



GARNET
INTERNATIONAL

Annual Report

2017-18

36th Annual Report



Chairman's Message



Dear Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure to share with you the progress your company has made over the last twelve months and my thoughts on the future that lies ahead of us. The year 2017-18 has presented several opportunities as well as challenges that we have tackled to achieve the highest ever Profit After Tax (PAT) in the history of your company. We remain committed to our vision to become the most preferred investment company in India. While the pillars for our next leg of growth are in place, we remain focussed on meeting the challenges that come up to achieve our goal.

The Indian Economy has rebounded well from the short-term disruptions of demonetization in 2016 and introduction of Goods and Services Tax (GST) in July 2017 to post a blistering 7.7% GDP growth in the last quarter of fiscal 2018. The rising position of India amongst the Emerging Markets as well as the global economy makes it a secular growth story and your company is well positioned to benefit from the long-term value creation this growth brings. However, the journey is not expected to be devoid of any uncertainties, with volatility in foreign fund flows, fluctuating political climate and the increasing trade deficit being the key risks to this growth engine.

With earnings improvement in the backdrop, the year was also witness to a strong up move in capital and equity markets on the back of rising liquidity driven by record mutual fund inflows. The Nifty touched its all time high of 11,172 on 29th January 2018 but closed the year at 10,113 with 9.5% return. During the Annual Budget 2018-19, the Honourable Finance Minister removed the tax exemption on long term capital gains and introduced 10% income tax. Despite the introduction of long term capital gains tax, we believe that equity remains the best bet to defeat inflation by giving superior tax adjusted returns.

When we look towards growth, we shall do so while upholding our core values and our accountability to the many stakeholders we serve. The Board of Directors continue to work towards shareholders' wealth maximization and took several steps in that direction during the year such as augmenting the growth capital of the company via preferential allotment, issue of bonus shares and a healthier dividend pay-out ratio. We promise to continue all endeavours while ensuring that the long-term interests of the shareholders are given the utmost priority.

I take this opportunity to thank all shareholders for their unwavering commitment and belief in the company and its management.

Suresh Gaggar
Chairman

BOARD OF DIRECTORS OF THE COMPANY



**Mr. Suresh Gaggar,
Executive Chairman**

Mr. Suresh Gaggar has been associated with Garnet International Limited since they day of its inception, bringing with him more than 35 years of business acumen in capital markets and financial services.

Having experienced the peaks and troughs of the business, he has a deep understanding of the intricacies of the Indian financial markets. A post graduate in Commerce from the University of Rajasthan, he has the right mix of strong business roots and a history of courageous business decisions with decades of rich experience in the industry.

With a keen eye for the potentially successful businesses, he invests not only on the USP and the business case, but also people. He can connect with people across generations, making him one of the most dynamic people in the organization, fluidly co-existing with ideas of the past, truth of the present and the potential in the future. His strong analytical bent of mind combined with his rich industry involvement makes him known among his esteemed peers for rock-solid foresight in the equity market.

He believes in the idea of running the organisation like that of a lean start-up with enough fodder for the mind and soul and strives to create an office eco-system conducive to human growth and its potential.

While his heart is entrenched into business cases and bottom-line, he has his soul deep-rooted into the idea of giving back to the world what it gave to him. Engaging in broad realms of philanthropic activities with NGOs and NPOs, his theory in life is that life has no theory and that everyone has their destined purpose.



**Mr. Ramakant Gaggar,
Managing Director**

Mr. Ramakant Gaggar brings to the organization 23 years of rich experience in the capital markets and financial services.

With robust expertise in areas of compliance, his extensive knowledge and his vigor and zest for keeping the gears moving, he is known to run the everyday operations of the organization.

Possessing complete control over the organization's backend working, he is the coveted expert in arenas of Corporate Governance, Compliance, Company Law and the daily functioning of Garnet International Limited.



**Dr. Jaswantsingh Patil,
Non-Executive Independent Director**

Dr. Jaswantsingh Dilipsingh Patil is a MBBS, M.D (Chest), B.H.M.S, MD (Alternative Therapies). Dr. Pail is a Mentor & PG Guide at Hanhemann College of Homeopathy, UK Founder & Chief Visionary DEEP GANGA GROUP. Dr. Patil was also an EX-Lecturer in K.E.M Hospital, Mumbai. He has 29 years of experience in Allopathy, 16 years of experience in Homoeopathy and 12 years of experience in different alternative therapies 1999 onwards.

He is a renowned Cardiologist as well as a Celebrated Homeopath. He has successfully treated many patients of Pulmonary Tuberculosis, Multiple Sclerosis and Gynecological disorder.

He is the founder and chairman of Deep Ganga Foundation.

BOARD OF DIRECTORS OF THE COMPANY



**Mrs. Manju Maheshwari,
Non Executive Independent Women Director**

An Independent Woman Director, Mrs. Manju brings to the organisation a very strong edge from her very valuable experience in the Banking Sector.

Having served with Bank of Baroda for more than three decades, she has extended her deep knowledge and values to the organisation.

Beyond her core areas of expertise, she has great interest in social entrepreneurship and advises the company on social investing and related matters.



**Mr. Sharad Rathi
Non-Executive Independent Director**

With 25 years of strong industry experience, Mr. Sharad Rathi brings a competitive edge to the company in matters relating to project finance, working capital, securitization and capital allocation. He is an independent Director of the company.

A graduate in commerce from Mumbai University and a Fellow Chartered Accountant, his expertise includes managing IPOs, private equity and debt assignments across industries such as healthcare, power, textiles, infrastructure, retail and entertainment.

With his career experience in Merchant Banking, Mr. Sharad Rathi had played a pivotal role for several large & reputed corporates across various sectors.

He also manages an advisory firm which provided independent consultancy for financial and equity related matters.

Board of Directors

Mr. Suresh Gaggar	Chairman Executive Director
Mr. Ramakant Gaggar	Managing Director
Dr. Jaswantsingh Patil	Non-Executive Independent Director
Mrs. Manju Maheshwari	Non-Executive Independent Director
Mr. Sharad Rathi	Non-Executive Independent Director

Chief Financial Officer

Mr. Sanjay Ravindra Raut

Company Secretary and Compliance officer

Mrs. Deepika Pandey

Registered Office

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

Statutory Auditor

M/s. M.V.K & Associates (FRN: 120222W), Chartered Accountants, Mumbai

Banker

HDFC Bank Limited

Registrar & Transfers Agents

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

Phone: 022 49186270, Fax: 022 49186060, e-mail: rnt.helpdesk@linkintime.co.in

Shares Listed on: BSE Limited (code: 512493)

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NOTICE OF 36TH ANNUAL GENERAL MEETING OF THE COMPANY

Notice is hereby given that the 36th Annual General Meeting (AGM) of Members of Garnet International Limited will be held on Monday, 10th day of September, 2018 at 11.00 a.m. at The Westin Mumbai Garden City, International, Business Park, Oberoi Garden City, Goregaon (East), Mumbai – 400 063, Maharashtra, to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt:
 - a. Audited Standalone Financial Statement for the year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
 - b. Audited Consolidated Financial Statement for the year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditors thereon
2. To declare dividend for the financial year 2017-18 on Equity Shares.
3. To appoint a director in place of Mr. Suresh Gaggar (DIN: 00599561), who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration 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 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company hereby ratifies the appointment of M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W) as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the 40th Annual General Meeting of the Company on such remuneration plus applicable taxes and out of pocket expenses, as may be mutually agreed upon by the Board of Directors and Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) and /or Company Secretary be and are hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

SPECIAL BUSINESS:

5. Appointment of Mr. Suresh Gaggar, as Chairman of the Company

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

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, Mr. Suresh Gaggar, Managing Director of the Company be and is hereby designated as Chairman of the Company by the Board of Directors effective 28th June, 2018 and who shall be liable to retire by rotation.

RESOLVED FURTHER THAT Board (which includes Nomination, Remuneration and Compensation Committee) be and is hereby authorised to do all deeds, acts, matters things and execute all such documents and writings as may be required to delegate all or any of its power herein conferred to any committee of Directors or any Director as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this resolution.”

6. Appointment of Mr. Ramakant Gaggar, as a Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013, the relevant rules made thereunder read with Schedule V of the said Act (including any statutory modifications and re-enactment thereof, for the time being in force) Mr. Ramakant Gaggar (DIN: 01019838), executive director of the company be and is hereby designated as Managing Director of the Company for a period of five years (5) with effect from 28th June, 2018 to 27th May, 2023, liable to retire by rotation, on the terms & conditions and remuneration as set out below:

- A. **SALARY:** Rs. 1,50,000 per month/-
- B. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company. These will not be included in the computation of the ceiling on perquisites or remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity shall be payable as per the rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- C. Car for Company's business.
 Telephone at residence and mobile phone for Company's business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the designation of Mr. Ramakant Gaggar and the terms and conditions of his appointment including remuneration and/or perquisites payable or to be provided (including any monetary value thereof) to him to the extent the Board of Directors deem fit.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Ramakant Gaggar, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Board (which includes Nomination, Remuneration and Compensation Committee) be and is hereby authorised to do all deeds, acts, matters things and execute all such documents and writings as may be required to delegate all or any of its power herein conferred to any committee of Directors or any Director as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this resolution."

7. Appointment of Dr. Jaswantsingh Patil as an Independent Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time and Listing Regulations, Dr. Jaswantsingh Patil (DIN 02894705) who was appointed by the Board as an additional Non-Executive Independent director w.e.f 28th June, 2018, pursuant to provisions of Section 161 of the Act and who holds office up to the date of this Annual General Meeting and who has also submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 years w.e.f 28th June, 2018."

8. To re-appoint Mr. Sharad Rathi, as an Independent Director of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:-

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Shard Rathi (DIN: 00001879), who was appointed as an Independent Director and who holds office of Independent Director till the date of 31st March, 2019 and being eligible be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from 01st April, 2019."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM. The Proxy form, forms a part this Annual Report.

2. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Corporate members intending to send their authorised representatives to attend the AGM 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 AGM.
4. Members, Proxies and Authorised Representatives are requested to bring to the Meeting, the Attendance Slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate Attendance Slip or copies of the Report and Accounts will not be made available at the Annual General Meeting ("AGM") venue.
5. A brief resume of each of the Directors proposed to be appointed/re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, (Listing Regulations) 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards-2 on General Meetings, are provided in Annexure 1.
6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this AGM and also at the AGM.
7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 04th September, 2018 to Monday, 10th September, 2018 (both days inclusive), for the purpose of the declaration of dividend.
9. The dividend on Equity Shares, if declared at the Meeting, will be paid on or before 09th October, 2018, to those Members or their mandates:
 - (a) whose name appears at the end of the business hours on Monday, 03rd September, 2018 in the list of Beneficial Owners to be furnished by Depositories (NSDL and CDSL) in respect of the shares held in demat form ; and
 - (b) whose names appear as Members on the Company's Register of Members after giving effect to valid share transfer request in physical form lodged with Share Transfer Agents (STA) of the Company on or before Monday, 03rd September, 2018.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company/Company.
11. Electronic copy of the Annual Report for FY 2017-18 is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for FY 2017-18 are being sent in the permitted mode. Members are requested to support Green initiative by registering/ updating their e-mail addresses with the Depository participant (in case of shares in dematerialized form) or with Link Intime India Private Limited (in case of shares held in physical form)
12. Electronic copy of the Notice of the 36th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 36th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

13. Members may also note that the Notice of the 36th AGM and the Annual Report for FY 2017-18 will also be available on the Company's website www.garnetint.com for their download and also on the website of National Securities Depository Limited viz. <https://www.evoting.nsdl.com>. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the Members may also send requests to the Company's email id: secretarial@garnetint.com/ garnetint1995@gmail.com.
14. Unclaimed Dividends for the financial year 2009-2010 paid by the Company have been transferred to Investor Education and Protection Fund ('said Fund') of the Central Government and thereafter which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company (www.garnetint.com) as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Unclaimed dividend for the FY 2010-11 will fall due for transfer to the said Fund on 04th December, 2018. Those Members, who have not encashed their dividends for the FY 2010-11, are requested to claim it from the RTA of the Company immediately. Those Members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or the RTA of the Company.
15. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended from time to time all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more as on 04th December, 2017 shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). The Company has also written to the concerned Shareholders intimating them their particulars of the equity shares due for transfer. These details are also available on the Company's website www.garnetint.com. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at www.iepf.gov.in.
16. All correspondence including share transfer documents should be addressed to the RTA of the Company viz. Link Intime India Private Limited, C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083, Tel:022- 49186000, e-mail: rnt@linkintime.co.in.
17. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate to the Company's STA the following information to be incorporated on the dividend warrants duly signed by the sole or first joint holder:
- (i) Name of the Sole/First joint holder and the Folio Number
 - (ii) Particulars of Bank Account, viz: Name of the Bank
 - Name of the Branch
 - Complete address of the Bank with Pin Code number
 - Account type whether Saving or Current
 - Bank Account Number
 - MICR Code
 - IFSC Code
- (b) Members holding shares in demat form may please note that their Bank account details, as furnished by their Depository Participant (DP) to the Company, shall be printed on their Dividend Warrants as per the applicable regulation of the Depositories and the Company shall not entertain any direct request from the members for deletion of or change in Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in demat form. Members who wish to change their Bank details or particulars are requested to contact their DP.
- (c) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided facility to the Members for remittance through Direct Credit. In this regard, Members holding shares in demat form and desirous of availing the Direct Credit facility are requested to contact their DP. Further, Members holding shares in physical form and desirous of availing the Direct Credit facility are requested to contact the STA of the Company.

18. Members are requested to:

- (a) intimate to the Company's STA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
- (b) intimate to the respective DP, changes, if any, in their registered addresses/email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
- (c) quote their Folio Numbers/Client ID/DP ID in all correspondence; and
- (d) consolidate their holdings into one Folio in case they hold shares under multiple Folios in the identical order of names.

19. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS – 2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the AGM ("remote e-voting") using an electronic voting system provided by National Securities Depository Limited ("NSDL"), on all the business items set forth in the Notice of AGM and the business may be transacted through such remote e-voting. The instructions to e-voting explain the process and manner for generating/receiving the password, and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items:

- a. The remote e-voting period will commence on Friday, 07th September, 2018 (9.00 am IST) and will end on Sunday, 09th September, 2018 (5.00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 03rd September, 2018, may cast their votes through remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 pm (IST) on Sunday, 09th September, 2018 and remote e-voting shall not be allowed beyond the said time.
- b. The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being Monday, 03rd September, 2018.
- c. Once the vote on a resolution is cast by a Member through remote e-voting, he/she/it shall not be allowed to change it subsequently.
- d. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date, i.e. Monday, 03rd September, 2018, may refer to this Notice of the AGM of the Company, posted on Company's website www.garnetint.com for detailed procedure with regard to remote e voting he may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.. The Notice shall also be available at <https://www.evoting.nsdl.com>. Any person who ceases to be the Member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- e. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the Members, there shall be no voting by show of hands at the AGM. The Company is also offering facility for voting by way of polling papers at the AGM for the Members attending the meeting who has not cast their vote by remote e-voting.
- f. A Member may participate in the AGM even after exercising his right to vote through remote e-voting, cannot vote again at the AGM.
- g. If a Member cast votes by both modes i.e. remote e-voting and polling papers at the AGM, then voting done through remote e-voting shall prevail and polling paper shall be treated as invalid.
- h. The Company has appointed M/s Sidharth Sharma & Associates, Practice Company Secretary Firm, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- i. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.

- j. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.garnetint.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

- (i) The voting period begins on Friday, 07th September, 2018 (9.00 am IST) and will end on Sunday, 09th September, 2018 (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, 03rd September, 2018 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cssiddharthsharma@gmail.com with a copy marked to evoting@nsdl.co.in.
 - b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
 - c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
 - d) The shareholders holding shares in physical are requested to contact on toll free no. 1800 222 990 or evoting@nsdl.co.in for getting their login Id and Password for the purpose of e voting.
20. Members desirous of asking any questions at the AGM are requested to send in their questions so as to reach the Company at least 10 days before the AGM, so that the same can be suitably replied.
21. The Landmark and routemap to the venue of the AGM is attached and forms a part of this Notice.

By Order of the Board of Directors,

DEEPIKA PANDEY
Company Secretary
ACS No: 41277

Mumbai, 28th June, 2018

Registered Office:

901, Raheja Chambers, Free Press Journal Marg,
Nariman Point Mumbai 400021
CIN: L74110MH1995PLC093448
Email ID: secretarial@garnetint.com
Website: www.garnetint.com
Tel No: 91-022-22820714

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned from Item Nos. 5 to 8 of the accompanying Notice dated 28th June, 2018.

Item No.5:

Mr. Suresh Gaggar, Managing Director of the Company is elevated as Chairman of the Company, pursuant recommendation of the Nomination, Remuneration and Compensation Committee of Board of Directors w.e.f 28th June, 2018.

Mr. Suresh Gaggar has been associated with Garnet International Limited since they day of its inception, bringing with him more than 35 years of business acumen in capital markets and financial services. Having experienced the peaks and troughs of the business, he has a deep understanding of the intricacies of the Indian financial markets. A post graduate in Commerce from the University of Rajasthan, he has the right mix of strong business roots and a history of courageous business decisions with decades of rich experience in the industry.

With a keen eye for the potentially successful businesses, he invests not only on the USP and the business case, but also people. He can connect with people across generations, making him one of the most dynamic people in the organization, fluidly co-existing with ideas of the past, truth of the present and the potential in the future. His strong analytical bent of mind combined with his rich industry involvement makes him known among his esteemed peers for rock-solid foresight in the equity market.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.5 of the Notice.

