisation expenses	9	7,18,084	7,20,371
Other expenses	24	64,80,805	56,94,501
<b>Total Expenses</b>		<b>38,42,72,932</b>	<b>22,37,82,406</b>
<b>Profit / (Loss) before Exceptional and Extraordinary items and tax</b>		<b>11,04,35,379</b>	<b>49,93,621</b>
Exceptional items		-	-
<b>Profit / (Loss) before Extraordinary items and tax</b>		<b>11,04,35,379</b>	<b>49,93,621</b>
Extraordinary Items		-	-
Profit / (Loss) before Tax		<b>11,04,35,379</b>	<b>49,93,621</b>
Current tax		2,22,86,868	17,62,870
Deferred tax		(1,37,414)	(1,66,731)
Tax adjustment for earlier years		568	22,00,844
MAT credit entitlement		-	(16,07,414)
<b>Profit / (Loss) after tax for the period from continuing operations</b>		<b>8,82,85,357</b>	<b>21,89,569</b>
Profit / (Loss) for the period from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit / (Loss) after tax for the period from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) after tax for the period</b>		<b>8,82,85,357</b>	<b>28,04,052</b>
Earning per Equity Share Basic and Diluted	25	14.18	0.45
Significant accounting policies See accompanying notes to financial statements	1 2-31		

As per our attached report of even date

For MVK Associates  
Chartered Accountants  
Firm Registration No. : 120222W

sd/-  
CA. Vishnu Garg  
Partner  
Membership No. 045560

Place : Mumbai  
Dated :30th May, 2017

For and on behalf of the board

sd/-  
Suresh Gaggar  
Managing Director  
DIN : 00599561

sd/-  
Ramakant Gaggar  
Director  
DIN : 01019838

**Cash Flow Statement for the year ended 31st March, 2017**

(Amount in Rs.)

Particulars	For the Year Ended 2016-17	For the Year Ended 2015-16
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	11,04,35,379	49,93,621
Adjustment for:		
Depreciation	7,18,084	7,20,371
Loss / (Profit) on sale of Investments	(8,55,08,491)	(31,148)
Interest Income	(8,82,909)	(93,41,509)
Dividend Income	(2,56,325)	(6,92,869)
Interest Expense	3,55,630	18,02,936
Operating Profit before Working Capital changes	<u>2,48,61,368</u>	<u>(25,48,598)</u>
Adjustment for:		
- Trade and other Receivables	-	-
- Inventories	12,93,96,312	(11,09,80,871)
- Loans & Advances & Other Current Assets	3,16,98,329	6,41,28,458
- Trade Payables	(6,82,08,895)	6,82,48,543
- Other Current Liabilities & Short Term Provisions	(59,902)	2,19,608
Cash generated from operations	<u>11,76,87,212</u>	<u>1,90,67,141</u>
Direct taxes paid	<u>(19,29,137)</u>	<u>(31,66,911)</u>
Cash flow before extraordinary Items	<u>11,57,58,075</u>	<u>1,59,00,230</u>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>11,57,58,075</b>	<b>1,59,00,230</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Investments (Net)	(17,42,19,911)	(1,94,70,181)
Loan (Given) / Refund	-	-
Purchase of Fixed Assets	-	(35,175)
Interest income	8,82,909	93,41,509
Profit / (Loss) on sale of Investments	8,55,08,491	31,148
Dividend received	2,56,325	6,92,869
Proceeds from / Payment for Deposits	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(8,75,72,186)</b>	<b>(94,39,830)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings Taken	-	3,82,500
Repayment of Short Term Borrowings	(14,40,827)	-
Interest Expenses	(3,55,630)	(18,02,936)
Dividend & DDT paid	(52,16,336)	(35,92,006)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(70,12,793)</b>	<b>(50,12,442)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,11,73,096</b>	<b>14,47,958</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>1,34,26,832</b>	<b>1,19,78,874</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>(Note No. 15) <u>3,45,99,928</u></b>	<b><u>1,34,26,832</u></b>

Notes to Cash Flow Statement :

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

As per our attached report of even date

**For MVK Associates**  
**Chartered Accountants**  
Firm Registration No. : 120222W

sd/-  
**CA. Vishnu Garg**  
Partner  
Membership No. 045560

Place : Mumbai  
Dated :30th May, 2017

**For and on behalf of the board**

sd/-  
**Suresh Gaggar**  
Managing Director  
DIN : 00599561

sd/-  
**Ramakant Gaggar**  
Director  
DIN : 01019838

**NOTES ON FINANCIAL STATEMENTS**

**Note 1: SIGNIFICANT ACCOUNTING POLICIES**

1. SYSTEM OF ACCOUNTING

- i) The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act 2013 following the mercantile system of accounting and recognising income and expenditure on accrual basis.
- ii) The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

2. PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

- i) The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified as per the Companies Act, 2013 and the relevant provisions thereof.
- ii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule III to the Companies Act, 2013.
- iii) Based on the nature of activity and the time between acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

3. TANGIBLE AND INTANGIBLE ASSET

- i) Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.
- ii) Intangible fixed asset comprising software licenses are stated at cost of acquisition including any cost attributable bringing the asset to its working condition, less accumulated amortisation. Any expenses on such software licenses for support and maintenance payable annually are charged to the Statement of Profit and Loss.

4. INVESTMENTS

- i) Investments are classified into Non Current and Current Investments.
- ii) Non Current investments are being valued at cost of acquisition. Provision is made to recognize a decline, other than temporary, in the carrying amount of long term investments.
- iii) Current investments are being valued at cost or market value whichever is lower.

5. DEPRECIATION

- i) No depreciation is provided for leasehold land and freehold land.
- ii) Depreciation on fixed assets is being provided on "Straight line method" basis at the rates specified in Scheduled II to the Companies Act, 2013.
- iii) Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the month in which such assets are acquired/ installed.
- iv) Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the month in which such assets are sold, discarded or demolished.

6. VALUATION OF INVENTORIES

- i) Valuation of inventories is exclusive of taxes or duties incurred and on FIFO basis except otherwise stated.
- ii) Raw materials and Work in progress are being valued at cost or net realizable value whichever is lower.
- iii) Stores, spares and tools are being valued at weighted average cost.
- iv) Goods in transit, if any, are stated at actual cost up to the date of the Balance Sheet.
- v) Finished stocks are being valued at direct cost or net realizable values whichever is lower.

7. REVENUE RECOGNITION

- i) Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is on the dispatch of goods.
- ii) Sales are stated net of discount, claims, and shortage. Commission, brokerage and incentives on sales, wherever applicable, have been separately recognized as an expense.
- iii) Incomes from job charges are recognized as and when the services are rendered.
- iv) Interest income is accounted on accrual basis.
- v) Incomes from investments, where appropriate, are taken into revenue in full on declaration or receipt and tax deducted at source thereon is treated as advance tax.

8. 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.

9. PRIOR PERIOD EXPENSES/INCOME

The company 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.



10. TAXES ON INCOME:

Income tax expense comprises of Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable income at the rate applicable for the relevant assessment year.

Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one year and capable of reversal in one or more subsequent years. Deferred tax, arising mainly on account of unabsorbed depreciation and losses under tax laws, is recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax on account of other timing differences is recognized, only to the extent there is a reasonable certainty of its realization. At each balance sheet the carrying amount of deferred tax assets are reviewed to reassure realization.

11. 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.

12. BORROWING COSTS

The company 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.

13. RETIREMENT AND OTHER BENEFITS TO EMPLOYEES

- a) 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.
- b) Post employment benefits under defined benefit plan such as gratuity are charged off in the year in which such payments are made to the employees.

14. CONTINGENT LIABILITIES

Contingent liabilities are disclosed by way of notes to accounts. Disputed demand in respect of central excise, customs, income tax and other proceeding etc. are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as advance till the final disposal of the matters.

15. EXCISE DUTY

- a) 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.
- b) 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.

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

16. TRANSACTION IN FOREIGN CURRENCIES

- i) Initial Reorganisation: 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.

17. 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 arm length transaction between knowledgeable, willing parties, less the cost of disposal.

Notes on Financial Statements as at 31st March 2017

(Amount in Rs.)