Item No. 6:

Mr. Ramakant Gaggar, was associated with the Company as executive director from last 23 years. Pursuant to recommendation of the Nomination, Remuneration and compensation committee and Board of Director it has now been proposed to designate Mr. Ramakant Gaggar, as Managing Director of the Company w.e.f 28th June, 2018

Mr. Ramakant Gaggar brings to the organization 23 years of rich experience in the capital markets and financial services. With robust expertise in areas of compliance, his extensive knowledge and his vigor and zest for keeping the gears moving, he is known to run the everyday operations of the organization.

Possessing complete control over the organization's backend working, he is the coveted expert in arenas of Corporate Governance, Compliance, Company Law and the daily functioning of Garnet International Limited.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Ramakant Gaggar, are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Item No. 7:

Pursuant to the provisions of section 149 of Companies Act 2013, and Rule 4 of the Companies (appointment and qualification of Directors) Rules, 2014 every listed Company shall have at least two directors as Independent Directors, on their Board who are not liable to retire by rotation.

The Board of Directors vide resolution dated 28th June, 2018 has appointed Dr. Jaswantsingh Patil, as Additional Non Executive Independent Director of the Company, who is holding office till the conclusion of the this Annual General Meeting and who has also submitted a declaration that he meet the criteria of independence as prescribed under Section 149 of the Act and Listing Regulation. Hence on the recommendation of Nomination, Remuneration and compensation committee and Board of Directors Dr. Jaswantsingh Patil is appointed as Independent director of the Company for a period of five years commencing from 28th June, 2018. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Dr. Jaswantsingh Patil as an Independent Directors of the Company is now being placed before the Members for their approval.

None of the Directors except Dr. Jaswantsingh Patil or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The profile of Dr. Jaswantsingh Patil is given in the table mentioned below as Annexure-I.

The Board recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

Item No.8:

Mr. Sharad Rathi was appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company till date of 31st March, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

Nomination, Remuneration and Compensation Committee of the Board of Directors and on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Sharad Rathi as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination, Remuneration and Compensation Committee, considers that given background and experience and contributions made by them during their tenure, the continued association of Mr. Sharad Rathi would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Sharad Rathi, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

None of the Directors except Mr. Sharad Rathi or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board commends the Special Resolutions set out at Item No. 8 of the Notice for approval by the members.

By Order of the Board of Directors,

DEEPIKA PANDEY
Company Secretary
ACS No: 41277

Mumbai, 28th June, 2018

Registered Office:

901, Raheja Chambers, Free Press Journal Marg,
Nariman Point Mumbai 400021
CIN: L74110MH1995PLC093448
Email ID: secretarial@garnetint.com
Website: www.garnetint.com
Tel No: 91-022-22820714

ANNEXURE-I

DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AT THE FORTHCOMING AGM AS REQUIRED BY REGULATION 26 AND REGULATION 36(3) OF THE LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS – 2)

Particulars	Mr. Suresh Gaggar	Mr. Ramakant Gaggar
Age	55 years	45 Years
Qualification	Commerce Graduate from Mumbai University	Commerce Graduate from Mumbai University
Experience	More than 35 years of business acumen in capital markets and financial services. Please refer company's website: www.garnetint.com for detailed profile.	More than 23 years of rich experience in the capital markets and financial services. Please refer company's website: www.garnetint.com for detailed profile.
Terms and Conditions of Appointment / Reappointment	As per the Item No.5 of the Notice dated 28 th June, 2018 for convening the 36 th AGM on 10 th September, 2018 Mr. Suresh Gaggar, proposed to be designated as Chairman of the Company.	As per the Item No.6 of the Notice dated 28 th June, 2018 for convening the 36 th AGM on 10 th September, 2018 Mr. Ramakant Gaggar, proposed to be designated as Managing Director of the Company for a period of 05 years.
Remuneration last drawn (including sitting fees, if any)	Nil	Nil
Remuneration proposed to be paid	Nil	Rs.1,50,000 per month.
Date of first appointment on the Board	04 th March, 1996	24 th September, 2007
Shareholding in the Company as on March 31, 2018	1806810 Equity Shares	3752589 Equity Shares
Relationship with other Directors/ Key Managerial Personnel	Brother of Mr. Ramakant Gaggar	Brother of Mr. Suresh Gaggar
Number of meetings of the Board attended during the year	9	9
Directorships of other Boards as on March 31, 2018	<ul style="list-style-type: none"> * Alaukik Mines & Power Pvt Ltd * Bhuta Investment Pvt Ltd * Mangal Savitri Bizcon Private Limited * Gini Silk Mills Ltd * Maxwell Management Services Pvt Ltd * Minex Explore Pvt Ltd 	<ul style="list-style-type: none"> * Alaukik Mines & Power Pvt Ltd * Bhuta Investment Pvt Ltd * Mangal Savitri Bizcon Private Limited * GVS Chemical Pvt Ltd * Maxwell Management Services Pvt Ltd * Minex Explore Pvt Ltd * Sukartik Clothing Pvt Ltd * Garnet Valorem Capital Ventures Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	Gini Silk Mills Limited Chairman-Audit Committee Member-Nomination, Remuneration and Compensation Committee	-

Particulars	Dr. Jaswantsingh Patil	Mr. Sharad Rathi
Age	57 years	50 years
Qualification	MBBS, M.D (Chest), B.H.M.S, MD (Alternative Therapies)	Commerce Graduate from Mumbai University and Fellow Chartered Accountant
Experience	29 years	With 25 years of strong industry experience in matters relating to project finance, working capital, securitization and capital allocation. Please refer company's website: www.garnetint.com for detailed profile.
Terms and Conditions of Appointment / Reappointment	Dr. Jaswantsingh Patil, proposed to be appointed by the members as an Independent Director of the Company for a period of 05 years commencing from 28 th June, 2018	As per the shareholders resolution dated 30 th September, 2014, Mr. Sharad Rathi was appointed as Independent Director of the Company for a period of 05 years.
Remuneration last drawn (including sitting fees, if any)	Nil	Nil
Remuneration proposed to be paid	Nil	Nil
Date of first appointment on the Board	28 th June, 2018	21 st July, 2010
Shareholding in the Company as on March 31, 2018	15,000 Equity Shares	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	Nil	9
Directorships of other Boards as on March 31, 2018	* Deep Ganga Foundation * Deepganga Total Health Solutions Private Limited	* Sukartik Clothing Private Limited * Blue Square Corporate Services Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	Nil	-

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Thirty Sixth (36th) Directors' Report of your Company along with the financial statements for the financial year ended 31st March, 2018.

OPERATING RESULTS

1. Certain key aspects of your Company's performance during the financial year ended 31st March, 2018, as compared to the previous financial year are summarized below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
Income for the year	34436.21	4947.08	35557.16	6408.56
Expense for the year	33456.42	3842.73	34600.03	5141.58
Profit before Tax and Interest	979.79	1104.35	957.13	1266.98
Current Tax	213.89	222.87	213.89	254.53
Provisions for Taxation/ Deferred Tax	(1.17)	(1.37)	9.78	10.52
Net Profit / (Loss) for the Current Year	1166.27	882.85	1132.65	995.75
Minority Interest & Profit from Associate Company	-	-	(9.98)	25.77
Net Profit After Tax	1166.27	882.85	1142.63	969.95
Transfer to General Reserves				
Balance carried to Balance Sheet	1166.27	882.85	1142.63	969.95

2. DIVIDEND AND RESERVES:

Your Directors recommend for approval of the Members at the ensuing Annual General Meeting (AGM), a dividend of 0.50 paise (5%) per equity share of Rs. 10 each, for the financial year ended 31st March, 2018. The dividend will be paid in compliance with the applicable rules and regulations.

No amount was transferred to General Reserve during the year

3. SHARE CAPITAL

During the year under review, the Company vide special resolution dated 15th December, 2017 has issued 3,20,000 (Three Lac Twenty Thousand only) Convertible Warrants ("Warrants") on a preferential basis to Non-Promoter Individuals with a right to Warrant Holders to apply for and get allotted one equity share of face value of Rs.10/- (Rupees Ten Only) each (the "Equity Shares") for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of Warrants and the Board of Director of the Company vide resolution dated 05th February, 2018 has allotted 2,84,552 equity shares to the warrant holder of the Company, due to which the paid up share capital of the Company has increased from Rs. 6,22,50,000 to Rs. 65,095,520 consisting of 6509552 fully paid up equity shares of the Company.

The Company vide ordinary resolution dated 26th February, 2018 passed by way of postal ballot has increased the Authorised Share Capital from existing Rs.7,50,00,000/- (Rupees Seven Crore Fifty Lacs only) divided into 75,00,000 (Seventy Five Lacs only) equity shares of Rs.10/- each to Rs.30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore only) equity shares of Rs.10/- each ranking pari pasu with existing shares of the Company. In the same notice of postal ballot which consist of increase in Authorised share capital of the Company, the Company also got approved the issue of Bonus Equity Shares to the Equity Shareholders of the Company in the ratio of 2:1. The board of Director of the Company at its meeting held on 08th March, 2018 has allotted 13019104 bonus equity shares to the Equity Shareholders of the Company.

Hence the Paid up Capital of the Company which was stood at Rs. 6,22,50,000 on 31st March, 2017 has increased to Rs. 19,52,86,560 consisting of 1,95,28,656 fully paid equity shares of the Company on 31st March, 2018.

4. OVERVIEW OF OPERATIONS:

During the year under review, on Standalone basis your Company recorded a total income of Rs. 34,436.21 lakhs as compared to last year's total Income of Rs. 4,947.08 lakhs and Net Profit of Rs. 1166.27 lakhs as compared to last year's net profit of Rs. 882.85 Lakhs. For further information, kindly refer to Management Discussion and Analysis Report which includes the growth of the Company, forming part of this Annual report.

5. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 ("the Act") and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014 is appended as **Annexure I** to the Annual Report.

6. NUMBER OF MEETINGS OF THE BOARD

The Board met 9 (Nine) times in Financial Year 2017-18 (FY 2017-18) viz., on 01st April, 2017, 30th May, 2017, 10th August, 2017, 14th November, 2017, 18th November, 2017, 24th January, 2018, 05th February, 2018, 08th March, 2018 and 27th March, 2018.

The details of attendance of Director with respect to above meetings are as follows:

Name of Director	No. of Meeting eligible to Attend	No. of Meeting Attended
Mr. Suresh Gaggar	9	9
Mr. Ramakant Gaggar	9	9
*Mr. Dinesh Nandwana	3	1
*Dr. Vidhu Kakkar	7	7
Mrs. Manju Maheshwari	9	9
Mr. Sharad Rathi	9	9

* Dr. Vidhu Kakkar has appointed on 30th May, 2017 and resigned w.e.f from 26th March, 2018/ Mr. Dinesh Nandwana has resigned from the Board w.e.f 10th August, 2017

7. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

- i. In the preparation of the annual accounts for financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2018 and of the profit of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts for financial year ended 31st March, 2018 on a 'going concern' basis.
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.
- vi. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

8. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(7) of the Act, confirming that they meet the criteria of independence under Section 149(6) of the Act, and Regulation 16 (1)(b) of the Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act and Regulation 19 of Listing Regulations, is appended as **Annexure II** to this Annual Report.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, read with Companies (Meeting of Board and Its Powers) Rules, 2014 as on 31st March, 2018 are given in the notes to the Financial Statements forming part of this Annual report.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, your Company has not entered into transactions with related parties as defined under section 2(76) of the Act, read with the Companies (Specification and Definitions Details), Rules, 2014 and Rules made thereunder and Regulation 23 of the Listing Regulations. All the transactions with the Related Parties are at arm's length basis and these transactions are not of material in nature as per Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014. The related party transactions are placed before the Audit Committee as also the Board for approval. The Form AOC- 2 of the Companies (Accounts) Rules, 2014 is set out as **Annexure III** to this Annual Report.

The details of party transactions as required under Accounting Standard-18 are set out in notes to accounts to the Financial Statements forming part of this Annual Report.

The Policy on Related Party Transaction may be accessed on the Company's website at the link: <http://garnetint.com/mdocs-posts/related-party-transactions-policy/>

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

13. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014 is given in **Annexure IV** to this Annual Report.

14. BUSINESS RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure and potential impact analysis on a Company's business.

15. CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. Your Company's Annual Report on the CSR activities undertaken during the financial year ended 31st March, 2018, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure V**.

16. VIGIL MECHANISM

The Company has adopted a Vigil Mechanism and Whistle Blower Policy for Directors and Employees in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations, to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. The said policy is also available on the Company's website: <http://garnetint.com/mdocs-posts/vigil-mechanisim-policy/>

17. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD

Pursuant to the provisions of the Act, and Regulation 17 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were evaluated after taking inputs from the Committee members on the basis of criteria such as degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors.

18. SUBSIDIARY COMPANIES

The Company is having one material Subsidiary i.e. Sukartik Clothing Private Limited. Further, Company has also formulated policy for determining material subsidiary and the same is available on Company's website and the same may be accessed at the link: <http://garnetint.com/mdocs-posts/policy-for-determining-material-subsiary/>

Further during the year Garnet Valorem Capital Ventures Private Limited was incorporated as subsidiary of the Company on 16th January, 2018.

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- VI**.

19. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT 2013

The Company has neither accepted nor renewed any deposits during the Financial Year 2017-18 in terms of Chapter V of the Act.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

21. INTERNAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to financial statements. The Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act, to the extent applicable. These are in accordance with generally accepted accounting principles in India.

The Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.

The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Section 152(6)(e) of the Act, Mr. Suresh Gaggar (DIN: 00599561), Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors, at its meeting held on 30th May, 2017 has appointed Dr. Vidhu Kakkar as an Additional Independent Director. Further as per the declaration given by her she has been re-designated from Additional Non Executive Independent director to Non-Executive Non Independent Director and she has resigned from the Board w.e.f. 26th March, 2018. Mr. Dinesh Nandwana has also resigned as an Independent Director of the Company w.e.f. 10th August, 2017.

Board places on record its appreciation for the assistance and guidance provided by Mr. Dinesh Nandwana and Dr. Vidhu Kakkar during his tenure as Director of the Company.

Further the Board of Director at its meeting held on 28th June, 2018, subject to approval of members, the Board has appointed Mr. Suresh Gaggar as Chairman of the Company, Mr. Ramakant Gaggar as Managing Director of the Company and Dr. Jaswantsingh Patil as an Additional Independent Director of the Company. Mr. Ramakant Gaggar and Dr. Jaswantsingh Patil, if appointment approved by the member, will be appointed for the period of 05 years commencing from 28th June, 2018.

23. AUDITORS

1. Statutory Auditor

The members of the Company at its meeting held on 27th September, 2017 has appointed M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W) as Statutory Auditor of the Company for second consecutive term of five years i.e. from the conclusion of 35th Annual General meeting of the Company till the Conclusion of the 40th Annual General Meeting of the Company subject to ratification by the shareholders of the Company at every annual general meeting of the Company held thereafter or as may be necessitated by the Act from time to time.

M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W) have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Act and rules issued thereunder (including all statutory modification and amendment made from time to time).

Auditors report for the financial year ended 31st March, 2018 forms part of this Annual Report. Following mentioned remarks are given by the Auditors of the Company in their Audit Report for the year ended 31st March, 2018:

- a. *Company's Financial Assets constitutes more than 50% of total assets and income from financial assets constitutes more than 50% of the gross income, in lieu of this, Company has changed its Main Object clause and is also under process of registering itself with RBI under Sec. 45IA.*
- b. *In the case of one of the Subsidiary Company, Provision for Employee benefits has not been done as per Accounting Standard 15 which deals with "Employee Benefits".*

Further, the Audit Committee and Board of Directors of the Company recommends to the members of the Company for ratification of appointment of statutory auditor of the Company from this ensuing Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company.

2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Sidharth Sharma & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report is annexed as **Annexure VII** to this Annual Report.

Following are the observation given by the Secretarial Auditor of the Company:

- a) 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.
- b) The Company has generally complied with Section 135 of Companies Act, 2013, except for the amount lying unspent.

24. CORPORATE GOVERNANCE

Pursuant to Listing Regulations, the Management Discussion & Analysis Report and Corporate Governance Report together with Certificate from Practicing Company Secretary, on compliance with the conditions of Corporate Governance as lay down, forms a part of this Annual Report.

25. AUDIT COMMITTEE OF THE COMPANY:

The Company's Audit Committee comprises the following Directors:

1. Mr. Sharad Rathi (Chairman);
2. Mr. Ramakant Gaggar;
3. Mrs. Manju Maheshwari

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Act, and Regulation 18 of the Listing Regulations.

26. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits, top 10 employees in terms of remuneration drawn and other Disclosures pertaining to remuneration are provided in **Annexure VIII** to this Annual Report.