Particulars	As at 31.03.2017		As at 31.03.2016	
<b>Note 2 : Share Capital</b>				
<b>Authorised :</b>	Numbers	Amount	Numbers	Amount
Equity Shares of Rs. 10/- each	75,00,000	7,50,00,000	75,00,000	7,50,00,000
<b>Total</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>75,00,000</b>	<b>7,50,00,000</b>
<b>Issued, Subscribed and Paid-Up :</b>				
Equity Shares of Rs. 10/- each fully paid	62,25,000	6,22,50,000	62,25,000	6,22,50,000
<b>Total</b>	<b>62,25,000</b>	<b>6,22,50,000</b>	<b>62,25,000</b>	<b>6,22,50,000</b>
<b>2(a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period :-</b>				
<b>Particulars</b>	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
Outstanding at the beginning of the year	62,25,000	6,22,50,000	62,25,000	6,22,50,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>62,25,000</b>	<b>6,22,50,000</b>	<b>62,25,000</b>	<b>6,22,50,000</b>
<b>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.</b>				
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.				
<b>2(c) Shareholders holding more than 5% of the share capital at the end of the year :</b>				
<b>Name of shareholders</b>	<b>Numbers</b>	<b>% of Holding</b>	<b>Numbers</b>	<b>% of Holding</b>
Shri Ramakant Gaggar	12,50,863	20.09%	12,02,442	19.32%
Mangal Savitri Bizcon Pvt. Ltd.	8,06,041	12.95%	7,50,149	12.05%
Smt. Indra Gaggar	3,75,909	6.04%	4,54,921	7.31%
Shri Suresh Gaggar	6,02,270	9.68%	4,67,411	7.51%
Hitanshi Properties Private Limited	3,33,601	5.36%	3,41,451	5.49%
Ashtvakra Properties Private Limited	NA	NA	3,86,948	6.22%
Religare Investment Limited	3,27,200	5.26%	NA	NA
<b>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.</b>				
The company does not have any such contracts / commitment as on reporting date.				
<b>2(e) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.</b>				
The Company does not have any securities convertible into shares as on reporting date.				
<b>Note 3 : Reserves and Surplus</b>				
<b>Securities Premium</b>				
Balance at the beginning of the year	32,63,49,189		32,63,49,189	
Add: Received during the year on issue of shares	-		-	
	<u>32,63,49,189</u>		<u>32,63,49,189</u>	
Less : Share Issue expenses	-	32,63,49,189	-	32,63,49,189
<b>Surplus in Statement of Profit and Loss :</b>				
Balance at the beginning of the year	3,26,20,458		3,50,45,147	
Add / (Less): Profit (Loss) after tax for the year	<u>8,82,85,357</u>	12,09,05,815	<u>28,04,052</u>	3,78,49,199
Less : Appropriations				
Additional Depreciation Charged from Retained Earnings	-		-	
Proposed Dividend	74,70,000		43,57,500	
Tax on Proposed Dividend	<u>14,93,556</u>	89,63,556	<u>8,71,241</u>	<u>52,28,741</u>
<b>Total</b>		<b>43,82,91,448</b>		<b>35,89,69,647</b>

Particulars	(Amount in Rs.)	
	As at 31.03.2017	As at 31.03.2016
<b>Note 4 : Deferred Tax Liabilities / (Assets) (Net)</b>		
Depreciation	(2,68,480)	(1,15,320)
Business Losses *	-	-
Gratuity	(56,329)	(72,075)
<b>Total</b>	<b>(3,24,809)</b>	<b>(1,87,395)</b>
* Deferred tax assets arising on losses has not been recognized in view of uncertainty in generating the profit in the future.		
<b>Note 5 : Short Term Borrowings</b>		
<b>Unsecured Loans: *</b>		
Loans repayable on demand	-	-
- From Related party	-	-
- From others	72,91,673	87,32,500
<b>Total</b>	<b>72,91,673</b>	<b>87,32,500</b>
* All the above loans are interest free and repayable on demand.		
<b>Note 6 : Trade Payables</b>		
Micro and small enterprises*	-	-
Others	3,53,163	6,85,62,058
<b>Total</b>	<b>3,53,163</b>	<b>6,85,62,058</b>
* 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 2017.		
<b>Note 7 : Other Current Liabilities</b>		
Unpaid dividends*	1,62,816	1,62,816
Statutory liabilities	85,365	1,81,966
Accrued Expenses	9,238	3,794
<b>Total</b>	<b>2,57,419</b>	<b>3,48,576</b>
* There is no outstanding dues to be paid to Investor Education and Protection Fund.		
<b>Note 8 : Short Term Provisions</b>		
Provision for employees benefits (Gratuity) (refer note 27)	1,82,293	1,51,038
Provision for taxation (net of taxes paid)	61,13,874	7,96,803
Proposed Dividend for F.Y. 2014-15	1,42,434	1,42,810
Proposed Dividend for F.Y. 2015-16	12,781	43,57,500
Proposed Dividend for F.Y. 2016-17	74,70,000	-
Provision for Tax on Proposed dividend	14,93,556	8,71,241
<b>Total</b>	<b>1,54,14,938</b>	<b>63,19,392</b>

**Note 9 : Fixed Assets**

PARTICULARS	GROSS BLOCK (At Cost)				ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2016	Additions during the year Before 03.10.2016	Sold/ Transfer during the year	Total As at 31.03.2017	Provided upto 01.04.2016	Provided for the Year	Adjustments /written back during the Year	Total upto 31.03.2017	Total as at 31.03.2017	Total as at 01.04.2016
<b>Tangible Assets</b>										
Land	78,090	-	-	78,090	-	-	-	-	78,090	78,090
Vehicle	51,60,200	-	-	51,60,200	36,85,903	7,06,512	-	43,92,415	7,67,785	14,74,297
Office Equipments	12,10,810	-	-	12,10,810	12,10,810	-	-	12,10,810	-	-
Computers	5,93,925	-	-	5,93,925	5,69,037	11,572	-	5,80,609	13,316	24,888
Electric Equipment	1,92,500	-	-	1,92,500	1,92,500	-	-	1,92,500	-	-
<b>Total</b>	<b>72,35,525</b>	<b>-</b>	<b>-</b>	<b>72,35,525</b>	<b>56,58,250</b>	<b>7,18,084</b>	<b>-</b>	<b>63,76,334</b>	<b>8,59,191</b>	<b>15,77,275</b>
<b>Intangible Asset</b>										
Computer Software	34,81,275	-	-	34,81,275	34,81,275	-	-	34,81,275	-	-
<b>Total</b>	<b>34,81,275</b>	<b>-</b>	<b>-</b>	<b>34,81,275</b>	<b>34,81,275</b>	<b>-</b>	<b>-</b>	<b>34,81,275</b>	<b>-</b>	<b>-</b>
<b>Total as at 31.03.2017</b>	<b>1,07,16,800</b>	<b>-</b>	<b>-</b>	<b>1,07,16,800</b>	<b>91,39,525</b>	<b>7,18,084</b>	<b>-</b>	<b>98,57,609</b>	<b>8,59,191</b>	<b>15,77,275</b>
<b>Total as at 31.03.2016</b>	<b>1,06,81,625</b>	<b>35,175</b>	<b>-</b>	<b>1,07,16,800</b>	<b>84,19,154</b>	<b>7,20,371</b>	<b>-</b>	<b>91,39,525</b>	<b>15,77,275</b>	<b>22,62,471</b>

					(Amount in Rs.)	
Particulars		As at 31.03.2017		As at 31.03.2016		
<b>Note 10 : Non-Current Investments</b>						
<b>Other than trade (at cost):</b>						
<b>Quoted: Investments in fully paid equity instruments:</b>						
Vakrangee Software Limited having face value of Rs. 1/-	-	-	-	-	-	
Agarwal Industrial Corporation Ltd	11,00,000	15,40,00,000	-	-	-	
Religare Enterprise Ltd	5,45,000	11,74,02,971	-	-	-	
Gini Silk Mills	6,25,788	10,58,37,337	-	-	-	
<b>Unquoted: Investments in fully paid equity instruments:</b>						
a) Investment in a Subsidiary Company:						
Sukartik Clothing Pvt. Ltd (Face value Rs. 10)	2,11,000	5,42,00,000	1,81,000	2,87,00,000	-	
b) Investment in an Associate Company:						
Bhuta Investment Pvt Ltd (Face value Rs. 100)	-	-	60,000	1,20,00,000	-	
Alaukik Mines & Power Pvt. Ltd. (Face value Rs. 10)	-	-	42,00,000	11,05,00,000	-	
c) Investment in Shares of other Companies:						
T.N.R Infrastructures Limited (Face value Rs. 10)	-	-	14,35,000	10,76,25,000	-	
Reliable SmartCity Limited (Face value Rs. 10)	-	-	4,00,000	47,40,897	-	
Swastik Express Pvt Ltd (Face value Rs. 10)	-	-	1,19,166	1,43,00,000	-	
Shree Narayan Silk House Private Limited (Face value Rs. 10)	7,36,875	2,71,95,175	-	-	-	
<b>Share Application Money</b>						
Shree Narayan Silk House Pvt. Ltd.	-	4,825	-	1,94,92,000	-	
<b>Share Warrant</b>						
Agarwal Industrial Corporation Ltd	-	1,29,37,500	-	-	-	
<b>Investments in Government securities</b>						
National Saving Certificates*	-	23,000	-	23,000	-	
<b>Other non-current investment</b>						
Silver bar	16.445Kg	3,04,783	16.445Kg	3,04,783	-	
<b>Total</b>		<b>47,19,05,591</b>	<b>29,76,85,680</b>		<b>29,76,85,680</b>	
<b>Particulars</b>		<b>Book value</b>	<b>Market value**</b>	<b>Book value</b>	<b>Market value**</b>	
Aggregate value of:						
Quoted investments	37,72,40,308	99,01,11,937	-	-	-	
Unquoted investments	8,13,95,175	N.A.	27,78,65,898	N.A.	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 31.03.2017 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.						
<b>Note 11 : Long Term Loans and Advances</b>						
<b>Unsecured, considered good</b>						
Security deposit	-	80,000	-	80,000	-	
Intercompany Loans	-	-	-	93,13,801	-	
<b>Total</b>		<b>80,000</b>	<b>93,93,801</b>		<b>93,93,801</b>	
<b>Note 12 : Other-Non Current Assets</b>						
Minimum alternate tax credit entitlement	-	22,27,521	-	1,72,68,749	-	
<b>Total</b>		<b>22,27,521</b>	<b>1,72,68,749</b>		<b>1,72,68,749</b>	
<b>Note 13 : Inventories</b>						
Stock-in-Trade - Shares*	-	38,48,137	-	13,32,44,449	-	
<b>Total</b>		<b>38,48,137</b>	<b>13,32,44,449</b>		<b>13,32,44,449</b>	
* Details of Stock -in- trade- Shares (Face value of Rs. 10/- each):						
NIL (P.Y 732868 ) equity shares of Gini Silk Mills Ltd	-	-	-	7,01,57,968	-	
NIL (P.Y 80841) equity shares of Pankaj Polypack Limited	-	-	-	12,75,461	-	
338945 (P.Y 114143) equity shares of Pankaj Polymers Limited	-	36,43,659	-	8,50,365	-	
NIL (P.Y 143150 ) equity shares of Vakrangee Limited	-	-	-	2,83,22,228	-	
312 (P.Y 312 ) equity shares of JCT Limited	-	1,557	-	1,519	-	
NIL (P.Y 300000 ) equity shares of Bodal Chemical Ltd.	-	-	-	2,18,71,908	-	
NIL (P.Y 100000) equity shares of Balrampur Chemical Ltd.	-	-	-	1,07,65,000	-	
3910 (P.Y NIL) equity shares of Kernex Microsystem(Ind) Ltd	-	1,59,235	-	-	-	
32 (P.Y NIL) equity shares of L & T	-	43,686	-	-	-	
<b>Total</b>		<b>38,48,137</b>	<b>13,32,44,449</b>		<b>13,32,44,449</b>	