Having regard to the provisions of the proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company

The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

27. ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation of the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

sd/-
Suresh Gaggar
Chairman
DIN: 00599561

Mumbai, 28th June, 2018

Registered Office:

901, Raheja Chambers, Nariman Point, Mumbai – 400021
CIN : L74110MH1995PLC093448
Email ID: secretarial@garnetint.com
Website : www.garnetint.com
Tel No : 91-022-22820714

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-I

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

[Pursuant to section 92(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L74110MH1995PLC093448
ii)	Registration Date	09 th October, 1995
iii)	Name of the Company	Garnet International Limited
iv)	Category/ Sub-Category of the Company	Company Limited by Shares Sub Category: Indian Non-Government Company
v)	Address of the Registered office and contact details	901, Raheja Chambers, Nariman Point, Mumbai – 400021 Email ID : secretarial@garnetint.com Tel No : 91-022-22820714
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, address and Contact details of Registrar and Transfer Agent, if any	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, on standalone basis, are as under:

Sr. No.	Name and 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 AND ASSOCIATE COMPANIES

Sr.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, 3 rd Floor, Fort, Mumbai – 400023	U17122MH2004 PTC149334	Subsidiary	70.10	2(87)
2	Garnet Valorem Capital Ventures Private Limited	U74999MH201 8PTC304252	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
1) Indian									
a) Individual/HUF	2812439	0	2812439	45.1797	8224088	0	8224088	42.1129	(3.0668)
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	806041	0	806041	12.9484	2580845	0	2580845	13.2157	0.2673
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
(f1) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	3618480	0	3618480	58.1282	10804933	0	10804933	55.3286	(2.7996)
2) Foreign									
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) Banks/ 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
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	3618480	0	3618480	58.1282	10804933	0	10804933	55.3286	(2.7996)
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FPI/FIIs	0	0	0	0.00	5134	0	5134	0.0263	0.0263
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	0	0	0	0.00	0	0	0	0.00	0.0263
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1467777	200	1467977	23.5820	2868863	600	2869463	14.6936	-8.8884
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto share capital upto Rs 1 lakh	421961	8445	430406	6.9142	678946	21735	700681	3.5880	(3.3262)
ii) Individual Shareholders holding nominal share capital in excess of Rs 1 lakh	530926	0	530926	8.5289	2617564	0	2617564	13.4037	4.8748
c) Others (HUF)	115950	0	115950	1.8627	292327	0	292327	1.4969	(0.3658)
(c1) Clearing Member	52810	0	52810	0.8484	394390	0	394390	2.0195	1.1711
(c2) NRIs	8451	0	8451	0.1358	1844164	0	1844164	9.4434	9.3076
Sub-Total (B)(2):	2597875	8645	2606520	41.8718	8696254	22335	8718589	44.6451	2.7733
Total Public Shareholding (B)=(B)(1)+(B)(2)	2597875	8645	2606520	41.8718	8701388	22335	8723723	44.6714	2.7996
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	6216355	8645	6225000	100.00	19506321	22335	19528656	100.00	0.00

ii) Share holding of Promoters

Sr. No.	Name of the Shareholder's	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	1250863	20.09	0.00	3752589	19.22	0.00	(0.87)
*2	Suresh Gaggar	602270	9.68	0.00	1806810	9.25	0.00	(0.43)
*3	Navratan Gaggar	305025	4.90	0.00	915075	4.69	0.00	(0.21)
4	Indra Gaggar	375909	6.04	0.00	888032	4.55	0.00	(1.49)
*5	Kartik Gaggar	152808	2.45	0.00	458424	2.35	0.00	(0.1)
*6	Suresh Gaggar	114400	1.84	0.00	343200	1.76	0.00	(0.08)
*7	Sarika Gaggar	11164	0.18	0.00	33492	0.17	0.00	(0.01)
8	Swati Kartik Gaggar	-	-	-	26466	0.14	0.00	0.14
9	Mangal Savitri Bizcon Private Limited	806041	12.95	0.00	2580845	13.22	0.00	0.27
	TOTAL	3618480	58.13	0.00	10804933	55.33	0.00	(2.80)

* the shareholding of Mr. Ramakant Gaggar, Mr. Suresh Gaggar, Mr. Navratan Gaggar, Mr. Kartik Gaggar, Mrs. Sarika Gaggar has changed as the Company has allotted bonus shares on 08.03.2018 in the ratio of 2:1

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Name	Shareholding		Date	Increase / Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017) / end of the year 31.03.2018)	% of total Share of the Company				No. of shares	% of total shares of the company
1	Ramakant Gaggar	1250863 3752589	20.09 19.22	01.04.2017 14.03.2018 31.03.2018	2501726	Issue of bonus shares	1250863 3752589	20.09 19.22
2	Suresh Gaggar	602270 1806810	9.68 9.25	01.04.2017 14.03.2018 31.03.2018	1204540	Issue of bonus shares	602270 1806810	9.68 9.25
3	Navratan Gaggar	305025 915075	4.90 4.69	01.04.2017 14.03.2018 31.03.2018	610050	Issue of bonus shares	305025 915075	4.90 4.69
4	Indra Gaggar	375909 888032	6.04 4.55	01.04.2017 16.08.2017 17.08.2017 06.09.2017 14.03.2018 15.03.2018 31.03.2018	(60000) (15000) (5565) 590688 2000	Market sell Market Sell Market sell Issue of bonus Shares Market purchase	375909 315909 300909 295344 886032 888032	6.04 5.074 4.833 4.744 4.54 4.55
5	Kartik Gaggar	152808 458424	2.45 2.35	01.04.2017 14.03.2018 31.03.2018	305616	Issue of bonus shares	152808 458424	2.45 2.35
6	Suresh Gaggar (HUF)	114400 343200	1.84 1.76	01.04.2017 14.03.2018 31.03.2018	228800	Issue of bonus shares	114400 343200	1.84 1.76
7	Sarika Gaggar	11164 33492	0.18 0.17	01.04.2017 14.03.2018 31.03.2018	22328	Issue of bonus shares	11164 33492	0.18 0.17
8	Swati Kartik Gaggar	- 26466	- 0.14	01.04.2017 09.02.2018 12.02.2018 14.02.2018 15.02.2018 14.03.2018 31.03.2018	900 3600 3325 997 17644	Market Purchase Market Purchase Market Purchase Market Purchase Issue of bonus shares	- 900 4500 7825 8822 26466	- 0.00 0.07 0.12 0.13 0.14
9	Mangal Savitri Bizcon Private Limited (earlier know as Evergreen Infotech & Datacom Pvt Ltd)	806041 2580845	12.95 13.22	01.04.2017 02.04.2017 11.04.2017 28.06.2017 21.09.2017 11.10.2017 05.12.2017 21.02.2018 14.03.2018 08.03.2018 09.03.2018 12.03.2018 13.03.2018 19.03.2018 21.03.2018 22.03.2018 31.03.2018	1200 119 439 10000 12600 7947 3299 1683290 10597 4110 2393 4810 11000 2000 21000	Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Issue of bonus shares Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase	806041 807241 807360 807799 817799 830399 838346 841645 2524935 2535532 2539642 2542035 2546845 2557845 2559845 2580845	12.95 12.97 12.97 12.98 13.14 13.34 13.47 12.93 12.93 12.98 13 13.02 13.04 13.1 13.11 13.22

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Name	Shareholding		Date	Increase / Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017) / end of the year 31.03.2018)	% of total Share of the Company				No. of shares	% of total shares of the company
1.	Balram Chainrai	- 182000 900000	- 0.96 4.6086	01.04.2017 11.08.2017 18.08.2017 25.08.2017 23.03.2018 31.03.2018	 120000 89975 90025 600000	 Transfer Transfer Transfer Transfer	 120000 209975 300000 900000	 0.6145 1.0752 1.5362 4.6086
2.	Religare Finvest Ltd	327200 883260	1.6755 4.5229	01.04.2017 05.01.2018 16.03.2018 23.03.2018 31.03.2018	 (400) (20500) 576965 (5)	 Transfer Transfer Transfer Transfer	 326800 306300 883265 883260	 1.6734 1.5685 4.5229 4.5229
3.	Anita Chainrai Advani	- 853656	- 4.3713	01.04.2017 09.03.2018 23.03.2018 31.03.2018	 284552 569104	 Transfer Transfer	 284552 853656	 1.4571 4.3713
4.	Telelink Commerce PVT. LTD.	136551 409653	0.6992 2.0977	01.04.2017 23.03.2018 31.03.2018	 273102	 Transfer	 409653	 2.0977
5.	Parameshwari Devi Kakkar	57275 363325	0.2933 1.8605	01.04.2017 28.04.2017 23.03.2018 31.03.2018	 64000 242050	 Transfer Transfer	 121275 363325	 0.6210 1.8605
6.	Akalka Kakkar	1400 348012	0.0072 1.7821	01.04.2017 17.11.2017 19.01.2018 02.03.2018 23.03.2018 31.03.2018	 60000 55000 (396) 232008	 Transfer Transfer Transfer Transfer	 61400 116400 116004 348012	 0.3144 0.5960 0.5940 1.7821
7.	Amar Packagings (PVT) LTD	106750 320250	0.5466 1.6399	01.04.2017 23.03.2018 31.03.2018	 213500	 Transfer	 106750 320250	 0.5466 1.6399
8.	Blue Square Corporate Services Private Limited	92811 318099	0.4753 1.6289	01.04.2017 21.04.2017 28.04.2017 12.05.2017 19.05.2017 23.02.2018 02.03.2018 23.03.2018 31.03.2018	 13 40 162 (200) 3893 3124 199686 18570	 Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	 92824 92864 93026 92826 96719 99843 299529 318099	 0.4753 0.4755 0.4764 0.4753 0.4953 0.5113 1.5338 1.6289
9.	Saraswati Kakkar	563 301689	0.0029 1.5449	01.04.2017 28.04.2017 08.12.2017 23.03.2018 31.03.2018	 60000 40000 201126	 Transfer Transfer Transfer	 563 60563 100563 301689	 0.0029 0.3101 0.5150 1.5449
10.	R B K Share Broking Limited	45000 236500	0.2304 1.2110	01.04.2017 28.04.2017 05.05.2017 19.01.2018 02.02.2018 16.02.2018 23.02.2018 02.03.2018 09.03.2018 23.03.2018 31.03.2018	 (120) 120 233 500 7783 4221 (116) (12121) 91000 100000	 Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	 45000 44880 45000 45233 45733 53516 57737 57621 45500 136500 236500	 0.2304 0.2298 0.2304 0.2316 0.2342 0.2740 0.2957 0.2951 0.2330 0.6990 1.2110

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding		Date	Increase / Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017) / end of the year 31.03.2018)	% of total Share of the Company				No. of shares	% of total shares of the company
1	Ramakant Gaggar	12,50,863	20.09	01.04.2017	2501726	Issue of bonus shares	1250863	20.09
				14.03.2018			3752589	19.22
		3752589	19.22	31.03.2018				
2	Suresh Gaggar	602270	9.68	01.04.2017	1204540	Issue of bonus shares	602270	9.68
				14.03.2018			1806810	9.25
		1806810	9.25	31.03.2018				
3	Vidhu Kakkar	0	0.00	30.05.2017	-	Transfer	75450	0.39
		75,450	0.39	26.03.2018			0	0.00
4	Dinesh Nandwana	0	0.00	01.04.2017	0	-	0	0.00
		0	0.00	31.03.2018			0	0.00
5	Sharad Rathi	0	0.00	01.04.2017	0	-	0	0.00
		0	0.00	31.03.2018			0	0.00
6	Manju Maheshwari	0	0.00	01.04.2017	0	-	0	0.00
		0	0.00	31.03.2018			0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in Rs.)

Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year 01/04/2017				
i) Principal Amount	-	7291673	-	7291673
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	7291673	-	7291673
Change in Indebtedness during the financial year 2017-18				
Addition	-	469533314	-	469533314
Reduction	-	3867819	-	3867819
Net Change	-	465665495	-	465665495
Indebtedness at the end of the financial year 31/03/2018				
i) Principal Amount	-	472957168	-	472957168
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	472957168	-	472957168

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager :

(Amt. in Rs.)

Sl.NO.	Particulars of remuneration	Name of MD/WTD/Manager	Total Amount
		Suresh Gaggar	
1.	Gross salary	-	-
(a)	Salary as per provisions contained in section 17(1) of the income-tax act,1961		
(b)	Value of perquisites u/s 17(2) Income-Tax Act,1961		
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	-	-
	- As % profit	Nil	Nil
	- Others specify		
5.	Others, please specify	Nil	Nil
	Total (A)	-	-
	Ceiling as per the Act	5% of Net Profit as per Section 198	-

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Total Amount				Total Amount
		Mr. Dinesh Nandwana	Dr. Vidhu Kakkar	Mrs. Manju Maheshwari	Mr. Sharad Rathi	
1.	Independent Directors					
	Fee for attending board / committee meetings (Rs.)	0	0	0	0	0
	Commission (Rs.)	0	0	0	0	0
	Others, please specify (Rs.)	0	0	0	0	0
	Total (1) (Rs.)	0	0	0	0	0
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings (Rs.)	0	0	0	0	0
	Commission (Rs.)	0	0	0	0	0
	Others, please specify (Rs.)	0	0	0	0	0
	Total (2) (Rs.)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Overall Ceiling as per the Act (%)	Not Applicable as the Company is not paying any sitting fees to the Directors of the Company				0

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

(Amt. in Rs.)

Sr.No.	Particulars of Remuneration	Key managerial personnel		
		Chief Financial Officer (Mr. Sanjay Raut)	Company Secretary (Mr. Koshal Gupta)	Total Amount
1.	Gross salary			
(a)	Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961			
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	4,10,810	-	4,10,810
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit			
	- others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	4,10,810	-	4,10,810

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

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)
A. COMPANY					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
B. DIRECTORS					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
C. OTHER OFFICERS IN DEFAULT					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

For and on behalf of the Board of Directors

sd/-

Suresh Gaggar
Chairman
DIN: 00599561

sd/-

Ramakant Gaggar
Managing Director
DIN: 01019838

Mumbai, 28th June, 2018

ANNEXURE II

GARNET INTERNATIONAL LIMITED

Nomination and Remuneration Policy

The Board of Directors of Garnet International Limited (“the Company”) re-constituted the “Nomination, Remuneration and Compensation Committee” at its Meeting held on 28th June, 2018.

1. OBJECTIVE

The Nomination, Remuneration and Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. (as amended from time to time) The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;
- 1.8.1 To formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto.

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
 - 2.4.1. Managing Director;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. such other officer as may be prescribed.
- 2.5. **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment Remuneration and removal of Director, KMP and Senior Management Personnel.
- 3.1.4 formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto as provided in detail in the Board Meeting resolution dated 28th July, 2014, re-constituting the Committee as aforesaid.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. *However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.*
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Managing Director or Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Managing Director or Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and in line with the Company's policy.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director or Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- a) Fixed pay:

The Managing Director or Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- c) Provisions for excess remuneration:

If any Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:

- a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and/or the Act.

b) **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

4. Membership

4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. Chairperson

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

7. Committee Members' Interests

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

9. Voting

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. Nomination Duties

The duties of the Committee in relation to nomination matters include:

10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward or retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.9 Recommend any necessary changes to the Board; and
- 10.10 Considering any other matters, as may be requested by the Board.

11. Remuneration Duties

The duties of the Committee in relation to remuneration matters include:

- 11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 To consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

ANNEXURE III
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.

Name(s) of Related Party and nature of relationship	NIL
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any.	
Justification for entering into such contracts or arrangements or transaction	
date(s) of approval by the Board.	
Amount paid as advances, if any.	
Date on which the special resolution was passed in the general meeting as required under first proviso to section 188.	

2. Details of the material contracts or arrangements or transactions at arm's length basis

Name(s) of Related Party and nature of relationship	NA
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any.	
date(s) of approval by the Board.	
Amount paid as advances, if any.	

For and on behalf of the Board of Directors

sd/-

Suresh Gaggar
Chairman
DIN: 00599561

Mumbai, 28th June, 2018

ANNEXURE IV

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, AS REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

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 31st March, 2018

For and on behalf of the Board of Directors

sd/-

Suresh Gaggar
Chairman
DIN: 00599561

Mumbai, 28th June, 2018

ANNEXURE V

Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

(Rs. in Lakhs)

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The CSR Policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013. The CSR policy is placed on the Company's website www.garnetint.com
2	The composition of the CSR Committee	Mr. Suresh Gaggar, Chairman (Non-Independent) Mrs. Manju Maheshwari, Independent Director Mr. Sharad Rathi, Independent Director Mr. Ramakant Gaggar, Managing Director
3	Average Net profit of the Company for the last three financial years	Rs. 405.75
4	Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above)	Rs. 8.15
5	Details of the CSR spent during the financial year:	Being the first year of implementation, the Company is in the process of exploring the opportunities for doing the CSR expenditure. The amount which remained unutilized due to unavoidable circumstances shall be added to the CSR budget for the Financial Year 2018-19 and it will be the endeavor of the company to ensure full utilization of allocated CSR budget

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

sd/-
Suresh Gaggar
Chairman
DIN: 00599561

sd/-
Ramakant Gaggar
Managing Director
DIN: 01019838

Mumbai, 28th June, 2018

ANNEXURE-VI
Form AOC-1

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

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

Part "A": Subsidiaries

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

(I)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Sukartik Clothing Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st April, 2017 to 31 st March, 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	30,10,000
5.	Reserves & surplus	8,58,57,510
6.	Total assets	17,90,19,940
7.	Total Liabilities	17,90,19,940
8.	Investments	Nil
9.	Turnover	11,33,97,989
10.	Profit before taxation	(22,41,862)
11.	Provision for taxation	10,95,570
12.	Profit after taxation	(33,37,432)
13.	Proposed Dividend	Nil
14.	% of shareholding	70.10%

Notes:

- Total Liabilities includes shareholder funds.
- Name of Subsidiary which are yet to commence operations: Garnet Valorem Capital Ventures Private Limited.
- Names of subsidiaries which have been liquidated or sold during the year: NA

For MVK Associates
Chartered Accountants
Firm registration No. 120222W

CA. Vishnu Garg
Partner
Membership no. 045560

Date: 30.05.2018
Place: Mumbai

Sd/-
Suresh Gaggar
Chairman
DIN: 00599561

Sd/-
Ramakant Gaggar
Managing Director
DIN: 01019838

ANNEXURE-VII
SECRETARIAL AUDIT REPORT

(For the Financial Year Ended on March 31, 2018)

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

To,
The Members,
Garnet International Limited
901, Raheja Chambers,
Nariman Point, Mumbai - 400 021.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garnet International Limited** (hereinafter called 'the Company' CIN: L74110MH1995PLC093448). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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;
 - 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 Employee Stock Purchase Scheme) Guidelines, 1999 – (Not Applicable to the Company during the Audit Period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - (Not Applicable to the Company during the Audit Period)
 - 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; -(Not Applicable to the Company as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the Audit Period)
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and – (Not Applicable to the Company during the Audit Period)
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - (Not Applicable to the Company during the Audit Period)
 - 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 :

- a. Secretarial Standards issued by the Institute of Company Secretaries of India.
- b. The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that the Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, including GST 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 generally 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. 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.
- b) The Company has generally complied with Section 135 of Companies Act, 2013, except for the amount lying unspent.