Particulars	As at 31.03.2017	As at 31.03.2016	
(Amount in Rs.)			
<b>Note 14 : Trade Receivables</b>			
<b>Unsecured, considered good</b>			
Debts outstanding for a period exceeding six months from the date they are due for payments			
Due from a director	-	-	
Others	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	
<b>Note 15 : Cash and Cash Equivalents</b>			
Cash and Bank Balances			
Balances with banks			
In a Current account	1,30,20,574	1,29,39,633	
In a Unpaid dividend account*	3,18,032	3,05,626	
Cash in hand	1,61,188	1,36,817	
Other bank balances			
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	2,11,00,134	44,756	
<b>Total</b>	<b>3,45,99,928</b>	<b>1,34,26,832</b>	
* Earmarked against the corresponding provision.			
<b>Disclosure on Specified Bank Notes (SBN's) :</b>			
During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 . Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, denomination wise SBNs and other notes as per the notification is given below :			
<b>Particulars</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash in hand as on 08-11-2016	25,000	35,469	60,469
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	8,789	8,789
Less: Amount deposited in banks	25,000	-	25,000
Add: Amount withdrawn from banks	-	80,000	80,000
Closing cash in hand as on 30-12-2016	-	1,06,680	1,06,680
<b>Note 16 : Short Term Loans and Advances</b>			
<b>Unsecured, considered good</b>			
<b>Loans and advances to related parties (Refer Note 26)</b>			
Office Deposits to Associate company	-	-	
Loan to Subsidiary company	-	-	
Loan to Associate companies	-	23,64,659	
<b>Others</b>			
To the companies in which director(s) is(are) member(s) and director(s)	-	1,63,291	
Others	68,22,692	2,98,38,019	
	68,22,692	3,00,01,310	
Advance for purchase of Land	30,00,000	-	
Prepaid expenses	22,633	15,946	
Advance to employees	-	-	
Other receivables	-	-	
<b>Total</b>	<b>98,45,325</b>	<b>3,23,81,915</b>	
<b>Note 17 : Other Current Assets</b>			
Interest Accrued on deposits	1,68,139	16,077	
<b>Balance with Government authorities</b>			
Provision for taxation (Net of taxes paid)	-	-	
<b>Total</b>	<b>1,68,139</b>	<b>16,077</b>	

	(Amount in Rs.)	
Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Note 18 : Revenue from Operations</b>		
Sale of Shares	40,44,53,733	22,98,69,712
Profit on sale of Shares transaction - Intra-day	1,21,516	16,81,576
Profit on Shares transactions - F & O	34,85,337	(1,28,41,158)
Other operating revenues- Dividend	2,56,325	6,92,869
<b>Total</b>	<b>40,83,16,911</b>	<b>21,94,03,000</b>
<b>Note 19 : Other Income</b>		
Interest on :		
Fixed Deposits	2,38,373	36,688
National Saving Certificate	2,036	3,307
Loans	6,42,500	93,01,514
Income Tax Refund	-	370
Profit on Sale of Investment	8,55,08,491	31,148
<b>Total</b>	<b>8,63,91,400</b>	<b>93,73,027</b>
<b>Note 20 : Purchases of Stock-in-trade</b>		
Shares & Securities	31,46,96,391	32,51,45,385
<b>Total</b>	<b>31,46,96,391</b>	<b>32,51,45,385</b>
<b>Note 21 : Changes in Inventories</b>		
Stock in Trade - Shares		
Opening stocks	13,32,44,449	2,22,63,578
Less: Stock converted to Investments	6,87,70,343	-
Less: Closing stocks	38,48,137	13,32,44,449
<b>Total</b>	<b>6,06,25,969</b>	<b>(11,09,80,871)</b>
<b>Note 22 : Employee benefit expenses</b>		
Salaries and Wages	12,94,167	13,14,040
Contribution to Provident Fund and other funds	62,521	49,942
Staff Welfare Expenses	39,365	36,101
<b>Total</b>	<b>13,96,053</b>	<b>14,00,083</b>
<b>Note 23 : Finance Cost</b>		
Interest Paid On Loan	3,55,630	18,02,936
<b>Total</b>	<b>3,55,630</b>	<b>18,02,936</b>
<b>Note 24 : Other Expenses</b>		
Advertisement and Publicity	67,398	71,247
Auditors' remuneration (refer note 26)	2,94,425	2,90,054
Bank charges	4,577	6,026
Communication expenses	96,351	67,188
Demat charges	91,281	48,103
Donation	-	3,56,000
General expenses	2,68,104	2,29,322
Insurance	12,313	12,986
Legal and professional charges	18,54,086	18,14,530
Internal Audit Fees	-	58,750
Margin Money Charges	-	-
Bad debts	-	271
Printing and stationery	22,534	11,469
Prior Period Expenses	-	220
Rates and taxes	3,00,176	2,98,386
Repairs and maintenance	11,200	12,404
Securities Transaction Tax	14,09,219	8,76,771
Share Trading Expenses	11,41,687	10,08,796
Travelling and conveyance	9,07,454	5,31,977
Vehicle Expenses	-	-
<b>Total</b>	<b>64,80,805</b>	<b>56,94,501</b>



Note 25 : Earning per equity share	UNIT	31.03.2017	31.03.2016
Net Profit / (Loss) after tax	Rs.	8,82,85,357	28,04,052
Weighted average number of shares used in computing basic earnings per	Numbers	62,25,000	62,25,000
Face value of equity shares	Rs.	10	10
Basic earnings per share	Rs.	14.18	0.45
Diluted earnings per share	Rs.	14.18	0.45
<b>Note 26 : Payment to Auditors (Including Service Tax)</b>		<b>31.03.2017</b>	<b>31.03.2016</b>
Statutory audit under the Companies Act 1956		2,01,250	2,03,245
Tax Audit under the Income Tax Act 1961		34,500	34,842
Taxation matters		34,500	34,842
Certifications		23,000	17,125
Others		1,175	-
		<b>2,94,425</b>	<b>2,90,054</b>

**Note 27 : Disclosure as required by Accounting Standard 15**

The disclosures required under Accounting Standard 15 related to "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :

**Defined Benefit Scheme**

The employee's gratuity scheme is a defined benefit plan. The present value of obligations are determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the obligation. The obligation for Leave Encashment is recognised in the same manner as gratuity.

Particulars		Current Year	Previous year
		Gratuity	Gratuity
		Unfunded	Unfunded
<b>I</b>	<b>Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :</b>		
1	Liability at the beginning of the year	1,51,038	82,212
2	Interest Cost	11,177	-
3	Current Service Cost	21,675	68,826
4	Actuarial (Gains) / Loss on obligations	(1,597)	-
5	Benefits paid	-	-
6	Net Acquisitions	-	-
7	Liability at the end of the year	1,82,293	1,51,038
<b>II</b>	<b>Amount Recognised in Balance Sheet</b>		
1	Liability at the end of the year	1,82,293	1,51,038
2	Fair value of Plan Assets at the end of the year	-	-
3	Amount recognised in the Balance Sheet	1,82,293	1,51,038
<b>III</b>	<b>Expenses Recognised in the Income Statement</b>		
1	Current Service Cost	21,675	68,826
2	Interest Cost	11,177	-
3	Expected Return on Plan Assets	-	-
4	Net Actuarial (gain) /loss to be Recognised	(1,597)	-
5	Expenses Recognised in Profit & Loss Account	31,255	68,826
<b>IV</b>	<b>Balance Sheet Reconciliation</b>		
1	Opening Net Liability	1,51,038	82,212
2	Expenses as above	31,255	68,826
3	Employers Contribution	-	-
4	Net Acquisitions	-	-
4	<b>Amount Recognised in Balance Sheet</b>	1,82,293	1,51,038
<b>V</b>	<b>Actuarial Assumptions</b>		
1	Discount Rate ( % )	7.40%	N.A
2	Expected Return on Plan Assets ( % )	N.A	N.A

**Note 28 : Related Party Disclosures**

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

I) Names of related parties and description of relationships

a) Key Managerial Personnel (KMP)