We further report that:

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

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

Majority decision is carried through while the dissenting members view, if any, are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period following events took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.,

1. During the year under review, the Authorised Capital of the Company was increased to Rs. 30,00,00,000 (divided into 3,00,00,000 Equity Shares of Rs. 10/- each) from Rs. 7,50,00,000 (divided into 75,00,000 Equity Shares of Rs. 10/- each) vide resolution passed in the Postal Ballot Meeting held on February 26, 2018.
2. Company has issued and allotted to Non Promoters on preferential basis 3,20,000 Warrants, convertible into equivalent number of equity shares, out of which 2,84,552 warrants were duly converted into equity shares during the year.
3. Pursuant to Section 63 of the Act and in terms of Special Resolution passed by the members of the Company on February 26, 2018 through Postal Ballot, the Board of Directors vide its resolution passed on March 8, 2018, allotted 1,30,19,104 Equity Shares of Rs. 10/- each as Bonus Shares in ratio of 2:1.

For SIDDHARTH SHARMA & ASSOCIATES

Company Secretaries
UCN : S2016MH368200

Sidharth Sharma

M.No. FCS 7890

COP. 8872

Date: June 20, 2018

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
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. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our 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

Sidharth Sharma
M.No. FCS 7890
COP. 8872

Date: June 20, 2018
Place: Mumbai

ANNEXURE-VIII

Disclosures pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18 :-

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2017-18 (Rs. In '000)	Ratio of remuneration of each Director / KMP to median remuneration of employees
Non-Executive Directors			
1	Mrs. Manju Maheshwari	0.00	0.00
2	Mr. Sharad Rathi	0.00	0.00
3	Mr. Dinesh Nandwana	0.00	0.00
4	Dr. Vidhu Kakkar	0.00	0.00
Executive Directors			
5	Mr. Suresh Gaggar	0.00	0.00
6	Mr. Ramakant Gaggar	0.00	0.00

* Mr. Dinesh Nandwana resigned w.e.f 10th August, 2017 and Dr. Vidhu Kakkar resigned w.e.f 26th March, 2018

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, for the financial year 2017-18:-

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2017-18 (Rs. In '000)	% of increase in Remuneration in the Financial Year 2017-18
1	Mr. Suresh Gaggar (Managing Director)	0.00	Nil
2	Mr. Ramakant Gaggar	0.00	Nil
3	*Mr. Dinesh Nandwana		
4	*Dr. Vidhu Kakkar		
5	Mr. Sharad Rathi	0.00	Nil
6	Mrs. Manju Maheshwari	0.00	Nil
7	Mr. Sanjay Raut (Chief Financial Officer)	4,10,810	19.67
8	Mr. Koshal Gupta (Company Secretary)	0.00	Nil

* Mr. Dinesh Nandwana resigned w.e.f 10th August, 2017 and Dr. Vidhu Kakkar resigned w.e.f 26.03.2018

(iii) The percentage increase in median remuneration of employees for the financial year 2017-18: 19.67%

(iv) The number of permanent employees on the rolls of the Company as on 31st March, 2018: 9

- (v) **Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average percentage increase made in the salaries of total employees (staff) other than the Key Managerial Personnel for FY 2017-18 is around 10% to 12%, while the average increase in the remuneration of the Key Managerial Personnel is 1.69%. This increment is in line with the factors outlined in point (5) above

- (vi) **Affirmation that the remuneration is as per the remuneration policy of the Company**

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

Particulars in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 –

There are no employees in the Company drawing remuneration in excess of Rs. 1,02,00,000/- in terms of provisions of Section 197 (12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014.

For and on behalf of the Board of Directors

sd/-

Suresh Gaggar
Chairman
DIN: 00599561

Mumbai, 28th June, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

India Economy: FY18 Review and FY19 Outlook

The year 2017-18 was an interesting period for the Indian economy with a varied economic performance highlighting the progress made and the challenges the economy faced over the last twelve months. The Indian economy grew at its fastest pace in the last seven quarters in Jan-Mar'18 (Q4FY18), overcoming a sluggish first half of 2017-18 that saw the impact of demonetisation settling down and then the introduction of Goods and Services Tax (GST) which brought some temporary uncertainties. The 7.7% YoY growth in Q4FY18 took India's annual real GDP growth for FY2018 to 6.7% YoY, that was lower than the 7.1% YoY in FY2017. The slowdown in growth was a conscious decision to improve other macro-economic factors such as inflation and fiscal deficit.

Inflation as measured by the Consumer Price Index (CPI) was 3.6% for the year 2017-18, cooling off from 4.5% registered in the previous fiscal as the government and the RBI worked in tandem to keep rising prices within control despite rising crude prices.

Crude prices have been on the boil since the last one year growing more than 45% from \$50-\$55 / bbl at the start of 2017-18 to \$75 / bbl by the end of the year. Supply shocks are arising because of the US sanctions on Iranian oil exports, controlled OPEC production and crisis in Venezuela. These changes would be partially absorbed by increased supply from the U.S. The higher crude prices will have an impact on the trade and current account deficit (CAD) apart from increasing inflationary pressures in the economy as logistics cost and the prices of key inputs for several industries go up.

The FY18 targeted fiscal deficit-GDP ratio was 3.2%. As per the revised estimates, using the second advance estimates of GDP, it has turned out to be 3.6%. In FY18, already there has been a slippage on the fiscal consolidation path. CAD as a percentage of GDP reached (-) 2.0% in 3QFY18 from (-) 1.2% in 2QFY18

After two muted years of GDP growth punctuated by demonetization in fiscal 2017 and introduction of GST in fiscal 2018, India seems to be on the recovery path and is expected to post a healthy 7.4-7.5% real GDP growth for FY 2018-19, emerging as the fastest growing large economy in the world.

The major growth factors are domestic in nature with any upturn in global growth providing tailwinds to the India growth story.

The asset quality issues plaguing the public-sector banks have reached such gargantuan proportions – with gross non-performing assets (GNPAs) touching in excess of 10.5% - that no meaningful and sustainable economic recovery is plausible without, at least, beginning of a resolution process. The transparent and time-bound process driven by National Company Law Tribunal (NCLT) offers hope and the recent resolution of Bhushan Steel and Electrosteel is a start in the right direction. The government focus on demand and job creation through spending on rural and labour-intensive infrastructure space is likely to support growth next fiscal, and push demand in the consumer sectors. Key government reforms like GST as well as RERA or Ujwal Discom Assurance Yojana (UDAY) will have minimal impact in the short run but have a larger impact in the long term.

There are dark clouds looming on the horizon that may derail the growth engine, with high crude prices being the largest of them. Sustained crude prices in excess of \$80-85 per barrel will push up inflation and lead to rate hikes by the Reserve Bank of India. The government may resort to tax cuts to keep fuel prices under control which may hurt government spending on infrastructure or welfare schemes and lower growth in FY 2018-19.

India Capital Markets: FY18 Review and Outlook

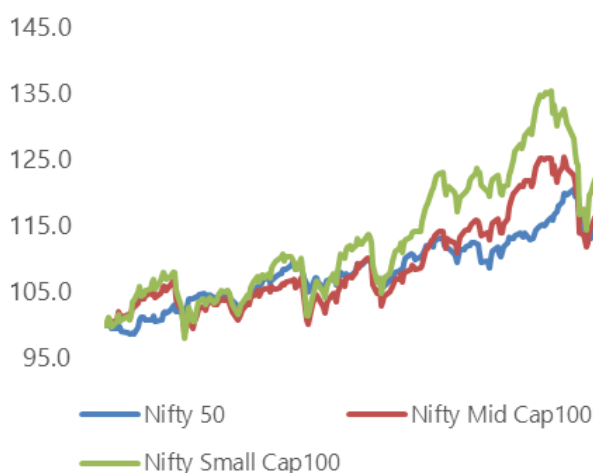
The Indian capital markets saw mixed fortunes with the key domestic indices across market caps increasing in the range of 8-10% but lagging most of the emerging market as well as developed market indices in 2017-18.

The performance of Nifty 50 vs key emerging and developed market indices is as follows:

Index	2017-18 Return
Bovespa	31.7%
Hang Seng	25.2%
KOSPI	11.3%
Nifty	9.5%
Nikkei 225	17.0%
S&P 500	11.8%
FTSE	4.2%

The year was also characterized by two distinct phases – the rally in small and mid-cap indices outperforming Nifty until mid-January followed by steep correction until the end of the year.

Index Performance (FY 17-18)



(All indices indexed to 100 as on April 01, 2017)

The 2018 Union Budget proposed a tax of 10% on Long Term Capital Gains with exemption on gains up to January 31, 2018, thereby removing the exemption on capital gains for listed shares. This dampened investor sentiment and along with rising bond yields globally and higher crude oil prices, led to end of the multiple expansion story in small and mid-caps and sparked off a correction phase. The reclassification of fund schemes by SEBI also lent a hand. This sell-off along with lower liquidity in small caps led to several stocks ending the year more than 50-60% lower than their all-time highs within a short span of time.

The investors will be keeping an eye on various factors that will lend volatility in 2018-19 like

- International Crude Oil Prices
- State and General elections and the expectation of a stable and progressive government
- Monetary policy action by RBI to tackle rising global bond yields and any inflationary pressures
- Trade deficit
- Corporate earnings that are expected to be sober in 2018-19 as compared to 2017-18

With growth expected to taper off, we expect the focus in the investment management space to shift from growth investing to value investing.

Indian Textile Industry

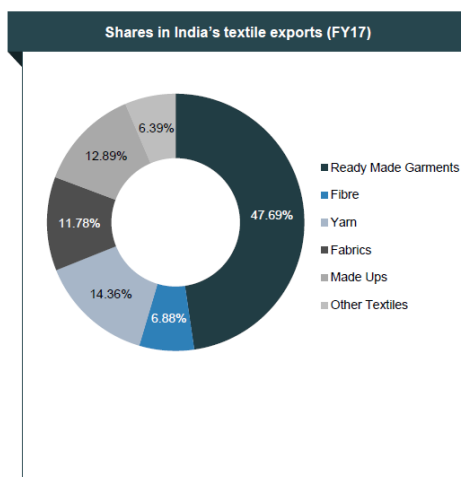
The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. The uniqueness of the industry lies in its strength in the hand woven as well as the capital-intensive mill sector. The mill sector with 3,400 textile mills having an installed capacity of 50 million spindles and 8,42,000 rotors, is the second largest in the world.

- India’s textiles industry contributes 10 per cent to the manufacturing production of India.
- It contributes 2 per cent to the GDP of India and employs more than 45 million people.
- The sector contributes 15 per cent to the export earnings of India.
- With production of 6,106 million kg, India was the largest producer of cotton in 2016-17.

It is ‘Advantage India’ with respect to textiles sector because of

- Robust Domestic Demand
- Strong Government Support
- Sourcing Advantage for Cotton

Exports have been a core feature of India’s textile and apparel sector. Exports in textile and apparel sector stood at US\$ 36.63 billion in FY17. Exports of textiles from India reached US\$ 27.85 billion during April – December 2017.



The seamless garments market in India that ranges from innerwear to shapewear and sportswear is expected to grow exponentially in the coming years. The key growth drivers for this segment will be increasing demand due to comfort factor, availability of cheaper technology, increasing awareness about fitness and sports and rise in domestic production. From the current market share of less than 1% in the lingerie segment, seamless garments can grow to corner 30% of the market in the next five years aided by new launches made possible by advancement in technology.

Company’s Business Overview:

Shares and Securities:

With more than three decades of experience in the Indian capital markets, Garnet International (GIL) possess a long and successful heritage of investing in shares and securities and working with businesses to help them create value.

GIL specializes in exploring new businesses and identifying companies, with leadership positions in niche areas, having a long term competitive advantage and huge headroom to grow profitably. The objective is to seek long term appreciation by investing capital and expertise in high quality companies with robust management. The investment philosophy is sector agnostic.

The company formed a wholly owned subsidiary, Garnet Valorem Capital Ventures Pvt. Ltd. during the financial year 2017-18 to focus on alternative investment strategies not limited to quant based investing and private equity.

Textiles:

Nestled in Ludhiana in the state of Punjab, the company’s subsidiary, Sukartik Clothing marks the group’s foray into the vibrant textiles & garments landscape of India. Over the past few years, it has established itself as one of India’s key players in the manufacturing of seamless garments and knitted fabrics. The company manufactures seamless sportswear, lounge wear, inner wear & compression wear along with knitted fabrics. Today, the company has emerged as the partner of choice for some of India’s leading retail brands like Raymond, Pantaloons, ColorPlus, Clovia, Rupa and Proline. Sukartik Clothing’s modern manufacturing facility is vertically integrated with all key processes – seamless knitting, garment dyeing, stitching and boarding, all under one roof. The plant set up over 35,000 sq. ft. is fitted with best in class imported machines and is ISO certified 9001:2008 and 14001:2004.

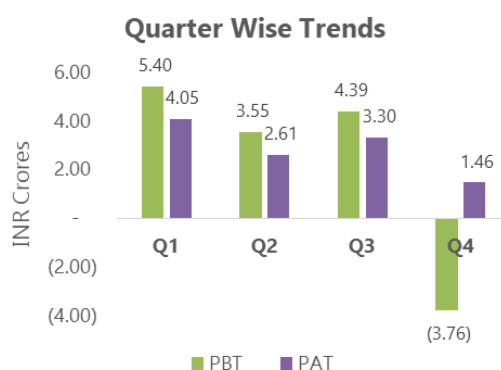
The company is poised to ride the wave of rapid growth in the seamless garments segment.

Financial Performance of Garnet International Ltd

During the financial year 2017-18, the consolidated revenue from operations of Garnet International Limited grew by 530% from ₹ 55.11 crores to ₹ 347.36 crores due to higher turnover in the shares and securities segment that increased by 722%. The revenues from the textiles segment (part of subsidiary, Sukartik Clothing Pvt. Ltd.) decreased by 20.6% on account of weaker demand for the company’s products in the export markets.

The Profit After Tax (PAT) registered a growth of 17.8% boosted by income-tax gains where MAT credit related to previous years amounting to ₹ 1.94 crores was recognized during the financial year. The company recorded its highest ever consolidated PAT of ₹ 11.42 crores, up from ₹ 9.70 crores last year.

The company’s operating performance was affected by the steep fall in the mid and small cap equities during Q4 FY 18.



The segment-wise performance for the year 2017-18 is as follows:

	Shares & Securities	Textiles
Revenues	336.0	11.3
% to Total	96.7	3.3
% Growth	723.0	-20.7
EBIT	10.0	-0.1
% to Total	100.8	-0.8
% Growth	-10.9	-105.8

The profitability for the Shares and Securities business was affected by weak capital market performance in Jan-Mar'18. The textiles segment saw 21% de-growth in sales on account of low demand for the company's products in domestic and export markets. The operating profit of the textiles segment was also hit by higher depreciation (up 63%) on account of capital expenditure to improve production capacity and technology at the Ludhiana plant.

Commentary on key financials:

- **Shareholders' Equity** – During the year, the company allotted 3,20,000 convertible warrants to Ms. Anita Chainrai (Non-Promoter) at the rate of Rs. 820 per share. As of March 31, 2018, the company's net worth was ₹ 88.11 crores, an increase of 67% over the previous year. This helped to increase the size of company operations in the Shares and Securities segment. Further, the company also came up with a bonus issue of 2:1 i.e. two shares for every one share held during Q4FY18.
- **Investments** – The total book value of investments in shares and securities including shares and securities held as stock in trade as on March 31, 2018 was ₹ 116.2 crores, higher by ₹ 74.1 crores as compared to previous financial year. This increase in investments was largely funded by short term borrowings (up by ₹ 46.6 crores) and issue of preferential allotment (₹ 24.1 crores)
- **Borrowings** – The total long term and short-term borrowings of the company as on balance sheet date was ₹ 47.4 crores, up from ₹ 0.9 crores as on March 31, 2017. Consequently, the finance cost for the year 2017-18 jumped nearly 12 times to ₹ 91.6 lacs from ₹ 7.7 lacs in 2016-17.
- **Taxes** – The company has outstanding MAT credit of ₹ 6.21 crores because of erstwhile tax exemption on Long Term Capital Gains. The company recognized ₹ 1.94 crores of MAT Credit related to previous financial year during the current financial year, impacting PAT.

Risk Management

The company's operations are subject to various risks – market risk, liquidity risk, interest rate risk and credit risk. However, risk management is an integral part of operations of Garnet International Ltd and cannot be separated from the main activities or other processes within the organisation.

Internal control systems and their adequacy

Our internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organisation's pace of growth.

We have in place systems and processes commensurate with our size and nature of business and we maintain a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

Human Resources

People are the single biggest competitive advantage a company can have. The Company realises this and is hence aiming to deliver higher performance from its employees by taking initiative to develop its talent pool. During the year under review, the Company has enjoyed cordial professional relations with employees at all levels.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. The Company ensures compliance with all applicable regulations and it is aware of the fact that its ability to meet significant corporate goals is influenced by the extent to which prudent corporate governance policies are devised and adhered to within the organisation. The Company consistently emphasizes its commitment towards creation, monitoring and continuous updation of a strong corporate governance policy and practice that will define and drive organization's performance as per its cherished values and commitments to every stakeholder.

A report on compliance with the principles of the Corporate Governance as on 31st March, 2018 as prescribed by the Securities and Exchange Board of India (SEBI) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is given below:

BOARD OF DIRECTORS

A Composition of the Board

As on 31st March, 2018, in compliance with Regulation 17 of the Listing Regulations, the Board comprised of 4 (Four) Directors with an optimum combination of Executive, Non-Executive and Independent Directors including one Women Director which is as follows:

Sr. No.	Category	No. of Directors
1	Independent Directors	4*
2	Executive Director	2

*Mrs. Vidhu Kakkar has resigned from the board w.e.f 26th March, 2018.

*Mr. Dinesh Nandwana resigned w.e.f 10th August, 2017.

This appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

All Independent Directors of the Company have been appointed as per the applicable provisions of the Companies Act, 2013 ("the Act"), Regulation 16 (1) (b) and Regulation 25 of the Listing Regulations. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

The Board has constituted various Committees with an optimum representation of its members and had assigned them specific terms of reference in accordance with the Act and Listing Regulations. These Committees hold meetings at such frequency as is deemed necessary to effectively undertake and deliver upon the responsibilities and tasks assigned to them. The Company currently has 4 (Four) Committees of the Board viz., i) Audit Committee, ii) Stakeholders' Relationship Committee, iii) Nomination, Remuneration and Compensation Committee, iv) Corporate Social Responsibility Committee.

None of the Directors on the Board is a member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of the Listing Regulations) across all the Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors hold office as Director in more than 20 (Twenty) companies and in more than 10 (Ten) public companies.

The Board reviews and approves strategy and oversees the results of management to ensure that the long term objectives of enhancing stakeholder's value are met. The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors.

B. Board Procedure

The notice of the Board/Committee meeting is sent to all the Directors along with detailed Agenda folder in advance of Board and Committee meetings. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

All major agenda items (except unpublished price sensitive information) are backed by comprehensive background notes and other material information to enable the Board to take informed decisions which are circulated at least 7 (seven) days in advance to the Board meeting.

C. Information placed before the Board

Apart from the items that are required under the Act, to be placed before the Board for its approval, the following information is also placed before the Board periodically for its review in compliance with the Listing Regulations.

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the Company and its operating divisions or business segments.
4. Minutes of meetings of Audit and other Committees of the Board of Directors.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
16. Any other information which is relevant for decision making by the Board.

D. Post - meeting follow - up systems

The Governance system in the Company include an effective post - meeting follow-up, review and reporting process for action taken / pending on decisions of the Board and its Committees. An Action Taken Report forms part of the Agenda item of the Board meetings.

E. Board Support

The Company Secretary of the Company attends all the meetings of the Board and its Committees and advises / assures the Board and Committee on compliance and governance principles.

F. Code of Conduct

The Board has laid down Code of Conduct for the Board members and for Senior Management and Employees of the Company. The same has been posted on the website of the Company. All Board members and Senior Management Personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with this Code. A declaration to this effect, signed by the Managing Director forms part of this Report.

G CEO / CFO Certification

Pursuant to Regulation 17(8) of the Listing Regulations, the Managing Director and the C.F.O. of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2018. The Managing Director and the Chief Financial Officer have also given quarterly certification on financial results to the Board in terms of the Regulation 33 (2) of the Listing Regulations.

H. Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 24th January, 2018 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

I. Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The familiarization programme for Independent Directors is disclosed on the Company's website and the same may be accessed at the link: <http://garnetint.com/mdocs-posts/familirisation-programme-for-independent-directors/>

J. Board and its committee, Individual Director (including Independent Director) Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Individual Directors (including independent director), as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Independent Directors. Further the criteria for evaluation of Board, its Committee and Individual Directors including Independent Directors are summarised in the below table:

Evaluation of	Evaluation by	Criteria
Non-independent Director (Executive)	Independent Directors	Key Responsibility, Strategy, Performance Management, delineation of Responsibility, Risk Management, Core Governance & Compliance, effectiveness of Board Process, Availability and attendance
Non-independent Director (Non-executive)	Independent Directors	Key Responsibility, Strategy, Performance Management, delineation of Responsibility, Risk Management, Core Governance & Compliance, Integrity, Commitment
Independent Director	All the Board Members	Qualification, Key Responsibility, Strategy, Performance Management, delineation of Responsibility, Risk Management, Core Governance & Compliance, Participation and Value addition
Chairman	Independent Directors	Key Responsibility, Strategy, Performance Management, delineation of Responsibility, Risk Management, Core Governance & Compliance, effectiveness of Board Process
Committees	All the Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

K. Details of the Board Meetings held during the financial year

During the financial year ended 31st March, 2018, 9 (Nine) meetings of the Board were held, as follows:

No.	Date	Board Strength	No. of Directors present
1.	01 st April, 2017	5	4
2.	30 th May, 2017	6	5
3.	10 th August, 2017	6	6
4.	14 th November, 2017	5	5
5.	18 th November, 2017	5	5
6.	24 th January, 2018	5	5
7.	05 th February, 2018	5	5
8.	08 th March, 2018	5	5
9.	27 th March, 2018	4	4

The maximum gap between two Board Meetings was not more than one hundred and twenty days.

L. Attendance at the Board Meetings and at Annual General Meeting (AGM), no. of Directorship in other companies, no. of Committee positions held in other public companies

As on 31st March, 2018, composition of the Board of Directors and attendance of the Directors at the Board Meetings as well as their Directorship in companies and membership in Committees of public companies is as follows:

Chairmanships/Memberships of Board Committees include only Audit and Stakeholders Relationship Committees of other public companies excluding private limited companies, foreign companies and companies under section 8 of the Act.

Name of the Director	Category	Number of Board Meetings during the year 2017-2018		Whether attended the last AGM held on 27.09.2017	Number of Directorships in other Companies	Number of Committee positions held in other public companies	
		Held/eligible	Attended			Chairman	Member
Mr. Suresh Gaggar (Managing Director)	Executive, Non- Independent	9	9	Yes	1	1	2
Mr. Manju Maheshwari	Non-Executive, Independent	9	9	Yes	1	0	0
Mr. Sharad Rathi	Non-Executive, Independent	9	9	Yes	1	0	0
Ms. Ramakant Gaggar	Non-Executive, Non-Independent	9	9	Yes	1	0	0
Mrs. Vidhu Kakkar (till 26 th March, 2018)	Non-Executive, Non-Independent	7	7	Yes	1	0	0
Mr. Dinesh Nandwana (till 10 th August, 2017)	Non-Executive, Non-Independent	2	1	No	1	0	0

*This is total Number of Membership including the Committee in which he/she is a Chairperson.

Mr. Ramakant Gaggar, Managing Director of the Company is brother of Mr. Suresh Gaggar, Non-Executive Chairman of the Company. None of the other directors are related to any other director on the Board.

Details of the Directors being re – appointed

At the ensuing Annual General Meeting, in accordance with the provisions of the Act, Mr. Suresh Gaggar, Executive Chairman of the Company, retire by rotation. Mr. Suresh Gaggar, being eligible, has offered himself for re-appointment as a Director of the Company.

Detailed profile of Mr. Suresh Gaggar in line with Regulation 36(3) of the Listing Regulations is forming a part of the Notice of the Annual General Meeting.

Committees of the Board

A. AUDIT COMMITTEE

The Audit Committee acts as a link between Statutory and Internal Auditors and the Board of Directors.

The Audit Committee provides reassurance to the Board regarding the existence of an effective internal control environment that ensures:-

- Efficiency and effectiveness of operation;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

Powers

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference
- Seek any information it requires from any employee
- Obtain legal or other independent professional advice and
- Secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 177 of the Act and the guidelines set out in Regulation 18 of the Listing Regulations. The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia perform the following functions:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Discuss with the 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.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- And, generally, all items listed in Part C of Schedule II of the (Regulation 18(3)) of Listing Regulations and in Section 177 of the Act.

Review of Information

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Statement of deviations as prescribed in Listing Regulations, whenever applicable.

Composition

The Audit Committee of the Company as on 31st March, 2018 comprised of three members majority of whom were independent Directors.

The constitution of the Committee is as below which is in compliance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

Sr. No	Name of Members	Category	Chairman/Member
1	Mr. Sharad Rathi	Independent Director	Chairman
2.	Mr. Ramakant Gagar	Executive Director	Member
3.	Mrs. Manju Maheshwari	Independent Director	Member

The Chief Financial Officer, Internal Auditors and the Statutory Auditors are invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee. All the members of the Committee are financially literate and have accounting and financial management expertise.

Meeting and attendance

During the financial year ended 31st March, 2018, 4 (four) meetings of the Audit Committee were held as follows:

No.	Date	Committee Strength	No. of members present
1.	30 th May, 2017	3	3
2.	10 th August, 2017	3	3
3.	14 th November, 2017	3	3
4.	24 th January, 2018	3	3

The maximum gap between two Audit Committee Meetings was not more than one hundred and twenty days.

Mr. Sharad Rathi, Chairman of the Audit Committee, was present at the last Annual General Meeting held on Wednesday, 27th September, 2017.

B. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference

- Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on Board Diversity.

- Evaluate and approve the appointment and remuneration of senior executives, including the Key Managerial Personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.
- Establish key performance metrics to measure the performance of the Managing Director, Key Managerial Personnel and the executive team.
- Review and recommend to the Board the remuneration and commission to the managing and executive Directors and define the principles, guidelines and process for determining the payment of commission to non-executive Directors of the Company.

Composition

The Nomination and Remuneration Committee as on 31st March, 2018, comprised of 3 (three) members:

Sr. No	Name of Members	Category	Chairman/Member
1	Mr. Sharad Rathi	Independent Director	Chairman
2.	Mr. Ramakant Gaggar	Executive Director	Member
3.	Mrs. Manju Maheshwari	Independent Director	Member

The Company Secretary acts as the Secretary to the Committee.

Meeting and attendance

During the financial year ended 31st March, 2018, 4 (four) meetings of the Nomination and Remuneration Committee were held as follows:

No.	Date	Committee Strength	No. of members present
1.	30 th May, 2017	3	3
2.	10 th August, 2017	3	3
3.	14 th November, 2017	3	3
4.	24 th January, 2018	3	3

Nomination and Remuneration Policy

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Key Managerial Personnel to give quality efforts to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-independent Non-executive Directors

- Independent Directors and Non-independent Non-executive Directors may be paid sitting fees for attending the Meetings of the Board and of Committees of which they may be members.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/

Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.

- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the Nomination and Remuneration Committee is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director/ Executive Directors / Key Managerial Personnel/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides to employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides to employees with a social security net thru Group Personal Accidental Insurance policy, ESIC Scheme and Workmen Compensation Insurance Policy, as may be applicable. The Company provides retirement benefits as applicable.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides Managing Director/ Executive Directors such remuneration by way of commission, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director/ Executive Directors would be based on performance as evaluated by the Nomination and Remuneration Committee and approved by the Board.

Service Contract, Severance Fee and Notice Period

The Company has appointed Mr. Ramakant Gaggar, as Managing Director of the Company by way of appointment letter. As per the appointment letter, Mr. Ramakant Gaggar is required to give notice of 90 days for cessation of service.

Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

Details of remuneration paid to Executive and Non-Executive Directors for the year ended 31st March, 2018 and their relationship with other Directors of the Company

Executive Director

(' in '000)

Name	Relationship with other Directors	Salary (Rs.)	Stock Option (Rs.)	Benefits, perks and allowances (Rs.)	Commission (Rs.)	Contribution to Provident Fund (Rs.)	Stock Option granted upto 31 st March, 2017
Mr. Ramakant Gaggar	Brother	-	-	-	-	-	-
Mr. Suresh Gaggar	Brother	-	-	-	-	-	-

Non-Executive Directors

(' in '000)

Name	Relationship with other Directors	Sitting fees (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Sharad Rathi	None	-	-	-
Mrs. Manju Maheshwari	None	-	-	-

During the financial year ended 31st March, 2018, except payment of sitting fees, the Company does not have any pecuniary relationship or transactions with the Non - Executive Directors.

Shareholding of Non-Executive and Executive Directors

The Individual shareholding of Non-executive and executive Directors (including shareholding as joint holder) as on 31st March, 2018 is given below:

Names	No. of shares held
Mr. Suresh Gaggar	18,06,810
*Mr. Ramakant Gaggar	37,52,589
Mr. Manju Maheshwari	Nil
Ms. Sharad Rathi	Nil

*216075 Equity shares are held jointly by Mr. Ramakant Gaggar and Mr. Suresh Gaggar

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference

The constitution and terms of reference of Stakeholders Relationship Committee are in compliance with provisions of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations.

The Committee oversees and reviews all matters connected with transfer of securities and approves issue of duplicate share certificates, split of share certificates, etc. The Committee also looks into redressal of Shareholder's/Investor's' complaints / grievances pertaining to transfer or credit of shares / transmissions / dematerialisation / rematerialisation / split / issue of duplicate Share Certificates, non-receipt of annual reports and other miscellaneous complaints. The Committee reviews performance of the Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Composition

The Stakeholders Relationship Committee as on 31st March, 2018 comprised of 3 (three) members:

Sr. No	Name of Members	Category	Chairman/Member
1	Mr. Sharad Rathi	Independent Director	Chairman
2.	Mr. Ramakant Gaggar	Executive Director	Member
3.	Mrs. Manju Maheshwari	Independent Director	Member

Meeting and attendance

During the financial year ended 31st March, 2018, 4 (Four) meetings of the Stakeholders Relationship Committee were held, as follows:

No.	Date	Committee Strength	No. of members present
1.	30 th May, 2017	3	3
2.	10 th August, 2017	3	3
3.	14 th November, 2017	3	3
4.	24 th January, 2018	3	3

Compliance officer

As on the date of this report, Ms. Deepika Pandey, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Regulations. During the year no complaints were received from the shareholders. All the Complaints are redressed to the satisfaction of the shareholder. As on 31st March, 2018 no complaints were pending for redressal.

Listing fees:

The Company has paid the listing fees to all the Stock Exchanges, where its securities are listed till 31st March, 2018.

DETAILS OF ANNUAL GENERAL MEETINGS:

Location, date and time of Annual General Meetings held during the last 3 years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2014- 15	Raheja Chambers, Nariman Point Mumbai – 400 021	30 th September, 2015	Wednesday	11.00 a.m.	1
2015- 16	Raheja Chambers, Nariman Point Mumbai – 400 021	30 th September, 2016	Friday	11.00 a.m.	0
2016-17	The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai – 400 063	27 th September, 2017	Wednesday	1.00 p.m.	1

During the Financial Year 2017-18, Four (4) 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. At present there is no proposal to pass any resolution by Postal Ballot.

Disclosures

- a) During the financial year 2017-2018 there were no materially significant transactions entered into between the Company and its promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large.

During the year under review, there were no transactions which were required to be entered in the Register of Contracts. As per Accounting Standard 18, transactions with related parties are disclosed by way of Notes to the Accounts, which forms part of this Annual Report.

- b) The Company has complied with the requirements of Stock Exchanges, SEBI and all other statutory authorities on all matters related to the capital markets during the last three years. There were no penalty imposed nor did any strictures pass on the Company by Stock Exchanges, SEBI and all other statutory authorities relating to above. The Company has not received any material Demand, Show Cause, Prosecution, Penalty Notice etc.
- c) The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) of the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2018.
- d) The Company has a well-defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- e) The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- f) The Policy for determining 'material' subsidiaries is disclosed on website of the Company and the same may be accessed at the link: <http://garnetint.com/mdocs-posts/policy-for-determining-material-subsiary/>.
- g) The Policy on dealing with related party transactions is disclosed on website of the Company and the same may be accessed at the link : <http://garnetint.com/mdocs-posts/related-party-transactions-policy/>
- h) The Company is fully compliant with the applicable mandatory requirements of Regulation 17 of the Listing Regulations. As far as Non-mandatory requirements are concerned, the Company has separate individuals occupying the position of Chairman and that of Managing Director. The Internal Auditors directly reports to the Audit Committee.

MEANS OF COMMUNICATION

Financial Results

Quarterly financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in following newspapers:

- Financial Express (English)
- Mumbai Lakshadweep (Marathi)

The financial results are displayed on Company's website at <http://garnetint.com/>. The Management Discussion & Analysis Report forms part of this Annual Report.

During the year no press releases or presentations were made to the institutional investors or to the analysts.