Suresh Gaggar	Managing Director
Ramakant Gaggar	Director
Rathi Ramprakesh Sharad	Director
Manju Bhagchand Maheshwari	Director
Dinesh Nandwana	Director
Koshal Gupta	Company Secretary
Sanjay Ravindra Raut	CFO

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

Indra Gaggar	Relative of Director
GVS Chemical Private Limited	Entity controlled by Director

c) Holding / Subsidiary Company

Sukartik Clothing Private Limited	Subsidiary Company
Alaukik Mines & Power Private Limited	Former Subsidiary Company
Bhuta Investment Private Limited	Former Associate Company

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	
	2016-17	2015-16	31.03.2017	31.03.2016
<b>Current liabilities</b>				
Short term borrowings				
Unsecured Loans:				
Ramakant Gaggar	15,00,000	-	-	-
<b>Non current assets</b>				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Sukartik Clothing Private Limited	2,55,00,000	-	5,42,00,000	2,87,00,000
Bhuta Investment Private Limited	(1,20,00,000)	-	-	1,20,00,000
Alaukik Mines & Power Private Limited	(11,05,00,000)	-	-	11,05,00,000
<b>Current assets</b>				
Short term loans and advances				
Office Deposit	-	-	-	-
Bhuta Investment Private Limited	-	-	-	-
Intercompany loans				
Sukartik Clothing Private Limited	-	-	-	-
Bhuta Investment Private Limited	(22,68,852)	-	-	22,68,852
Alaukik Mines & Power Private Limited	(95,807)	-	-	95,807
GVS Chemical Private Limited	59,00,000	-	-	1,63,291
<b>Sales</b>				
Ramakant Gaggar	6,20,000	-	NA	NA
<b>Remuneration</b>				
Sanjay Ravindra Raut	3,30,000	3,00,000	-	-

Sub 1 Related party relationship is identified by the Company and relied upon by the auditors.

**Note 29 :** 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 30 :** The Company has disclosed the segment information in the consolidated financial statements, in accordance with Accounting Standard 17, Segment reporting.

**Note 31 :** The Company has reclassified, regrouped and rearranged previous year figures, wherever necessary, to conform to this year's classification.

As per our attached report of even date

For MVK Associates

Chartered Accountants

Firm Registration No. : 120222W

sd/-

CA. Vishnu Garg

Partner

Membership No. 045560

For and on behalf of the board

sd/-

Suresh Gaggar

Managing Director

DIN : 00599561

sd/-

Ramakant Gaggar

Director

DIN : 01019838

Place : Mumbai

Dated :30th May, 2017

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT**

To the Members of  
**GARNET INTERNATIONAL LIMITED**

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying Consolidated financial statements of Garnet International Limited, the parent (hereinafter referred to as 'the Holding Company'), and its subsidiary company (collectively referred to as 'the Group'), which comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which we have signed under reference to this report.

**Management's Responsibility for the Financial Statements**

2. The Holding Company's Board of Directors of the Company are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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; and the design, implementation and maintenance of adequate internal financial controls, that were 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 there under.
4. 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.
5. 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 Holding 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 Holding Company has 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated 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 consolidated state of affairs of the Group as at 31st March 2017, and their **consolidated Profit** and their consolidated cash flows for the year ended on that date.

### Other Matters

8. *As stated in Note 30 to the consolidated financial statements, the subsidiary has not made provisions for gratuity as per Accounting Standard 15 "Employee Benefits", the financial impact of the same as given in said note, is not ascertainable and therefore cannot be commented upon.*
9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements/ financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

10. As required by section 143(3) of the Act, we report to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the accompanying consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments:

Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014; *except as mentioned in Para 8 above.*

- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Company doesn't have any long-term contracts or derivative contracts as at March 31, 2017 for which there were no material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2017 and there were no amounts which were required to be transferred by the subsidiary company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 15.

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

Sd/-  
CA. Vishnu Garg  
**Partner**  
Mem. No. 045560

Place: Mumbai  
Date: 30<sup>th</sup> May, 2017

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of **GARNET INTERNATIONAL LIMITED** on the consolidated financial statements as of and for the year ended March 31, 2017.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **Garnet International Limited** ("the Holding Company") and its subsidiary company as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the holding company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :

- i. Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial controls over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the holding company, its subsidiary company, have, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding Company and the representation received from the management for the entities unaudited.

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

Sd/-  
CA. Vishnu Garg  
**Partner**  
M. No. 045560

Place: Mumbai  
Date: 30<sup>th</sup> May, 2017



Consolidated Balance Sheet as at 31st March 2017

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	6,22,50,000	6,22,50,000
Reserves and surplus	3	<u>46,40,64,608</u>	<u>37,60,32,707</u>
		52,63,14,608	43,82,82,707
<b>Minority Interest</b>			
		2,89,78,026	3,52,92,332
<b>Non-current liabilities</b>			
Long Term Borrowing	4	18,37,919	23,65,595
Deferred tax liabilities (net)	5	<u>38,49,161</u>	<u>27,96,715</u>
		56,87,080	51,62,310
<b>Current liabilities</b>			
Short term borrowings	6	72,91,673	87,32,500
Trade payables	7	3,62,88,112	9,11,19,712
Other current liabilities	8	56,91,517	64,97,908
Short term provisions	9	<u>1,76,28,447</u>	<u>92,04,191</u>
		6,68,99,749	11,55,54,312
<b>TOTAL</b>		<u><b>62,78,79,463</b></u>	<u><b>59,42,91,661</b></u>
<b>ASSETS</b>			
<b>Non current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	8,83,56,793	6,54,59,477
Intangible assets	10	<u>1,67,46,246</u>	<u>35,17,689</u>
		10,51,03,039	6,89,77,166
Non-current investments	11	41,77,05,591	26,29,36,089
Deffered Tax Assets (Net)	5		
Long term loans and advances	12	9,83,183	1,02,98,512
Other non current assets	13	<u>33,57,521</u>	<u>1,83,48,749</u>
		52,71,49,334	36,05,60,516
<b>Current assets</b>			
Inventories	14	1,25,21,265	13,75,91,933
Trade receivables	15	3,62,14,170	3,15,15,838
Cash and bank balances	16	3,90,16,282	2,91,39,363
Short term loans and advances	17	1,27,97,889	3,50,87,875
Other current assets	18	<u>1,80,523</u>	<u>3,96,137</u>
		10,07,30,129	23,37,31,145
<b>TOTAL</b>		<u><b>62,78,79,463</b></u>	<u><b>59,42,91,661</b></u>
Contingent Liabilities and Commitments (To the extent not provided for)	27	-	-
Significant accounting policies See accompanying notes to financial statements	1 2-36		

As per our attached report of even date

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

sd/-  
CA. Vishnu Garg  
**Partner**  
Membership no. 045560

Place: Mumbai  
Dated: 30th May, 2017

For and on behalf of the board

sd/-  
Suresh Gaggar  
**Managing Director**  
DIN: 00599561

sd/-  
Ramakant Gaggar  
**Director**  
DIN: 01019838

Place: Mumbai  
Dated: 30th May, 2017

**Consolidated Statement of Profit and Loss for the year ended 31st March 2017**

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Gross revenue from operations	19	55,11,38,524	36,30,20,887
Less: Excise Duty		-	-
Net revenue from operations		55,11,38,524	36,30,20,887
Other income	20	8,97,17,123	1,03,29,346
<b>Total Revenue</b>		<b>64,08,55,647</b>	<b>37,33,50,233</b>
Expenses:			
Cost of materials consumed	21	5,43,75,494	5,89,13,038
Purchases of stock-in-Trade	22	32,29,01,565	33,45,36,660
Changes in inventories	23	6,07,58,260	(11,24,31,940)
Employee benefit expenses	24	87,44,195	81,59,566
Finance cost	25	7,72,155	19,41,347
Depreciation and amortisation expenses	10	61,36,440	50,44,364
Other expenses	26	6,04,69,873	5,62,62,285
<b>Total expenses</b>		<b>51,41,57,982</b>	<b>35,24,25,321</b>
Profit before Tax		12,66,97,665	2,09,24,912
Tax expenses			
Current tax		2,54,52,646	62,67,170
Deferred tax		10,52,446	4,57,039
MAT credit entitlement		568	(16,07,414)
Tax adjustment for earlier years		6,19,844	22,00,844
		<u>2,71,25,504</u>	<u>73,17,639</u>
Profit after tax before share of result of Associates and minority interest		9,95,72,161	1,36,07,273
Add/(Less): Minority Interest		(25,76,705)	(54,36,707)
Add/(Less): Share in Profit / (Loss) of an Associate		-	(11,31,730)
		<u>(25,76,705)</u>	<u>(65,68,437)</u>
Profit after tax for the year		<u>9,69,95,456</u>	<u>70,38,836</u>
Earning per equity share	27		
Basic and Diluted		15.58	1.13
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

sd/-  
CA. Vishnu Garg  
**Partner**  
Membership no. 045560

Place: Mumbai  
Dated: 30th May, 2017

For and on behalf of the board

sd/-  
Suresh Gaggar  
**Managing Director**  
DIN: 00599561

Place: Mumbai  
Dated: 30th May, 2017

sd/-  
Ramakant Gaggar  
**Director**  
DIN: 01019838

**Consolidated Cash Flow Statement For The Year Ended 31st March, 2017**

(Amount in Rs.)