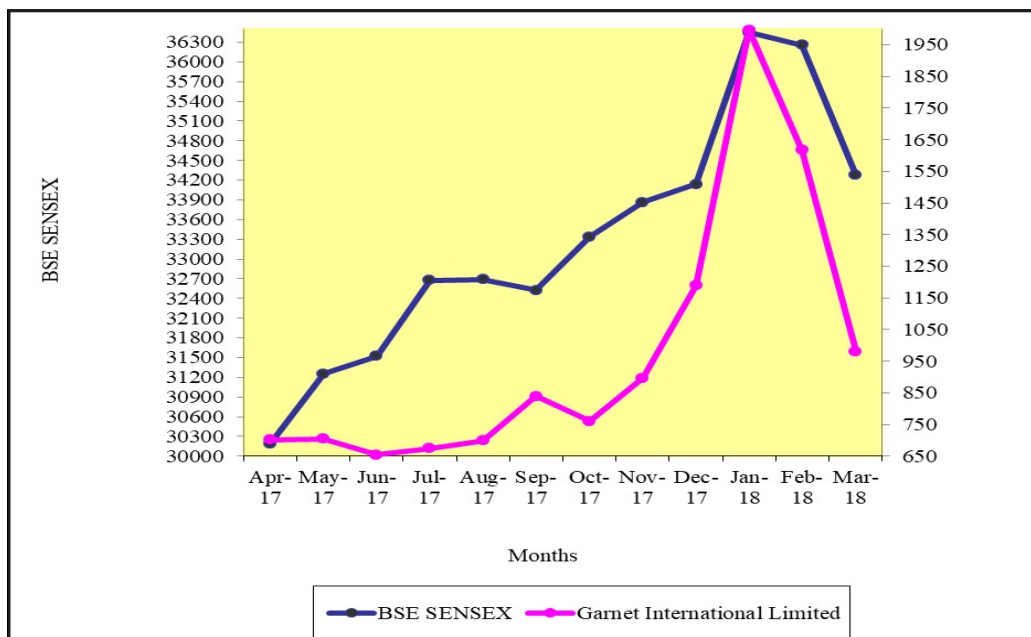
GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

Date and Time	Monday, 10 th day of September, 2018, at 11.00 a.m			
Venue	1 st Floor, The Westin Mumbai Garden City, International, Business Park, Oberoi Garden City, Goregaon (East), Mumbai – 400 063			
As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 10 th September, 2018				
Financial Year	1 st April to 31 st March.			
Dates of Book Closure	From 04 th Day of September, 2018 To 10 th Day of September, 2018			
Dividend payment date	The final Dividend, if declared by the Shareholders at the Annual General Meeting shall be paid / credited on or before 09 th October, 2017 i.e. within 30 days from the date of declaration.			
Dividend History	Sr.no.	Financial Year	Dividend Per Equity Share (in Rs.)	Date of Declaration
	1	2016-17	Rs. 1.20	27th September, 2017
	2	2015-16	Re. 0.70	30th September, 2016
	3	2014-15	Re. 0.50	30th September, 2015
Stock Exchange where Company's Shares are listed	BSE Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400 001, Maharashtra. Scrip Code : 512493			
Listing fees	The Company has paid the listing fees to all the Stock Exchanges, where its securities are listed till 31 st March, 2018			

Stock Market Price data: High /Low during each month for the financial year ended 31st March, 2018

Months	BSE Limited	
	High (Rs.)	Low (Rs.)
April 2017	702	593
May 2017	705	584.85
June 2017	654	530
July 2017	675	571
August 2017	699.40	578
September 2017	839	655
October 2017	760	595
November 2017	896	597
December 2017	1189	758.4
January 2018	1997	1100
February 2018	1616.80	1003.60
March 2018	980.75	223.30



Share Transfer Agents

Link Intime India Pvt Ltd. C-101, 247 Park,
LBS Marg, Vikhroli (W), Mumbai-400083
Fax: 022 – 22 49186060
Tele: 022 – 49186270

Share Transfer Process

M/s. Link Intime India Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transfer of shares, transmission of shares, transposition of shares, name deletion, change of address, amongst others.

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares, requests for deletion of name of the shareholder etc. to the designated Officials of the Company. However, the Transaction in respect to issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Stakeholders Relationship Committee of the Board of Directors of the Company.

A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

Transfer to Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years from the date of transfer to Unclaimed Dividend Account on the Company. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect to which there is specific order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred to IEPF following unpaid and unclaimed dividends during the financial year 2017-18:

Particulars	Amount of Dividend
Final Dividend for the year 2009-10	Rs. 82,001/-

Shareholders/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on [http:// www.iepf.gov.in](http://www.iepf.gov.in)) from time to time. The Shareholders/claimant can file only one consolidated claim in a Financial Year as per the Rules.

During the Financial Year 2018-19, the Company would be transferring unclaimed Final Dividend amount for the financial year ended 31st March, 2010 on or before 30th August, 2018 and for the Financial year ended 31st March, 2011 on or before 04th December, 2018 to IEPF.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website, at [link:http://garnetint.com/iepf/?mdocs-cat=mdocs-cat-40&mdocs-att=Investor%20Education%20and%20Protection%20Fund](http://garnetint.com/iepf/?mdocs-cat=mdocs-cat-40&mdocs-att=Investor%20Education%20and%20Protection%20Fund)

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

Distribution of Equity Shareholding according to Numbers as at 31st March, 2018

Category	No. of Shareholders	% to total number of shareholders	No. of shares held in that slab	% to total number of shares
1 to 5000	1488	78.8971	115257	0.5902
5001 to 10000	109	5.7794	76859	0.3936
10001 to 20000	84	4.4539	123405	0.6319
20001 to 30000	32	1.6967	83743	0.4288
30001 to 40000	23	1.2195	80313	0.4113
40001 to 50000	19	1.0074	85020	0.4354
50001 to 100000	44	2.333	320478	1.6411
100001 & above	87	4.6129	18643581	95.4678
TOTAL	1886	100	19528656	100

Distribution of Equity Shareholding according to categories of Shareholders as at 31st March, 2018

Sr. No.	Category of Shareholder	Number of Shares	% of Shareholding
(A)	Shareholding of Promoter and Promoter Group	1,08,04,933	55.33
(B)	Public shareholding		
1	Institutions		
	(a) Mutual Funds/ UTI	0	0.00
	(b) Financial Institutions / Banks	0	0.00
	(c) Insurance Companies	0	0.00
	(d) Foreign Institutional Investors/Foreign Portfolio Investor	5134	0.03
	(e) HUF	292327	1.50
2	Non-Institutions		
	(a) Bodies Corporate	2869463	14.69
	(b) Individuals		
	(i) holding nominal share capital up to Rs. 1 Lacs	700681	3.59
	(ii) holding nominal share capital in excess of Rs. 1 Lacs	2617564	13.40
	(c) Any Other (specify)		
	(i) NRIs	1844164	9.44
	(ii) Clearing Member	394390	2.02
	Total Public Shareholding (B)	8723723	44.67
	TOTAL (A) + (B)	19528656	100.00

Dematerializations of shares and liquidity

As on 31st March, 2018, 1,95,06,321 Equity Shares (99.89% of the total number of shares) are in demat form as compared to 99.86 % of the total number of shares as on 31st March, 2017.

Outstanding GDRs/ ADRs / Warrants or any convertible instruments

During the year under review, Company has issued 3,20,000 (Three Lac Twenty Thousand only) Convertible Warrants ("Warrants") on a preferential basis to Non-Promoter Individuals (the "Warrant Holders") with a right to Warrant Holders to apply for and get allotted one equity share of face value of Rs.10/- (Rupees Ten Only) each (the "Equity Shares") for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of Warrants, at a price (including the warrant subscription price and the warrant exercise price) of Rs. 820.00/- each (Rupees Eight Hundred and Twenty Only) aggregating to Rs. 26,24,00,000/- (Rupees Twenty Six Crores Twenty Four Lacs only).

Further Board of Directors of the Company in its meeting held on 05th February, 2018 has allotted 2,84,552 Equity shares to the Warrant Holder against equal number of warrant held by her.

Plant Location: The Company does not have any manufacturing activities

Investor Correspondence

Shareholders can contact the following official for secretarial matters of the Company.

Name	Address	Telephone No. / Fax No.	Email id
Ms. Deepika Pandey Company Secretary & Compliance Officer	901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400 021	(022) 22820714/15	secretarial@garnetint.com

Affirmation and Disclosure

The Company has complied with all requirements specified in Regulation 17 to 27 of the Listing Regulations and also Clauses (b) to (i) of Regulation 46(2) relating to dissemination of information on the website of the Company. Following are the disclosure made on the website of the Company i.e. www.garnetint.com :

1. Details of the business of the Company;
2. Terms and conditions of appointment of Independent Directors;
3. Composition of various Committees of Board of Directors;
4. Code of Conduct for Board of Directors and Senior Management Personnel;
5. Details of establishment of vigil mechanism/Whistle Blower policy;
6. Criteria of making payments to Non-Executive Directors;
7. Policy on dealing with Related Party Transactions;
8. Policy for determining material subsidiaries and
9. Details of familiarization programmes imparted to Independent Directors.

Compliance with the Discretionary Requirements under Listing Regulations

The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations is as under:

- a) The quarterly, half yearly and yearly Financial results are uploaded on the website of the Company under the weblink i.e. www.garnetint.com.
- b) The Chairman of the Board is a Executive Director and his position is separate from that of the Managing Director.
- c) The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

DECLARATION

Compliance with the Code of Business Conduct and Ethics

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2018.

For Garnet International Limited

sd/-

Ramakant Gaggar
Managing Director
DIN:01019838

Mumbai, 28th June, 2018

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of corporate governance by **Garnet International Limited** ('the Company') for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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

Sd/-

**CA Vishnu Garg
Partner
Membership No.: 045560**

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, 2018 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/-
Ramakant Gaggar
Managing Director
DIN: 01019838

Sd/-
Sanjay Raut
Chief Financial Officer

Mumbai, 28th June, 2018

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, 2018, 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, 2018, and its Loss 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, 2018 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.

For MVK Associates
Chartered Accountants
Firm Registration Number: 120222W

CA. Mittal Vora
Partner
Mem. No. : 140786

Place : Mumbai
Date : 30th May, 2018.

Annexure A to Independent Auditors' Report

Referred to in paragraph 7 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, 2018.

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 physical 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 unsecured loans to One (1) Subsidiary Company covered in the register maintained under section 189 of the Companies Act during the 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) Such loan is repayable on demand, and no demand for repayment has been raised.
 - 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. Cost records under sub-section (1) of section 148 of the Companies Act is not applicable to the Company.
 - 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, 2018 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, 2018. 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 under review except conversion of share warrants into equity shares during the year. The Company has complied with the requirements of Section 42 of the Companies Act, 2013 and the amounts raised have been used for the purposes for which they were raised.
- 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

CA. Mittal Vora
Partner
Mem. No. : 140786

Place : Mumbai
Date : 30th May, 2018

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, 2018.

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, 2018 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, 2018, 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

CA. Mittal Vora
Partner
Mem. No. : 140786

Place : Mumbai
Date : 30th May, 2018

Standalone Balance Sheet as at 31st March 2018

(Amount in Rs.)

Particulars	Note No.	As at 31 st March 2018	As at 31 st March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	195,286,560	62,250,000
Reserves and Surplus	3	655,214,810	438,291,448
Money Received against Share Warrants	4	7,267,360	-
		857,768,730	500,541,448
Share Application Money Pending Allotment			
Non-Current Liabilities			
Long Term Borrowing		-	-
Deferred Tax Liabilities (Net)		-	-
Other Non Current Assets		-	-
Long Term Provision		-	-
Current Liabilities			
Short Term Borrowings	6	472,957,168	7,291,673
Trade Payables	7	1,163,113	353,163
Other Current Liabilities	8	1,333,946	412,635
Short Term Provisions	9	13,513,629	15,259,723
		488,967,856	23,317,194
TOTAL		1,346,736,586	523,858,642
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	522,037	859,191
Intangible Assets		-	-
Capital Work in Progress		-	-
Intangible Assets Under Development		-	-
		522,037	859,191
Non Current Investments	11	407,073,051	471,905,591
Deferred Tax Assets (Net)	5	442,078	324,809
Long Term Loans and Advances	12	35,553,169	80,000
Other Non-Current Assets	13	62,161,588	2,227,521
		505,751,923	475,397,112
Current Assets			
Current Investment		-	-
Inventories	14	809,876,869	3,848,137
Trade Receivables		-	-
Cash and Cash Equivalents	15	17,216,018	34,599,929
Short-Term Loans and Advances	16	13,525,055	9,845,325
Other Current Assets	17	366,721	168,139
		840,984,663	48,461,530
TOTAL		1,346,736,586	523,858,642
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

CA. Mittal Vora
Partner
Membership No. 140786

Place : Mumbai
Date : 30.05.2018

For and on behalf of the board

Suresh Gaggar
Managing Director
DIN : 00599561

Sanjay Raut
Chief Financial Officer

Ramakant Gaggar
Director
DIN : 01019838

Sharad Rathi
Director
DIN:00437174

Statement of Profit and Loss for the year ended 31st March 2018

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Revenue from Operations	18	3,360,324,987	408,316,911
Other Income	19	83,296,147	86,391,400
Total Revenue		3,443,621,134	494,708,311
Expenses:			
Purchases of Stock-in-Trade	20	4,095,900,432	314,696,391
Changes in inventories	21	(806,028,732)	60,625,969
Employee benefit expenses	22	1,859,036	1,396,053
Finance cost	23	8,924,739	355,630
Depreciation and Amortisation expenses	9	658,800	718,084
Other expenses	24	44,327,526	6,480,805
Total Expenses		3,345,641,801	384,272,932
Profit / (Loss) before Exceptional and Extraordinary items and tax		97,979,332	110,435,379
Exceptional items		-	-
Profit / (Loss) before Extraordinary items and tax		97,979,332	110,435,379
Extraordinary Items		-	-
Profit / (Loss) before Tax		97,979,332	110,435,379
Current tax		21,389,290	22,286,868
Deferred tax		(117,269)	(137,414)
Tax adjustment for earlier years		4,972,868	568
MAT credit entitlement		(44,892,839)	-
		(18,647,950)	22,150,022
Profit / (Loss) after tax for the period from continuing operations		116,627,282	88,285,357
Profit / (Loss) for the period from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) after tax for the period from discontinuing operations		-	-
Profit / (Loss) after tax for the period		116,627,282	88,285,357
Earning per Equity Share			
Basic and Diluted	25	6.22	4.73
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

CA. Mittal Vora
Partner
Membership No. 140786

Place : Mumbai
Date : 30.05.2018

For and on behalf of the board

Suresh Gaggar
Managing Director
DIN : 00599561

Sanjay Raut
Chief Financial Officer

Ramakant Gaggar
Director
DIN : 01019838

Sharad Rathi
Director
DIN:00437174

Cash Flow Statement for the year ended 31st March, 2018

(Amount in Rs.)

Particulars	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	97,979,332	110,435,379
Adjustment for:		
Depreciation	658,800	718,084
Loss / (Profit) on sale of Investments	(76,727,882)	(85,508,491)
Interest Income	(6,568,265)	(882,909)
Dividend Income	(1,936,190)	(256,325)
Interest Expense	8,924,739	355,630
	<hr/>	<hr/>
Operating Profit before Working Capital changes	22,330,534	24,861,368
Adjustment for:		
- Trade and other Receivables	-	-
- Inventories	(806,028,732)	129,396,312
- Loans & Advances & Other Current Assets	(3,878,312)	31,698,329
- Trade Payables	809,950	(68,208,895)
- Other Current Liabilities & Short Term Provisions	8,197,332	(59,902)
	<hr/>	<hr/>
Cash generated from operations	(778,569,228)	117,687,212
Direct Taxes	(41,403,385)	(1,929,137)
	<hr/>	<hr/>
Cash flow before extraordinary Items	(819,972,613)	115,758,075
Extraordinary Items	-	-
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	(819,972,613)	115,758,075
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Investments (Net)	64,832,540	(174,219,911)
Loan (Given)/Refund	(35,473,169)	-
Purchase of Fixed Assets	(321,646)	-
Interest income	6,568,265	882,909
Profit / (Loss) on sale of Investments	76,727,882	85,508,491
Dividend received	1,936,190	256,325
Proceeds from / Payment for Deposits	-	-
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	114,270,062	(87,572,186)

(Amount in Rs.)

Particulars	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received	7,267,360	-
Shares Issued	133,036,560	-
Share Premium Received	100,296,080	
Short Term Borrowings	465,665,495	(1,440,827)
Interest Expenses	(8,924,739)	(355,630)
Dividend & DDT paid	(9,022,115)	(5,216,336)
NET CASH FROM FINANCING ACTIVITIES	688,318,641	(7,012,793)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(17,383,910)	21,173,096
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	34,599,928	13,426,832
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	(Note No. 15) 17,216,018	34,599,928

Notes to Cash Flow Statement :

- All figures in brackets are outflow.
- 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

CA. Mittal Vora

Partner

Membership No. 140786

Place : Mumbai

Date : 30.05.2018

For and on behalf of the board

Suresh Gaggar
Managing Director
DIN : 00599561

Sanjay Raut
Chief Financial Officer

Ramakant Gaggar
Director
DIN : 01019838

Sharad Rathi
Director
DIN:00437174

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 realisable 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 realisable 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

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

- i) CENVAT credit available as per the provisions of the Excise Rules on raw material, packing material, etc purchased, is accounted for by reducing the cost of the respective items.
- ii) Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the Excise Rules.
- iii) CENVAT credit available as per the provisions of the Excise Rules on capital goods is accounted for by reducing the cost of capital goods.

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

Notes on Financial Statements as at 31st March 2018

(Amount in Rs.)

Particulars	As at 31 st March 2018		As at 31 st March 2017	
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Note 2 : Share Capital

Particulars	Numbers	Amount	Numbers	Amount
Authorised :				
Equity Shares of Rs. 10/- each	30,000,000	300,000,000	7,500,000	75,000,000
Total	30,000,000	300,000,000	7,500,000	75,000,000
Issued :				
Equity Shares of Rs. 10/- each fully paid	19,599,552	195,995,520	6,225,000	62,250,000
Subscribed and Paid-Up :				
Equity Shares of Rs. 10/- each fully paid	19,528,656	195,286,560	6,225,000	62,250,000
Total	19,528,656	195,286,560	6,225,000	62,250,000

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

Particulars	Numbers	Amount	Numbers	Amount
Outstanding at the beginning of the year	6,225,000	62,250,000	6,225,000	62,250,000
Issued / Converted during the year	284,552	2,845,520	-	-
Allotted as fully paid by way of Bonus Shares on 8th March 2018	13,019,104	130,191,040	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	19,528,656	195,286,560	6,225,000	62,250,000

During the year 1,30,19,104 fully paid equity shares of Rs.10 each were issued as bonus share on 8th March 2018. The existing permissible reserves of the Company was capitalised for issue of bonus shares in the proportion of two equity shares for every one equity share held by the equity shareholders of the company.

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.

- 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.
- 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.

2 (c) Shareholders holding more than 5% of the share capital at the end of the year :

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Shri Ramakant Gaggar	3,752,589	19.22%	1,250,863	20.09%
Mangal Savitri Bizcon Pvt. Ltd.	2,580,845	13.22%	806,041	12.95%
Smt. Indira Gaggar	888,032	4.55%	375,909	6.04%
Shri Suresh Gaggar	2,150,010	11.01%	602,270	9.68%
Hitanshi Properties Private Limited	26,327	0.13%	333,601	5.36%
Religare Investment Limited	883,260	4.52%	327,200	5.26%

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

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

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

- During the year the company had issued 3,20,000 Convertible Warrants to Anita Chennari at value of Rs.820/-. The warrants issued are convertible into equal number of equity shares having face value of Rs. 10/- each with premium of Rs. 810/- per share. Out of the amount received during the year 2,84,552 warrants were converted into equivalent number of equity shares. The balance Rs.72,67,360/- were received during the year for remaining 35,448 warrants.

- Conversion can happen at anytime from the **date of allotment** but before the expiry of 18 months from the date of allotment. Convertible warrants are subject to lock-in-period of one years from **date of trading approval** of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

2 (f) 70,896 bonus shares have been kept in abeyance / reserved against unconverted warrants.

(Amount in Rs.)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Note 3 : Reserves and Surplus		
Securities Premium		
Balance at the beginning of the year	326,349,189	326,349,189
Add: Received during the year	230,487,120	-
	556,836,309	326,349,189
Less : Bonus Shares Issued	130,191,040	-
	426,645,269	326,349,189
Surplus in Statement of Profit and Loss :		
Balance at the beginning of the year	111,942,259	32,620,458
Add / (Less): Profit (Loss) after tax for the year	116,627,282	88,285,357
	228,569,541	120,905,815
Less : Appropriations		
Proposed Dividend	-	7,470,000
Tax on Proposed Dividend	-	1,493,556
	-	8,963,556
Total	655,214,810	438,291,448

Note : Board of Directors have Proposed Dividend of 5% of Face Value i.e. Rs.0.5 per share for F.Y. 2017-18 to be approved by Members at Annual General Meeting

Note 4 : Money Received against Share Warrants

Application Money Received during the year	240,600,000	-
Issue of Share at Premium	(233,332,640)	-
Total	7,267,360	-

- Refer Note No. 2(e)

Note 5 : Deferred Tax Liabilities / (Assets) (Net)

Depreciation	(378,060)	(268,480)
Business Losses *	-	-
Gratuity	(64,018)	(56,329)
Total	(442,078)	(324,809)

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

(Amount in Rs.)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Note 6 : Short Term Borrowings		
Unsecured Loans: *		
Loans repayable on demand	-	-
- From Related Party	-	-
- From Others	472,957,168	7,291,673
Total	472,957,168	7,291,673
* All the above loans are repayable on demand.		
Note 7 : Trade Payables		
Micro and small enterprises*	-	-
Others	1,163,113	353,163
Total	1,163,113	353,163
* 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 31 st March 2018.		
Note 8 : Other Current Liabilities		
Unpaid Dividends*	259,473	318,032
Statutory Liabilities	1,065,036	85,365
Accrued Expenses	9,437	9,238
Total	1,333,946	412,635
* There is no outstanding dues to be paid to Investor Education and Protection Fund.		
Note 9 : Short Term Provisions		
Provision for employees benefits (Gratuity) (refer note 27)	207,179	182,293
Provision for taxation (net of taxes paid)	13,306,450	6,113,874
Proposed Dividend for F.Y. 2016-17	-	7,470,000
Provision for Tax on Proposed dividend	-	1,493,556
Total	13,513,629	15,259,723

Date : 30.05.2018

DIN:00437174

Notes on Financial Statements as at 31st March 2018

Note 10 : Fixed Assets										(Amount in Rs.)	
PARTICULARS	GROSS BLOCK (At Cost)				ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 01.04.2017	Additions during the year	Sold / Transfer during the Year	Total As at 31.03.2018	Provided upto 01.04.2017	Provided for the Year	Adjustments during the Year	Written Back during the Year	Total upto 31.03.2018	Total as at 31.03.2018	Total as at 01.04.2017
Tangible Assets											
Land	78,090	-	-	78,090	-	-	-	-	-	78,090	78,090
Vehicle	5,160,200	-	-	5,160,200	4,392,415	609,940	-	-	5,002,355	157,845	767,785
Office Equipments	1,210,810	151,488	-	1,362,298	1,210,810	13,348	-	-	1,224,158	138,140	-
Computers	593,925	170,158	-	764,083	580,609	35,512	-	-	616,121	147,962	13,316
Electric Equipment	192,500	-	-	192,500	192,500	-	-	-	192,500	-	-
Total	7,235,525	321,646	-	7,557,171	6,376,334	658,800	-	-	7,035,135	522,037	859,191
Intangible Asset											
Computer Software	3,481,275	-	-	3,481,275	3,481,275	-	-	-	3,481,275	-	-
Total	3,481,275	-	-	3,481,275	3,481,275	-	-	-	3,481,275	-	-
Total as at 31.03.2018	10,716,800	321,646	-	11,038,446	9,857,609	658,800	-	-	10,516,410	522,037	859,191
Total as at 31.03.2017	10,716,800	-	-	10,716,800	9,139,525	718,084	-	-	9,857,609	859,191	

(Amount in Rs.)

Particulars	As at 31 st March 2018	As at 31 st March 2017
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Note 11 : Non-Current Investments

Other than trade (at cost):	Numbers	Amount	Numbers	Amount
Quoted: Investments in fully paid equity instruments:				
Arambhan Hospitality Ser. Ltd.	835,000	30,683,000	-	-
Agarwal Industrial Corporation Ltd	1,383,540	308,724,778	1,100,000	154,000,000
Religare Enterprise Ltd	-	-	545,000	117,402,971
Gini Silk Mills	-	-	625,788	105,837,337
Unquoted: Investments in fully paid equity instruments:				
a) Investment in a Subsidiary Company:				
Garnet Valoram Capital Venture Pvt. Ltd. (Face value Rs. 10)	9,999	99,990	-	-
Sukartik Clothing Pvt. Ltd (Face value Rs. 10)	211,000	54,200,000	211,000	54,200,000
b) Investment in Shares of Other Companies:				
A&G Accelerators Pvt. Ltd. (Face value Rs. 10)	10,000	100,000	-	-
Shree Narayan Silk House Private Limited (Face value Rs. 10)	-	-	736,875	27,195,175
Share Application Money				
Shree Narayan Silk House Pvt. Ltd.	-	-	-	4,825
Share Warrant				
Agarwal Industrial Corporation Ltd		12,937,500		12,937,500
Investments in Government securities				
National Saving Certificates*		23,000		23,000
Other non-current investment				
Silver bar	16.445 Kg	304,783	16.445 Kg	304,783
Total		407,073,051		471,905,591

Particulars	Book value	Market Value**	Book value	Market Value**
Aggregate value of:				
Quoted investments	339,407,778	497,776,363	377,240,308	990,111,937
Unquoted investments	54,399,990	N.A.	81,395,175	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 31.03.2018 or nearest traded date, wherever available. The market value of shares, for which the quotations of the Bombay Stock Exchange were not available, has been considered as nil.

Note 12 : Long Term Loans and Advances

Unsecured, considered good

Security deposit	80,000	80,000
Intercorporate Loans	-	-
Unsecured loan to Subsidiary Company	35,473,169	-
Total	35,553,169	80,000

Note 13 : Other-Non Current Assets

Minimum Alternate Tax Credit Entitlement	62,161,588	2,227,521
Total	62,161,588	2,227,521

(Amount in Rs.)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Note 14 : Inventories		
Stock-in-Trade - Shares*	809,876,869	3,848,137
Total	809,876,869	3,848,137
* Details of Stock-in-trade - Shares (Face value of Rs. 10/- each):		
1,47,076 (P.Y. 3,38,945) Equity shares of Pankaj Polymers Limited	1,213,721	3,643,659
23,52,837 (P.Y. NIL) Equity shares of Vakrangee Limited	520,329,903	-
9,00,000 (P.Y. NIL) Equity shares of Parsonath Devlopers Limited	13,500,000	-
NIL (P.Y. 312) Equity shares of JCT Limited	-	1,557
3,16,162 (P.Y. NIL) Equity shares of Atishay Limited	27,268,973	-
2,40,383 (P.Y. NIL) Equity shares of Lactos India Limited	24,422,913	-
25,28,514 (P.Y. NIL) Equity shares of Websol Energy System Ltd.	223,141,361	-
NIL (P.Y. 3,910) Equity shares of Kernex Miscrosystem(Ind) Ltd.	-	159,235
NIL (P.Y. 32) Equity shares of L&T	-	43,686
	809,876,871	3,848,137
Note 15 : Cash and Cash Equivalents		
Cash and Bank Balances		
Balances with banks		
In a Current account	16,095,363	13,020,574
In a Unpaid dividend account*	259,473	318,032
Cash in hand	109,526	161,189
Other bank balances		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	751,656	21,100,134
Total	17,216,018	34,599,929
* Earmarked against the corresponding provision.		
Note 16 : Short Term Loans and Advances		
Unsecured, considered good		
Others		
Intercorporate loans		
To the companies in which director(s) is(are) member(s) and director(s)	188,383	-
Others	13,313,162	6,822,692
Advance for purchase of Land	13,501,545	6,822,692
Advance from Creditors	-	3,000,000
Prepaid expenses	2,182	-
	21,328	22,633
Total	13,525,055	9,845,325
Note 17 : Other Current Assets		
Interest Accrued on deposits	25,111	168,139
Misc. Expenses	341,610	-
Total	366,721	168,139

Notes on Financial Statements for the year ended as on 31st March 2018

(Amount in Rs.)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Note 18 : Revenue from Operations		
Sale of Shares	3,412,262,756	404,453,733
Profit/(Loss) on sale of Shares transaction - Intra-day	155,338,166	121,516
Profit/(Loss) on Shares transactions - F & O	(209,212,125)	3,485,337
Other operating revenues- Dividend	1,936,190	256,325
Total	3,360,324,987	408,316,911
Note 19 : Other Income		
Interest on :		
Fixed Deposits	1,629,940	238,373
National Saving Certificate	2,228	2,036
Loans	4,936,097	642,500
Profit on Sale of Investment	76,727,882	85,508,491
Total	83,296,147	86,391,400
Note 20 : Purchases of Stock-in-trade		
Shares & Securities	4,095,900,432	314,696,391
Total	4,095,900,432	314,696,391
Note 21 : Changes in Inventories		
Stock in Trade - Shares		
Opening stocks	3,848,137	133,244,449
Less: Stock converted to Investments	-	68,770,343
Less: Closing stocks	809,876,869	3,848,137
Total	(806,028,732)	60,625,969
Note 22 : Employee Benefit Expenses		
Salaries and Wages	1,736,987	1,294,167
Contribution to Provident Fund and other funds	74,563	62,521
Staff Welfare Expenses	47,486	39,365
Total	1,859,036	1,396,053
Note 23 : Finance Cost		
Interest Paid On Loan	8,924,739	355,630
Total	8,924,739	355,630

(Amount in Rs.)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Note 24 : Other Expenses		
Advertisement and Publicity	70,701	67,398
AGM Expenses	213,161	-
Auditors remuneration (refer note 26)	477,400	294,425
Bank charges	7,449	4,577
Bonus Issue Expenses	286,328	-
Bad Debts Written Back	(1,310)	-
Communication expenses	98,473	96,351
Demat charges	396,355	91,281
GST Expenses	5,745,541	-
General expenses	75,739	268,104
Insurance	19,018	12,313
Legal and professional charges	4,743,480	1,854,086
Penalty Charges	590	-
Printing & Stationery	75,218	22,534
Rates and Taxes	2,531,182	300,176
Repairs and maintenance	11,667	11,200
Securities Transaction Tax	12,094,573	1,409,219
Share Trading Expenses	16,893,189	1,141,687
Travelling and Conveyance	588,772	907,454
Total	44,327,526	6,480,805

Note 25 : Earning per equity share

	UNIT	
Net Profit / (Loss) after tax	Rs.	116,627,282
Weighted average number of shares used in computing basic earnings per share	Numbers	18,750,130
Weighted average number of shares used in computing basic earnings per share	Numbers	18,750,421
Face value of equity shares	Rs.	10
Basic Earnings per share / Adjusted Basic Earning per Share	Rs.	6.22
Diluted Earnings per share / Adjusted Diluted Earning per Share	Rs.	6.22

Note: As per AS-20 EPS has been restated in case of Bonus issue.

Note 26 : Payment to Auditors (Including Goods & Service Tax)

Statutory audit under the Companies Act, 2013	215,350	201,250
Tax Audit under the Income Tax Act 1961	34,500	34,500
Taxation matters	34,500	34,500
Certifications	131,690	63,250
Others	29,500	1,175
Total	445,540	334,675

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 Gratuity Unfunded	Previous year Gratuity Unfunded
I Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :		
1 Liability at the beginning of the year	182,293	151,038
2 Interest Cost	13,285	11,177
3 Current Service Cost	23,279	21,675
4 Actuarial (Gains) / Loss on obligations	(11,678)	(1,597)
5 Benefits paid	-	-
6 Net Acquisitions	-	-
7 Liability at the end of the year	207,179	182,293
II Amount Recognised in Balance Sheet		
1 Liability at the end of the year	207,179	182,293
2 Fair value of Plan Assets at the end of the year	-	-
3 Amount recognised in the Balance Sheet	207,179	182,293
III Expenses Recognised in the Income Statement		
1 Current Service Cost	23,279	21,675
2 Interest Cost	13,285	11,177
3 Expected Return on Plan Assets	-	-
4 Net Actuarial (gain) /loss to be Recognised	(11,678)	(1,597)
5 Expenses Recognised in Profit & Loss Account	24,886	31,255
IV Balance Sheet Reconciliation		
1 Opening Net Liability	182,293	151,038
2 Expenses as above	24,886	31,255
3 Employers Contribution	-	-
4 Net Acquisitions	-	-
4 Amount Recognised in Balance Sheet	207,179	182,293
V Actuarial Assumptions		
1 Discount Rate (%)	7.65%	7.40%
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 amended) are given below:

I) Names of related parties and description of relationships

a) Key Managerial Personnel (KMP)

Suresh Gagger	Managing Director
Ramakant Gagger	Director
Rathi Ramprakesh Sharad	Director
Manju Bhagchand Maheshwari	Director
Dinesh Nandwana	Director (resigned on 10th August, 2017)
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)

Indira Gagger	Relative of Director
GVS Chemical Private Limited	Entity controlled by Director

c) Holding / Subsidiary Company

Garnet Valoram Capital Venture Pvt. Ltd.	Subsidiary Company (w.e.f 16th January, 2018)
Sukartik Clothing Private Limited	Subsidiary Company
Alaukik Mines & Power Private Limited	Subsidiary Company upto 01/04/2016
Bhuta Investment Private Limited	Subsidiary Company upto 27/03/2017

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	
	2017-18	2016-17	31 st March 2018	31 st March 2017
Current liabilities				
Short term borrowings				
Unsecured Loans:				
Ramakant Gagger	-	1,500,000	-	-
Non current assets				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Alaukik Mines & Power Private Limited	-	(110,500,000)	-	-
Bhuta Investment Private Limited	-	(12,000,000)	-	-
Garnet Valoram Capital Venture Pvt. Ltd.	9,990.0	-	99,990	-
Sukartik Clothing Private Limited	-	25,500,000	54,200,000	54,200,000
Current assets				
Intercorporate Loans				
Bhuta Investment Private Limited	-	(2,268,852)	-	-
Alaukik Mines & Power Private Limited	-	(95,807)	-	-
GVS Chemical Private Limited	145,209,315	5,900,000	188,383	-
Sukartik Clothing Private Limited	35,603,521	-	35,473,169	-
Sales				
Ramakant Gagger	-	620,000	N.A.	N.A.
Remuneration				
Salary to CFO	410,810	330,000	-	-

Sub Note: 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

CA. Mittal Vora

Partner

Membership No. 140786

Place : Mumbai

For and on behalf of the board

Suresh Gaggar

Managing Director

DIN : 00599561

Sanjay Raut

Chief Financial Officer

Ramakant Gaggar

Director

DIN : 01019838

Sharad Rathi

Director

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, 2018, 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 2018, 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, 2018, 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, 2018, 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, 2018 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, 2018 and there were no amounts which were required to be transferred by the subsidiary company.

For MVK Associates
Chartered Accountants
Firm Registration No. 120222W

CA. Mittal Vora
Partner
Mem. No. 140786

Place : Mumbai
Date : 30th May, 2018

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, 2018.