<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>For the year ended 31.03.2017</b>	<b>For the year ended 31.03.2016</b>
Net Profit before Tax and Extraordinary Items	12,66,97,665	2,09,24,912
Adjustment for		
Depreciation	61,36,440	50,44,364
Loss / (Profit) on sale of Fixed Assets	-	1,43,574
Loss / (Profit) on sale of Investments	(8,81,77,650)	(31,148)
Investment Income	-	-
- Interest	(15,39,473)	(1,02,80,183)
- Dividend	(2,56,325)	(6,92,869)
Interest Expenses	7,72,155	19,41,347
Operating Profit before Working Capital changes	4,36,32,812	1,70,49,997
Adjustment for		
- Trade and other Receivables	(46,27,260)	28,89,583
- Inventories	12,50,70,667	(11,17,12,340)
- Loans & Advances & Other Current Assets	3,16,98,329	6,41,28,458
- Trade Payables	(5,55,46,834)	7,23,67,391
- Other Current Liabilities & Short Term Provisions	(59,902)	2,19,608
Cash generated from operations	14,01,67,812	4,49,42,698
Direct taxes paid	(63,86,049)	(64,26,163)
Cash flow before Extraordinary Items	13,37,81,763	3,85,16,535
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>13,37,81,763</b>	<b>3,85,16,535</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Investments (Net)	(17,42,19,910)	(1,94,70,181)
Purchase of Fixed Assets	(2,90,33,756)	(2,33,35,566)
Loan ( given ) / Refund	-	-
Sale of Fixed Assets	-	6,00,000
Interest / Other income	15,39,473	1,02,80,183
Profit / (Loss) on sale of Investments	8,55,08,491	31,148
Dividend received	2,56,325	6,92,869
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(11,59,49,377)</b>	<b>(3,12,01,547)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	(5,27,676)	19,06,260
Increase (decrease) in unsecured loans	1,528	(1,71,528)
Proceeds from Short Term Borrowings	-	3,82,500
Repayment of Short Term Borrowings	(14,40,828)	-
Interest Paid	(7,72,155)	(19,41,347)
Dividend paid	(52,16,336)	(35,92,006)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(79,55,467)</b>	<b>(34,16,121)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>98,76,919</b>	<b>38,98,867</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>2,91,39,364</b>	<b>2,52,40,497</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>3,90,16,283</b>	<b>2,91,39,364</b>

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

**For and on behalf of the Board**

sd/-  
CA. Vishnu Garg  
**Partner**  
Membership no. 045560

sd/-  
Suresh Gaggar  
**Managing Director**  
DIN: 00599561

sd/-  
Ramakant Gaggar  
**Director**  
DIN: 01019838

Place : Mumbai  
Dated: 30th May, 2017

Place : Mumbai  
Dated: 30th May, 2017

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 -Principles of Consolidation:**

The consolidated financial statements relate to Garnet international Limited (the Company), and its Subsidiary. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard - 21 (AS-21) "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis;

1. The Financial Statements of the Company and its subsidiary company (the Group) have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealized profits or losses have been fully eliminated.
2. The difference between the costs of investments in subsidiary over the book value of the subsidiary's net assets on the date of acquisition is recognised in the consolidated financial statements as goodwill where the difference is positive and as capital reserve where the difference is negative.
3. The Financial Statements of the subsidiary are drawn up to March 31, 2017.

Name of the Company	Country of Incorporation	Nature of Relation	% of ownership interest and voting power
Sukartik Clothing Pvt. Ltd.	India	Subsidiary	70.10%

Above Subsidiary Company has been considered in the presentation of these consolidated statements.

4. Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures.
5. The accounting policies of the parent are best viewed in its independent financial statements under Note 1 of parent company's financial statements. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.

**Notes on Consolidated Financial Statements for the Year ended 31st March 2017**

(Amount in Rs.)

Particulars	As at 31.03.2017		As at 31.03.2016	
<b>Note 2: Share capital</b>				
	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
<b>Authorised:</b>				
Equity Shares of Rs.10/- each	75,00,000	7,50,00,000	75,00,000	7,50,00,000
Total		<u>7,50,00,000</u>		<u>7,50,00,000</u>
<b>Issued, subscribed and paid-up :</b>				
Equity Shares of Rs.10/- each fully paid	62,25,000	6,22,50,000	62,25,000	6,22,50,000
Total		<u>6,22,50,000</u>		<u>6,22,50,000</u>
<b>2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period :-</b>				
Particulars	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Outstanding at the beginning of the year	62,25,000	6,22,50,000	62,25,000	6,22,50,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	62,25,000	6,22,50,000	62,25,000	6,22,50,000
<b>2.b</b> The equity shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act, 1956.				
<b>2.c</b> 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 Gaggar	12,50,863	20.09	12,02,442	19.32
Mangal Savitri Bizcon Pvt. Ltd.	8,06,041	12.95	7,50,149	12.05
Smt. Indra Gaggar	3,75,909	6.04	4,54,921	7.31
Shri Suresh Gaggar	6,02,270	9.68	4,67,411	7.51
Hitanshi Properties Private Limited	3,33,601	5.36	3,41,451	NA
Ashtvakra Properties Private Limited	NA	NA	3,86,948	6.22
Religare Investment Limited	3,27,200	5.26	NA	NA
<b>Note 3: Reserves and surplus</b>				
<b>Securities premium</b>				
Balance at the beginning of the year	32,63,49,189		32,63,49,189	
Add: Received during the year on issue of shares	-		-	
	<u>32,63,49,189</u>		<u>32,63,49,189</u>	
Less : Share Issue expenses	-	32,63,49,189	-	32,63,49,189
<b>Capital Reserve on consolidation</b>				
At the beginning of the year and at the end of year		49,48,063		49,48,063
<b>Surplus in Statement of Profit and loss :</b>				
Balance at the beginning of the year	4,47,35,455		4,29,25,360	
Add (less): Profit (loss) after tax for the year	9,69,95,456		70,38,836	
Add (less): Excess DDT Provided in earlier Year	-		-	
Less: Appropriations				
Proposed dividend for the year (Rs. 1.20 Dividend per share)	74,70,000		43,57,500	
Provision for tax on proposed dividend for the year	14,93,556		8,71,241	
Less: Additional Depreciation Charged from Retained Earnings	-		-	
		13,27,67,355		4,47,35,455
Total		<u>46,40,64,608</u>		<u>37,60,32,707</u>
<b>Note 4: Long term borrowings</b>				
<b>Secured Loan</b>				
Vehicle loan from State Bank Of Patiala		18,37,919		23,65,595
Total		<u>18,37,919</u>		<u>23,65,595</u>
(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.				

	(Amount in Rs.)	
Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note 5: Deferred tax liabilities (Net)</b>		
Deferred Tax Liabilities on account of :		
Depreciation	39,05,490	28,68,790
Deferred Tax Assets on account of :		
Business Losses *	-	-
Gratuity	(56,329)	(72,075)
Total	38,49,161	27,96,715
* Deferred tax assets arising on losses has not been recognized in view of uncertainty in generating the profit in the future.		
<b>Note 6: Short term borrowings</b>		
Unsecured Loans:		
Loans repayable on demand from:		
Associate Company (refer note 29)	-	-
Others Companies	72,91,673	87,32,500
Related parties	-	-
Total	72,91,673	87,32,500
<b>Note 7: Trade payables</b>		
Micro and small enterprises*	-	-
Others	3,62,88,112	9,11,19,712
Total	3,62,88,112	9,11,19,712
* 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 2017.		
<b>Note 8: Other current liabilities</b>		
Current maturities of a long-term debt	5,49,361	5,18,662
Unpaid dividends*	1,62,816	1,62,816
Overdrawn Bank balance	-	-
Creditors for capital expenditure	-	-
Payables to Employees	29,50,869	32,50,608
Advance from Customers	2,91,871	3,55,737
Statutory liabilities	4,84,875	3,16,444
Accrued expenses	8,68,380	9,63,623
Other payables	3,12,000	2,28,089
Salary payable to Directors and their relatives	71,345	7,01,929
Total	56,91,517	64,97,908
* There is no outstanding dues to be paid to Investor Education and Protection Fund.		
<b>Note 9: Short term provisions</b>		
Provision for employees benefits (Gratuity) (refer note 30)	1,82,293	1,51,038
Provision for taxation (net of taxes paid)	83,27,383	36,81,602
Provision for proposed dividend F.Y. 2014-15	1,42,434	1,42,810
Provision for proposed dividend F.Y. 2015-16	12,781	43,57,500
Provision for proposed dividend F.Y. 2016-17	74,70,000	-
Provision for tax on proposed dividend	14,93,556	8,71,241
Total	1,76,28,447	92,04,191

<b>Note 10: Fixed Assets</b>										
PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 31.03.2016	Addition during the year	Sold / Transfer during the year *	As at 31.03.2017	Total up to 31.03.2016	Provided for the year	Written back during the year	Total up to 31.03.2017	Total as at 31.03.2017	Total as at 31.03.2016
<b>Tangible assets</b>										
Land	44,28,690	-	-	44,28,690	-	-	-	-	44,28,690	44,28,690
Office Premises	10,42,601	-	-	10,42,601	2,25,425	35,529	-	2,60,954	7,81,647	8,17,176
Office Equipments	26,40,319	13,34,512	-	39,74,831	21,79,661	3,39,200	-	25,18,861	14,55,970	4,60,658
Factory Building	1,20,18,965	52,72,237	-	1,72,91,202	16,51,211	4,36,176	-	20,87,387	1,52,03,815	1,03,67,754
Plant And Machinery	5,82,56,757	2,17,72,284	-	8,00,29,041	1,58,65,199	36,36,117	-	1,95,01,316	6,05,27,725	4,23,91,558
Furniture And Fixtures	16,65,817	4,96,053	-	21,61,870	3,89,762	1,94,353	-	5,84,115	15,77,755	12,76,055
Electric Equipment	1,92,500	-	-	1,92,500	1,92,500	-	-	1,92,500	-	-
Computers	9,69,608	1,58,670	-	11,28,278	8,99,210	72,689	-	9,71,899	1,56,379	70,398
Vehicles	1,05,51,492	-	-	1,05,51,492	49,04,305	14,22,376	-	63,26,681	42,24,811	56,47,187
<b>Intangible assets</b>										
Computer Software	35,31,275	-	-	35,31,275	35,31,275	-	-	35,31,275	-	-
Goodwill arise on consolidation	35,17,689	1,66,08,989	33,80,433	1,67,46,246	-	-	-	-	1,67,46,246	35,17,689
<b>Total as at 31.03.2017</b>	9,88,15,713	4,56,42,745	33,80,433	14,10,78,026	2,98,38,548	61,36,440	-	3,59,74,988	10,51,03,038	6,89,77,165
<b>Total as at 31.03.2016</b>	7,63,79,647	2,33,35,566	8,99,500	9,88,15,713	2,49,50,109	50,44,364	1,55,926	2,98,38,547		

Particulars	(Amount in Rs.)			
	As at 31.03.2017		As at 31.03.2016	
<b>Note 11: Non-current investments</b>				
Other than trade (at cost):	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Quoted: Investments in fully paid equity instruments:				
Agarwal Industrial Corporation Ltd	11,00,000	15,40,00,000	-	-
Religare Enterprise Ltd	5,45,000	11,74,02,971	-	-
Gini Silk Mills	6,25,788	10,58,37,337		
Unquoted: Investments in fully paid equity instruments:				
a) Investment in an Associate Companies:				
Bhuta Investment Private Ltd having face value of Rs.100/-	-	-	60,000	59,50,408
Alaukik Mines & Power Pvt. Ltd. having face value of Rs. 10/-	-	-	42,00,000	11,05,00,000
b) Investment in other Companies:				
T.N.R Infrastructures Ltd having face value of Rs.10/- @	-	-	14,35,000	10,76,25,000
Reliable SmartCity Limited having face value of Rs. 10/-	-	-	4,00,000	47,40,898
Swastik Express Pvt Ltd having face value of Rs. 10/-	-	-	1,19,166	1,43,00,000
Shree Narayan Silk House Pvt. Ltd.	7,36,875	2,71,95,175		
Share Application money				
Shree Narayan Silk House Pvt. Ltd.		4,825		1,94,92,000
Share Warrant				
Agarwal Industrial Corporation Ltd		1,29,37,500		-
Investments in Government securities				
National Saving Certificates*		23,000		23,000
Other non-current investment				
Investment in Silver bar	16.445Kg	3,04,783	16.445Kg	3,04,783
Total		<u>41,77,05,591</u>		<u>26,29,36,089</u>
Particulars	Book value (Rs.)	Market value (Rs.)**	Book value (Rs.)	Market value (Rs.)**
Aggregate value of:				
Quoted investments	37,72,40,308	99,01,11,937	-	-
Unquoted investments	2,71,95,175	N.A.	24,31,16,306	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 31.03.2017 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 31.03.2017		As at 31.03.2016	
No.of Equity Shares held :	NIL		60,000	
% of holding :	NA		32%	
Original cost of Investment :	-		1,20,00,000	
Amount of Goodwill in original cost :	-		33,80,433	
Share in accumulated Profit/ (Loss) / Reserves :	-		(26,69,158)	
Share in current year Profit/(Loss) :	-		-	
Carrying amount of Investment :	-		59,50,409	
<b>Note 12: Long term loans and advances</b>				
Unsecured, considered good				
Security deposits		9,83,183		9,84,711
Intercorporate Loans		-		93,13,801
Total		<u>9,83,183</u>		<u>1,02,98,512</u>
<b>Note 13: Other non current assets</b>				
Deposits / Investment for various projects				
20,000 shares of Punjab dyers association		-		40,000
Investment in CETP Project		11,30,000		10,40,000
Minimum alternate tax credit entitlement		22,27,521		1,72,68,749
Total		<u>33,57,521</u>		<u>1,83,48,749</u>



Particulars	(Amount in Rs.)	
	As at 31.03.2017	As at 31.03.2016
<b>Note 14: Inventories</b>		
Raw Materials	63,69,952	19,17,676
Work in progress	-	-
Finished goods	3,76,792	3,29,040
Stock-in trade:		
Shares and securities	38,48,137	13,32,44,449
Fabrics	<u>16,16,807</u>	<u>17,96,850</u>
	54,64,944	13,50,41,299
Consumables	3,09,577	3,03,917
Total	<u><u>1,25,21,265</u></u>	<u><u>13,75,91,933</u></u>
Details of Raw Materials:		
Yarn	34,22,943	10,74,951
Dyes & Cemics	29,47,009	8,42,725
	<u>63,69,952</u>	<u>19,17,676</u>
Details of work in progress:		
Garments	3,76,792	-
Details of Finished goods:		
Garments	16,16,807	17,96,850
Details of Stock-in trade:		
Shares and securities ( Face value of Rs. 10/- each):		
NIL (P.Y 732868 ) equity shares of Gini Silk Mills Ltd	-	7,01,57,968
338945 (P.Y 114143) equity shares of Pankaj Polymers Limited	36,43,659	8,50,365
NIL (P.Y 143150 ) equity shares of Vakrangee Limited	-	6,704
NIL (P.Y 80841) equity shares of Pankaj Polypack Limited	-	12,75,461
312 (P.Y 312 ) equity shares of JCT Limited	1,557	1,519
NIL (P.Y 300000 ) equity shares of Bodal Chemical Ltd.	-	2,18,71,908
NIL (P.Y 100000) equity shares of Balrampur Chemical Ltd.	-	1,07,65,000
3910 (P.Y NIL) equity shares of Kernex Microsystem(Ind) Ltd	1,59,235	-
32 (P.Y NIL) equity shares of L & T	43,687	-
Fabric	16,16,807	17,96,850
<b>Note 15: Trade receivables</b>		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they are due for payments	52,56,199	20,17,427
Other debts		
Due from a company in which a director of the company is member and director	-	-
Due from a director	-	-
Others	<u>3,09,57,971</u>	<u>2,94,98,411</u>
	3,09,57,971	2,94,98,411
Total	<u><u>3,62,14,170</u></u>	<u><u>3,15,15,838</u></u>
<b>Note 16: Cash and bank balances</b>		
Cash and cash equivalents:		
Balances with banks		
In Current accounts	1,59,81,226	1,66,38,028
Unpaid dividends*	3,18,032	3,05,626
Cash in hand	2,38,004	6,74,111
Other bank balances:		
Fixed deposits with banks with maturity period more than 3	2,24,79,020	1,15,21,597
Fixed deposits with banks with maturity period more than 12	-	-
Total	<u><u>3,90,16,282</u></u>	<u><u>2,91,39,363</u></u>

**Disclosure on Specified Bank Notes (SBN's) :**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 . Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, denomination wise SBNs and other notes as per the notification is given below :

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in Hand as on 08.11.2016	9,71,500	3,85,110	13,56,610
Add: Permitted Receipts	-	4,87,241	4,87,241
Add: Amount withdrawn from Banks	-	80,000	80,000
Less: Permitted Payments	28,500	7,25,750	7,54,250
Less: Amount deposited in Banks	9,43,000	-	9,43,000
Closing cash in Hand as on 30.12.2016	-	2,26,601	2,26,601

(Amount in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note 17: Short term loans and advances</b>		
Unsecured, considered good		
Loans and advances to related parties (refer note 29)		
Office Deposits to Associate company	-	-
Loan to Associate company	-	23,64,659
Others		
Intercompany loans		
To related parties	-	1,63,291
Others	68,22,692	2,98,05,471
Other Non corporate parties	-	32,548
	68,22,692	3,00,01,310
Advance for Purchase of Land	30,00,000	-
Advance to suppliers	7,00,307	3,90,078
Prepaid expenses	3,92,212	3,14,608
Advance to employees	63,440	54,000
Vat credit receivable	18,04,182	19,63,220
Duty Drawback receivable	-	-
Other receivables	15,056	-
Total	<u>1,27,97,889</u>	<u>3,50,87,875</u>
<b>Note 18: Other current assets</b>		
Interest Accrued on fixed deposits	1,80,523	3,62,955
Interest Accrued on National saving certificate	-	-
Interest Accrued on security deposit	-	33,182
Minimum alternate tax credit entitlement	-	-
Interest Others	-	-
Provision for taxation (net of taxes paid)	-	-
	<u>1,80,523</u>	<u>3,96,137</u>
<b>Note 19: Revenue from operations</b>		
Sales :		
Shares and securities	40,44,53,733	22,98,69,712
Garments		
Local	9,59,35,499	9,43,90,346
Export	<u>8,95,872</u>	<u>1,88,963</u>
Dyes & Chemicals	-	-
Sale of Land ( refer note 10.1)	-	-
Profit (loss) on sale of Shares transaction - intra-day	1,21,516	16,81,576
Profit (loss) on Shares transactions- F & O	34,85,337	(1,28,41,158)
Services:		
Job work charges	4,59,90,242	4,90,38,579
Other Operating revenues		
Dividend	2,56,325	6,92,869
Commission	-	-
	<u>2,56,325</u>	<u>6,92,869</u>
Less: Excise duty	-	-
Total	<u>55,11,38,524</u>	<u>36,30,20,887</u>

	(Amount in Rs.)	
Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note 20: Other income</b>		
Interest		
on fixed deposits	8,47,938	9,42,180
on National saving certificate	2,036	3,307
on Loans	6,42,500	93,01,514
on security deposits	46,999	33,182
on profit on sale of investment	8,55,08,491	31,148
on Income tax refund	-	370
	8,70,47,964	1,03,11,701
Net gain on sale of Non-current investments	26,69,159	-
Miscellaneous income	-	11
Export Incentive	-	17,634
Total	8,97,17,123	1,03,29,346
<b>Note 21: Cost of materials consumed</b>		
Opening stocks:		
Raw material		
Yarn	10,74,951	6,59,431
Stock in Trade	-	-
Dyes & Chemicals	8,42,725	19,54,466
	19,17,676	26,13,897
Add : Cost of purchases		
Raw materials		
Yarn	2,44,72,001	2,36,55,119
Dyes & Chemicals	3,43,55,769	3,45,61,698
	5,88,27,770	5,82,16,817
Less: Closing stock		
Raw material		
Yarn	34,22,943	10,74,951
Dyes & Chemicals	29,47,009	8,42,725
	63,69,952	19,17,676
Total	5,43,75,494	5,89,13,038
	Consumption in Rs.	Consumption in Rs.
Imported and Indigenous Raw materials consumed:	consumption	consumption
Imported	-	-
Indigenous	5,43,75,494	5,89,13,038
	5,43,75,494	5,89,13,038
	100%	100%
	100%	100%
<b>Note 22: Purchases of stock-in-Trade</b>		
Fabric	82,05,174	93,91,275
Shares and securities	31,46,96,391	32,51,45,385
	32,29,01,565	33,45,36,660
<b>Note 23: Changes in inventories</b>		
Opening stocks:		
Finished goods	3,29,040	4,87,906
Stock in Trade :		
Shares and Securities	13,32,44,449	2,22,63,578
Fabrics	17,96,850	1,86,916
	13,50,41,299	2,24,50,494
Less: Closing stocks:		
Finished goods	3,76,792	3,29,040
Stock Converted to Investment	6,87,70,343	-
Stock in Trade :		
Shares and Securities	38,48,137	13,32,44,449
Fabrics	16,16,807	17,96,850
Work in progress	-	-
Add/(Less): Variation in excise duty on opening and closing stock of finished goods	-	-
Total	6,07,58,260	(11,24,31,940)

	(Amount in Rs.)	
Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note 24: Employee benefit expenses</b>		
Salaries and Wages	71,80,253	70,35,411
Contribution to Provident Fund and other funds	9,87,410	4,74,234
Staff Welfare Expenses	5,76,532	6,49,921
Total	87,44,195	81,59,566
<b>Note 25: Finance cost</b>		
Interest on loan	6,21,148	19,40,936
Bill Discounting Interest	1,50,557	-
Interest on late payment of taxes	450	411
Total	7,72,155	19,41,347
<b>Note 26: Other expenses</b>		
<b>Manufacturing Expenses</b>		
Job Charges	1,91,81,750	1,58,05,234
Power and Fuel	1,17,00,315	1,17,40,640
Freight Inward	2,50,778	2,50,617
Dyeing Charges	47,107	72,718
Packing Expenses	19,000	5,62,495
Duties & Taxes	1,28,290	-
Fabrication Charges	9,75,036	5,67,649
Husk and Ash Lifting Charges	2,66,245	2,33,105
Stores and Spares Consumed*	1,25,65,593	1,41,57,663
Insurance	2,37,377	2,10,811
Repairs & Maintenance(Machinery)	31,20,765	23,50,865
	4,84,92,256	4,59,51,797
<b>Administration and other expenses</b>		
Brokerage and Commission	14,268	-
Communication Expenses	4,02,752	2,65,393
Compliance Expenses	1,94,923	-
Demat charges	91,281	48,103
Advertisement and publicity	1,56,957	1,38,412
Securities Transaction Tax	14,09,219	8,76,771
Share Trading Expenses	11,41,687	10,08,796
Legal and Professional Charges	20,23,586	18,41,030
Auditors' remuneration (refer note 28)	4,09,425	4,06,194
Internal Audit Fees	-	58,750
Insurance	12,313	12,986
General expenses	2,68,104	2,29,322
Prior Period Exp.	-	220
Donation	-	3,56,000
Bank Commission / Charges	44,587	47,747
Membership and Subscription	98,831	1,20,758
Bad debts	-	271
Miscellaneous Expenses	11,14,893	9,71,658
Printing and Stationery	1,67,078	2,08,563
Rates and taxes	3,00,176	2,98,386
Repairs & Maintenance	5,68,951	3,95,902
Veheal Expenses	-	-
Travelling and Conveyance	25,94,850	19,04,561
Margin Money Charges	-	-
Sales Promotion Expenses	-	16,100
Festival Expenses	1,29,400	2,96,620
Directors Remuneration	8,20,000	6,00,000
Loss on Sale of Transactiona - F & O	-	-
Loss on Sale of Fixed Asset	-	1,43,574
	1,19,63,281	1,02,46,118
<b>Net foreign exchange loss(gain)</b>	14,335	64,371
Total	6,04,69,872	5,62,62,287

\* All stores and spares consumed are indigenous in nature.

Note 27 : Earning per equity share		31.03.2017	31.03.2016
	Unit		
Net profit (loss) after tax	Rs.	9,69,95,456	70,38,836
Weighted average number of shares used in computing basic earnings per share	Numbers	62,25,000	62,25,000
Face value of equity shares	Rs.	10	10
Basic and diluted earnings per share	Rs.	15.58	1.13
<b>Note 28: Payment to Auditors (including service tax)</b>		<b>31.03.2017</b>	<b>31.03.2016</b>
Statutory audit under the Companies Act 1956		2,58,750	2,60,495
Tax Audit under the Income Tax Act 1961		69,000	69,192
Taxation matters		57,500	57,742
Certifications		23,000	18,765
Others		1,175	-
		<u>4,09,425</u>	<u>4,06,194</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)

Suresh Gaggar	Managing Director
Ramakant Gaggar	Director
Rathi Ramprakesh Sharad	Director
Manju Bhagchand Maheshwari	Director
Dinesh Nandwana	Director
Koshal Gupta	Company Secretary
Sanjay Ravindra Raut	CFO

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

Indra Gaggar	Relative of Director
Navratan Gaggar	Director of Subsidiary Company
Sangeeta Gaggar	Relative of 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	
	2016-17	2015-16	31.03.2017	31.03.2016
<b>Current liabilities</b>				
Short term borrowings				
Unsecured Loans:				
Ramakant Gaggar	15,00,000	-	-	-
Short term Loans And Advances				
Alaukik Mines & Power Pvt. Ltd.	2,45,00,000	-	-	-
Bhutta Investment Private Ltd.	-	(25,00,000)	0.00	0.00
<b>Non current assets</b>				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Bhuta Investment Private Limited	(1,20,00,000)	-	-	1,20,00,000
Alaukik Mines & Power Private Limited	(11,05,00,000)	-	-	11,05,00,000
<b>Current assets</b>				
Intercompany loans				
Bhuta Investment Private Limited	(22,68,852)	-	-	22,68,852
Alaukik Mines & Power Private Limited	(95,807)	-	-	95,807
GVS Chemical Private Limited	59,00,000	-	-	1,63,291
<b>Purchases</b>				
Ramakant Gaggar	-	-	NA	NA
Indra Gaggar	-	-	NA	NA
Sarika Gaggar	-	-	NA	NA

Particulars	Volume of Transactions		Balances as on	
	2016-17	2015-16	31.03.2017	31.03.2016
<b>Sales</b>				
Ramakant Gaggar	6,20,000	-	NA	NA
<b>Interest Received on Loan &amp; Advances</b>				
Bhuta Investment Private Limited	-	-	NA	NA
Alaukik Mines & Power Private Limited	-	-	NA	NA
<b>Interest Paid on Loan &amp; Advances</b>				
Alaukik Mines & Power Private Limited	-	-	NA	NA
<b>Remuneration</b>				
Salary to CFO	3,30,000	3,00,000	-	-
Salary to Related Parties	4,95,770	2,63,940	-	-
Remuneration to Directors	8,20,000	6,00,000	-	-

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

**Note 30** : Disclosure as required by Accounting Standard 15

The disclosures required under Accounting Standard 15 related to "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :

**Defined Benefit Scheme**

The employee's gratuity scheme is a defined benefit plan. The present value of obligations are determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the obligation. The obligation for Leave Encashment is recognised in the same manner as gratuity.

Particulars	Current Year	Previous year
	Gratuity	Gratuity
	Unfunded	Unfunded
<b>I Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :</b>		
1 Liability at the beginning of the year	1,51,038	82,212
2 Interest Cost	11,177	-
3 Current Service Cost	21,675	68,826
4 Actuarial (Gains) / Loss on obligations	(1,597)	-
5 Benefits paid	-	-
6 Net Acquisitions	-	-
7 Liability at the end of the year	1,82,293	1,51,038
<b>II Amount Recognised in Balance Sheet</b>		
1 Liability at the end of the year	1,82,293	1,51,038
2 Fair value of Plan Assets at the end of the year	-	-
3 Amount recognised in the Balance Sheet	1,82,293	1,51,038
<b>III Expenses Recognised in the Income Statement</b>		
1 Current Service Cost	21,675	68,826
2 Interest Cost	11,177	-
3 Expected Return on Plan Assets	-	-
4 Net Actuarial (gain) /loss to be Recognised	(1,597)	-
5 Expenses Recognised in Profit & Loss Account	31,255	68,826
<b>IV Balance Sheet Reconciliation</b>		
1 Opening Net Liability	1,51,038	82,212
2 Expenses as above	31,255	68,826
3 Employers Contribution	-	-
4 Net Acquisitions	-	-
4 Amount Recognised in Balance Sheet	1,82,293	1,51,038

V	Actuarial Assumptions		
1	Discount Rate ( % )	7.40%	N.A
2	Expected Return on Plan Assets ( % )	N.A	N.A

(a) In case of Subsidiary Company: No provision has been made for accrued liability in respect of gratuity payable to employees.

(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)**

(Amount in Rs.)

	As at 31.03.2017	As at 31.03.2016
Undertakings given by the subsidiary company under EPCG Scheme, pending fulfillment of export obligation	11,43,839	11,43,839

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

(Amount in Rs.)

	For the year ended	
	2016-17	2015-16
Repairs & Maintainance	2,65,081	7,72,415
Plant & Machinery	-	90,40,200
Laptop	1,21,220	-

**Note 33: Earnings in Foreign Exchange:**

(Amount in Rs.)

	For the year ended	
	2016-17	2015-16
FOB value of Exports	8,95,872	1,88,963
Tour Expense	16,605	-

**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 31<sup>st</sup> March 2017 is 70.10% (P.Y. 60.13%).

Financial statement is drawn up to 31<sup>st</sup> March 2017

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

As per our attached report of even date

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

**For and on behalf of the board**

sd/-  
CA. Vishnu Garg  
**Partner**  
Membership no. 045560

sd/-  
Suresh Gaggar  
**Managing Director**  
DIN: 00599561

sd/-  
Ramakant Gaggar  
**Director**  
DIN: 01019838

Place: Mumbai  
Dated: 30th May, 2017

Place: Mumbai  
Dated: 30th May, 2017





# GARNET INTERNATIONAL LIMITED

Regd. Office: 901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400021  
Tel: (91) (22) 66369942, Fax: (91) (22) 66369943, Email: info@garnetint.com, Website: www.garnetint.com  
(CIN: L74110MH1995PLC093448)

35th Annual General Meeting to be held on Wednesday, 27th September, 2017 at 1:00 P.M. at 1st Floor, The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai – 400 063

## ATTENDANCE SLIP

DP ID*	
--------	--

Register Folio No.	
--------------------	--

Client ID*	
------------	--

No. of Share(s)	
-----------------	--

Name & Address of Shareholder: \_\_\_\_\_

I/We hereby record my / our presence at the 35th Annual General Meeting at 1st Floor, The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai – 400 063 on Wednesday, 27th September, 2017 at 1:00 P.M.

\_\_\_\_\_  
Signature of Shareholder / Proxy

\* Applicable for investors holdings shares in electronic form.

.....

Form No.MGT-11

PROXY FORM

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

CIN: L74110MH1995PLC093448

Name of the Company: GARNET INTERNATIONAL LIMITED

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

Name of the Member(s): _____
Registered Address: _____
_____ E-Mail Id: _____
Folio No. / Client id:
DP ID:

I/We being the member(s) of \_\_\_\_\_ shares of GIL, hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_ having Email ID \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having Email ID \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having Email ID \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Wednesday, 27th September, 2017 at 1:00 P.M. at 1st Floor, The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai - 400 063 , and at any adjournment thereof in respect of such resolution as are indicated below.

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Res. No.	Particulars	For	Against
<b>Ordinary Business:</b>			
1	To approve and adopt Standalone and Consolidate Audited Financial Statement, for the year ended 31st March, 2017 and reports of the Board of Directors and Auditors thereon.		
2	To declare dividend on equity shares		
3	Re-appointment of Mr. Ramakant Gaggar, who retires by rotation.		
4	Ratification of Appointment of M/s. MVK Associates, Chartered Accountants as Auditors and fixing their remuneration.		

Res. No.	Particulars	For	Against
<b>Special Resolution:</b>			
5	To appoint Dr. Vidhu Rakesh Kakkar (DIN: 07652551) as an Independent Director in terms of Section 149 of the Companies Act, 2013.		

Signed this..... day of .....2017.

Affix  
Revenue  
Stamp of  
Re1/-

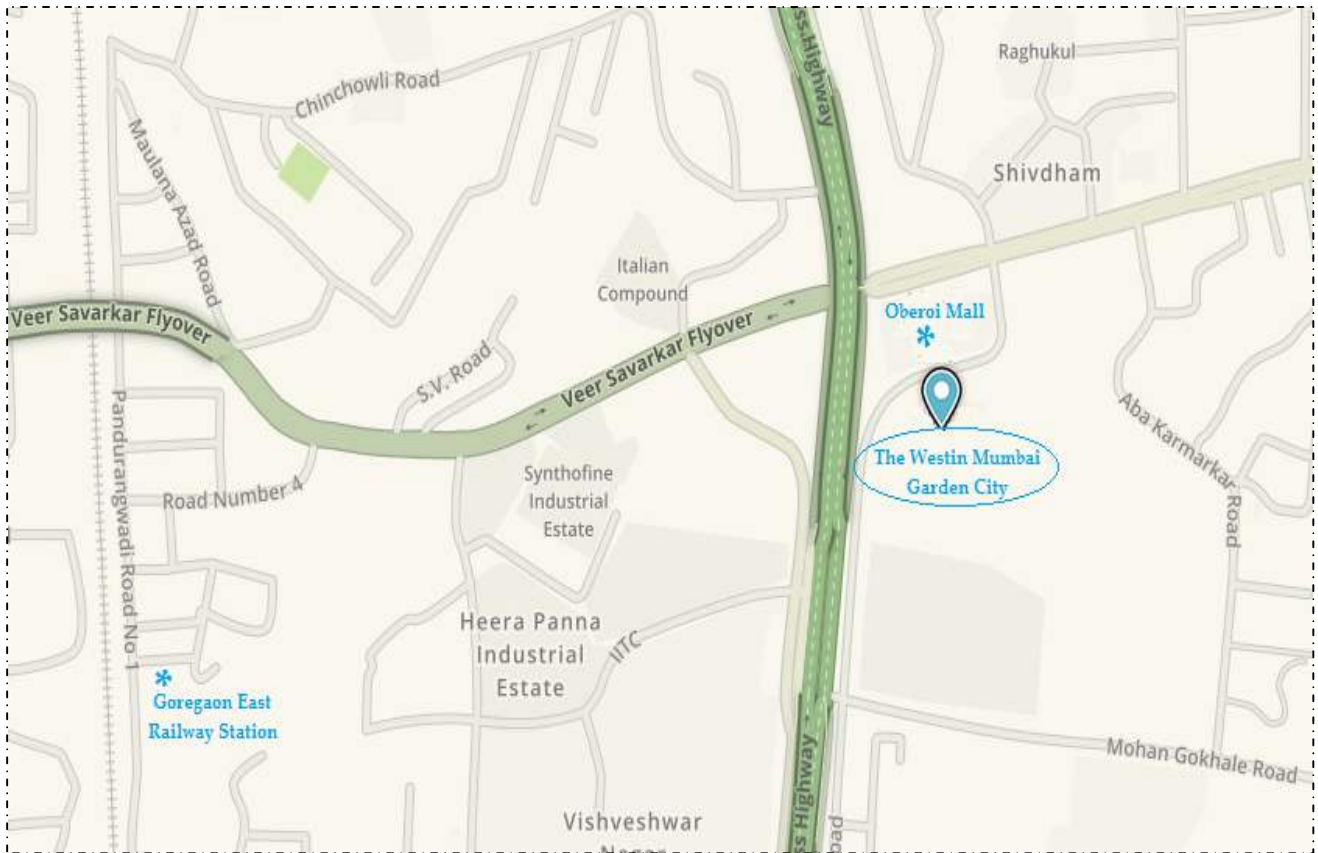
Signature of Shareholder: \_\_\_\_\_

Signature of Proxy Holders: \_\_\_\_\_

Notes:-

- 1) This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of Annual General Meeting of the Company.
- 2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 35th Annual General Meeting.
- 3) \*\*\*This is only optional. Please put a 'X' in the appropriate column against a resolutions indicated in the box.
- 4) Please complete all details including details of Members (S) in above box before Submission.

ROUTE MAP TO THE 35<sup>TH</sup> ANNUAL GENERAL MEETING VENUE



- **Venue** – The Westin Mumbai Garden City, Western Express Highway, Goregaon (East)
- **Nearby Land Mark** – Oberoi Mall, Western Express Highway, Goregaon (East)
- **Distance from Oberoi Mall** – 350 Meters (approx)
- **Nearby Railway Station** – Goregaon (East)
- **Distance from Goregaon Station** - 1.7 kms (approx)







**BOOK - POST**

If undelivered please return to:

**Garnet International Limited**

901, Raheja Chambers, Free Press Journal Marg,  
Nariman Point, Mumbai - 400 021