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, 2018 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, 2018, 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

CA. Mittal Vora
Partner
M. No. 140786

Place: Mumbai
Date: 30th May, 2018

Consolidated Balance Sheet as at 31st March 2018

Particulars	Note No.	As at 31 st March, 2018	As at 31 st March, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	195,286,560	62,250,000
Reserves and surplus	3	678,623,559	464,064,608
Money Received against Share Warrants	4	7,267,360	-
		881,177,479	526,314,608
		27,980,130	28,978,026
Minority Interest			
Non-current liabilities			
Long Term Borrowing	5	1,275,963	1,837,919
Deferred tax liabilities (net)	6	4,827,462	3,849,161
		6,103,425	5,687,080
Current liabilities			
Short term borrowings	7	472,983,158	7,291,673
Trade payables	8	45,576,526	36,288,112
Other current liabilities	9	5,054,291	5,846,733
Short term provisions	10	13,513,629	17,473,231
		537,127,604	66,899,749
TOTAL		1,452,388,638	627,879,463
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	11	105,812,590	88,356,793
Intangible assets	11	16,746,246	16,746,246
		122,558,836	105,103,039
Non-current investments	12	352,773,061	417,705,591
Deffered Tax Assets (Net)	6	-	-
Long term loans and advances	13	983,183	983,183
Other non current assets	14	63,291,588	3,357,521
		539,606,668	527,149,334
Current assets			
Inventories	15	826,188,542	12,521,265
Trade receivables	16	45,800,802	36,214,170
Cash and bank balances	17	20,940,437	39,016,282
Short term loans and advances	18	19,478,791	12,797,889
Other current assets	19	373,398	180,523
		912,781,970	100,730,129
TOTAL		1,452,388,638	627,879,463
Significant accounting policies	1		
See accompanying notes to financial statements	2-35		

As per our attached report of even date

For MVK Associates
Chartered Accountants
Firm registration No. 120222W

For and on behalf of the board

CA. Mittal Vora
Partner
Membership no. 140786

Suresh Gaggar
Managing Director
DIN: 00599561

Sanjay Raut
Chief Financial Officer

Ramakant Gaggar
Director
DIN: 01019838

Sharad Rathi
Director
DIN: 00437174

Place : Mumbai
Dated : 30th May, 2018

Consolidated Statement of Profit and Loss for the year ended 31st March 2018

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Gross revenue from operations	20	3,473,648,890	551,138,524
Less: Excise Duty		-	-
Net revenue from operations		3,473,648,890	551,138,524
Other income	21	82,066,712	89,717,123
Total Revenue		3,555,715,602	640,855,647
Expenses:			
Cost of materials consumed	22	39,934,779	54,375,494
Purchases of stock-in-Trade	23	4,101,576,888	322,901,565
Changes in inventories	24	(807,656,658)	60,758,260
Employee benefit expenses	25	7,803,400	8,744,195
Finance cost	26	9,161,517	772,155
Depreciation and amortisation expenses	11	8,236,428	6,136,440
Other expenses	27	100,946,663	60,469,873
Total expenses		3,460,003,017	514,157,982
Profit before Tax		95,712,585	126,697,665
Tax expenses			
Current tax		21,389,290	25,452,646
Deferred tax		978,301	1,052,446
Tax adjustment for earlier years		4,972,868	620,412
MAT credit entitlement		(44,892,839)	-
		(17,552,380)	27,125,504
Profit after tax before share of result of Associates and minority interest		113,264,965	99,572,161
Add/(Less): Minority Interest		997,906	(2,576,705)
Add/(Less): Share in Profit / (Loss) of an Associate		-	-
		997,906	(2,576,705)
Profit after tax for the year		114,262,871	96,995,456
Earning per equity share	28		
Basic		6.09	5.19
Diluted		6.09	5.19
Significant accounting policies	1		
See accompanying notes to financial statements			

As per our attached report of even date
For MVK Associates
Chartered Accountants
Firm registration No. 120222W

For and on behalf of the board

CA. Mittal Vora
Partner
Membership no. 140786

Suresh Gaggar
Managing Director
DIN: 00599561
Sanjay Raut
Chief Financial Officer

Ramakant Gaggar
Director
DIN: 01019838
Sharad Rathi
Director
DIN: 00437174

Place : Mumbai
Dated : 30th May, 2018

Consolidated Cash Flow Statement For The Year Ended 31st March, 2018

(Amount in Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	95,712,585	126,697,665
Adjustment for		
Depreciation	8,236,428	6,136,440
Loss / (Profit) on sale of Fixed Assets	-	-
Loss / (Profit) on sale of Investments	(76,727,882)	(88,177,650)
Investment Income		-
- Interest	(5,338,823)	(1,539,473)
- Dividend	(1,936,190)	(256,325)
Interest Expenses	9,161,517	772,155
Operating Profit before Working Capital changes	29,107,636	43,632,812
Adjustment for		
- Trade and other Receivables	36,214,170	(4,627,260)
- Inventories	(813,667,277)	125,070,667
- Loans & Advances & Other Current Assets	(6,873,769)	31,698,329
- Trade Payables	9,288,414	(55,546,834)
- Other Current Liabilities & Short Term Provisions	6,483,580	(59,902)
Cash generated from operations	(739,447,246)	140,167,812
Direct taxes paid	(43,616,894)	(6,386,049)
Cash flow before Extraordinary Items	(783,064,140)	133,781,763
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES	(783,064,140)	133,781,763
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Investments (Net)	64,932,530	(174,219,910)
Purchase of Fixed Assets	(25,692,225)	(29,033,756)
Interest / Other income	5,338,823	1,539,473
Profit / (Loss) on sale of Investments	76,727,882	85,508,491
Dividend received	1,936,190	256,325
NET CASH USED IN INVESTING ACTIVITIES	123,243,200	(115,949,377)

(Amount in Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received	7,267,360	-
Repayment of Long Term Borrowings	(561,956)	(527,676)
Shares Issued	133,036,560	-
Share Premium Received	100,296,080	-
Increase (decrease) in unsecured loans	-	1,528
Proceeds from Short Term Borrowings	465,691,485	-
Repayment of Short Term Borrowings	-	(1,440,828)
Interest Paid	(9,161,517)	(772,155)
Dividend paid	(9,022,115)	(5,216,336)
NET CASH FROM FINANCING ACTIVITIES	687,545,896	(7,955,467)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	27,724,956	9,876,919
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	39,016,283	29,139,364
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	66,741,239	39,016,283

Notes to cash flow statement:

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

As per our attached report of even date

For MVK Associates

Chartered Accountants

Firm registration No. 120222W

CA. Mittal Vora

Partner

Membership no. 140786

Place : Mumbai

Dated : 30th May, 2018

For and on behalf of the board

Suresh Gaggar

Managing Director

DIN: 00599561

Sanjay Raut

Chief Financial Officer

Ramakant Gaggar

Director

DIN: 01019838

Sharad Rathi

Director

DIN: 00437174

Notes to the 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 subsidiaries are drawn up to March 31, 2018.

Name of the Company	Country of Incorporation	Nature of Relation	% of ownership interest and voting power
Sukartik Clothing Pvt. Ltd.	India	Subsidiary	70.10%
Garnet Valorem Capital Ventures Private Limited	India	Subsidiary	100%

Above Subsidiary Companies 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 as at 31st March 2018

Particulars	As at 31.03.2018		As at 31.03.2017	
	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Note 2 : Share capital				
Authorised:				
Equity Shares of Rs.10/- each	30,000,000	300,000,000	7,500,000	75,000,000
Total		300,000,000		75,000,000
Issued :				
Equity Shares of Rs. 10/- each fully paid	19,599,552	195,995,520	6,225,000	62,250,000
Subscribed and Paid-Up :				
Equity Shares of Rs.10/- each fully paid	19,528,656	195,286,560	6,225,000	62,250,000
Total		195,286,560		62,250,000

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

Particulars	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Outstanding at the beginning of the year	6,225,000	62,250,000	6,225,000	62,250,000
Issued / Converted during the year	284,552	2,845,520	-	-
Allotted as fully paid by way of Bonus Shares on 8th March 2018	13,019,104	130,191,040	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	19,528,656	195,286,560	6,225,000	62,250,000

During the year 1,30,19,104 fully paid equity shares of Rs.10 each were issued as bonus share on 8th March 2018. The existing permissible reserves of the Company was capitalised for issue of bonus shares in the proportion of one equity share for every one equity share held by the equity shareholders of the company.

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.

- 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.
- 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.

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

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Shri Ramakant Gaggar	3,752,589	19.22%	1,250,863	20.09
Mangal Savitri Bizcon Pvt. Ltd.	2,580,845	13.22%	806,041	12.95
Smt. Indira Gaggar	888,032	4.55%	375,909	6.04
Shri Suresh Gaggar	2,150,010	11.01%	602,270	9.68
Hitanshi Properties Private Limited	26,327	0.13%	333,601	5.36
Religare Investment Limited	883,260	4.52%	327,200	5.26

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

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

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

- During the year the company had issued 3,20,000 Convertible Warrants to Anita Chennari at value of Rs.820/-. The warrants issued are convertible into equal number of equity shares having face value of Rs. 10/- each with premium of Rs. 810/- per share. Out of the amount received during the year 2,84,552 warrants were converted into equivalent number of equity shares. The balance Rs.72,67,360/- were received during the year for remaining 35,448 warrants.

- Conversion can happen at anytime from the date of allotment but before the expiry of 18 months from the date of allotment. Convertible warrants are subject to lock-in-period of one years from date of trading approval of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

2. f 70,896 bonus shares have been kept in abeyance / reserved against unconverted warrants.

Particulars	As at 31.03.2018	As at 31.03.2017
Note 3 : Reserves and surplus		
Securities premium		
Balance at the beginning of the year	326,349,189	326,349,189
Add: Received during the year	230,487,120	-
	<u>556,836,309</u>	<u>326,349,189</u>
Less : Bonus Shares Issued	130,191,040	-
	<u>426,645,269</u>	<u>326,349,189</u>
Capital Reserve on consolidation	4,948,063	4,948,063
Surplus in Statement of Profit and loss :		
Balance at the beginning of the year	132,767,355	44,735,455
Add (less): Profit (loss) after tax for the year	114,262,871	96,995,456
Less: Appropriations		
Proposed Dividend	-	7,470,000
Tax on Proposed Dividend	-	1,493,556
	<u>247,030,226</u>	<u>132,767,355</u>
Total	<u>678,623,559</u>	<u>464,064,608</u>
Note 4 : Money Received against Share Warrants		
Application Money Received during the year	240,600,000	-
Issue of Share at Premium	(233,332,640)	-
Total	<u>7,267,360</u>	<u>-</u>
- Refer Note No.2.e		
Note 5 : Long term borrowings		
Secured Loan		
Vehicle loan from State Bank Of Patiala	1,275,963	1,837,919
Total	<u>1,275,963</u>	<u>1,837,919</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.		
(c) Current maturities of EMIs has been grouped under "Other Current Liabilities" refer note 9.		
Note 6 : Deferred tax liabilities (Net)		
Deferred Tax Liabilities on account of :		
Depreciation	4,891,480	3,905,490
Deferred Tax Assets on account of :		
Business Losses *	-	-
Gratuity	(64,018)	(56,329)
Total	<u>4,827,462</u>	<u>3,849,161</u>

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

Particulars	As at 31.03.2018	As at 31.03.2017
Note 7 : Short term borrowings		
Unsecured Loans:		
Loans repayable on demand from:		
Others Companies	472,957,168	7,291,673
Related parties	25,990	-
	472,983,158	7,291,673
Total	472,983,158	7,291,673
Note 8 : Trade payables		
Micro and small enterprises*	-	-
Others	45,576,526	36,288,112
	45,576,526	36,288,112
Total	45,576,526	36,288,112
* 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.		
Note 9 : Other current liabilities		
Current maturities of a long-term debt	567,271	549,361
Unpaid dividends*	259,473	318,032
Overdrawn Bank balance	1,196,588	-
Creditors for capital expenditure	-	-
Payables to Employees	-	2,950,869
Advance from Customers	43,330	291,871
Statutory liabilities	1,513,674	484,875
Accrued expenses	758,593	868,380
Other payables	355,371	312,000
Salary payable to Directors and their relatives	359,990	71,345
	5,054,291	5,846,733
Total	5,054,291	5,846,733
* There is no outstanding dues to be paid to Investor Education and Protection Fund.		
Note 10 : Short term provisions		
Provision for employees benefits (Gratuity) (refer note 30)	207,179	182,293
Provision for taxation (net of taxes paid)	13,306,450	8,327,382
Provision for proposed dividend F.Y. 2014-15	-	-
Provision for proposed dividend F.Y. 2015-16	-	-
Provision for proposed dividend F.Y. 2016-17	-	7,470,000
Provision for tax on proposed dividend	-	1,493,556
	13,513,629	17,473,231
Total	13,513,629	17,473,231

Notes on Financial Statements as at 31st March 2018
Note 11 : Fixed Assets

(Amount in Rs.)

PARTICULARS	GROSS BLOCK (At Cost)				ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 31.03.2017	Addition during the year	Sold /Transfer /Adjusted during the year *	As at 31.03.2018	Total up to 31.03.2017	Provided for the year	Adjusments During the Year	Written back duing the year	Total up to 31.03.2018	Total as at 31.03.2018	Total as at 31.03.2017
Tangible assets											
Land	4,428,690	12,904,580	-	17,333,270	-	-	-	-	-	17,333,270	4,428,690
Office Premises	1,042,601	-	-	1,042,601	260,953	35,529	-	-	296,482	746,119	781,648
Office Equipments	3,974,831	1,742,694	-	5,717,525	2,518,861	672,016	-	-	3,190,877	2,526,648	1,455,970
Factory Building	17,291,202	2,212,230	-	19,503,432	2,087,387	588,849	-	-	2,676,236	16,827,196	15,203,815
Plant And Machinery	80,029,041	7,670,563	-	87,699,604	19,501,316	5,221,058	-	-	24,722,374	62,977,230	60,527,725
Furniture And Fixtures	2,161,870	909,411	-	3,071,281	584,115	243,098	-	-	827,213	2,244,068	1,577,755
Electric Equipment	192,500	-	-	192,500	192,500	-	-	-	192,500	-	-
Computers	1,128,278	252,747	-	1,381,025	971,899	130,209	-	-	1,102,108	278,917	156,378
Vehicles	10,551,492	-	-	10,551,492	6,326,681	1,345,669	-	-	7,672,350	2,879,142	4,224,811
Intangible assets											
Computer Software	3,531,275	-	-	3,531,275	3,531,275	-	-	-	3,531,275	-	-
Goodwill arise on consolidation	16,746,246	-	-	16,746,246	-	-	-	-	-	16,746,246	16,746,246
Total as at 31.03.2018	141,078,026	25,692,225	-	166,770,252	35,974,987	8,236,428	-	-	44,211,416	122,558,836	105,103,039
Total as at 31.03.2017	98,815,713	45,642,745	3,380,433	141,078,026	29,838,548	5,044,364	-	155,926	29,838,547		

Particulars	As at 31.03.2018		As at 31.03.2017	
Note 12 : Non-current investments				
Other than trade (at cost):	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Quoted: Investments in fully paid equity instruments:				
Arambhan Hospitality Ser. Ltd.	835,000	30,683,000	-	-
Agarwal Industrial Corporation Ltd	1,383,540	308,724,778	1,100,000	154,000,000
Religare Enterprise Ltd	-	-	545,000	117,402,971
Gini Silk Mills	-	-	625,788	105,837,337
Unquoted: Investments in fully paid equity instruments:				
a) Investment in other Companies:				
Shree Narayan Silk House Pvt. Ltd.	-	-	736,875	27,195,175
A&G Accelerators Pvt. Ltd. (Face value Rs. 10)	10,000	100,000	-	-
Share Application money				
Shree Narayan Silk House Pvt. Ltd.		-		4,825
Share Warrant				
Agarwal Industrial Corporation Ltd		<u>12,937,500</u>		12,937,500
Investments in Government securities				
National Saving Certificates*		<u>23,000</u>		23,000
Other non-current investment				
Investment in Silver bar	16.445Kg	304,783	16.445Kg	304,783
Total		<u>352,773,061</u>		<u>417,705,591</u>
Particulars	Book Value (Rs.)	Market Value (Rs)	Book value (Rs.)	Market value (Rs.)**
Aggregate value of:				
Quoted investments	339,407,778	497,776,363	377,240,308	990,111,937
Unquoted investments	54,399,990	N.A.	27,195,175	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 31.03.2018 or nearest traded date, wherever available. The market value of shares, for which the quotations of the Bombay Stock Exchange were not available, has been considered as NIL.				
Note 13 : Long term loans and advances				
Unsecured, considered good				
Security deposits		983,183		983,183
Intercompany Loans		-		-
Total		<u>983,183</u>		<u>983,183</u>
Note 14 : Other non current assets				
Deposits / Investment for various projects				
20,000 shares of Punjab dyers association		-		-
Investment in CETP Project		1,130,000		1,130,000
Minimum alternate tax credit entitlement		62,161,588		2,227,521
Total		<u>63,291,588</u>		<u>3,357,521</u>

Particulars	As at 31.03.2018	As at 31.03.2017
Note 15 : Inventories		
Raw Materials	12,120,128	6,369,952
Work in progress	-	-
Finished goods	2,792,722	376,792
Stock-in trade:	-	-
Shares and securities	809,876,869	3,848,137
Fabrics	828,803	1,616,807
	<u>810,705,672</u>	<u>5,464,944</u>
Consumables	570,020	309,577
Total	<u>826,188,542</u>	<u>12,521,265</u>
Details of Raw Materials:		
Yarn	7,084,084.00	3,422,943
Dyes & Cemicsals	5,036,044.00	2,947,009
	<u>12,120,128.00</u>	<u>6,369,952</u>
Details of Finished goods:		
Garments	2,792,722	376,792
Details of Stock-in trade:		
Shares and securities (Face value of Rs. 10/- each):		
1,47,076 (P.Y. 3,38,945) Equity shares of Pankaj Polymers Limited	1,213,721	3,643,659
23,52,837 (P.Y. NIL) Equity shares of Vakrangee Limited	520,329,903	-
9,00,000 (P.Y. NIL) Equity shares of Parsonath Devlopers Limited	13,500,000	-
NIL (P.Y. 312) Equity shares of JCT Limited	-	1,557
3,16,162 (P.Y. NIL) Equity shares of Atishay Limited	27,268,973	-
2,40,383 (P.Y. NIL) Equity shares of Lactos India Limited	24,422,913	-
25,28,514 (P.Y. NIL) Equity shares of Websol Energy System Ltd.	223,141,361	-
NIL (P.Y. 3,910) Equity shares of Kernex Miscrosystem(Ind) Ltd.	-	159,235
NIL (P.Y. 32) Equity shares of L&T	-	43,686
	<u>809,876,871</u>	<u>3,848,137</u>
Fabric	828,803	1,616,807

Particulars	As at 31.03.2018	As at 31.03.2017
Note 16 : Trade receivables		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they are due for payments	1,980,332	5,256,199
Others	-	-
Other debts	-	-
Due from a director	-	-
Others	43,820,470	30,957,971
	<u>43,820,470</u>	<u>30,957,971</u>
Total	<u>45,800,802</u>	<u>36,214,170</u>
Note 17 : Cash and bank balances		
Cash and cash equivalents:		
Balances with banks		
In Current accounts	19,036,611	15,981,226
Unpaid dividends*	350,803	318,032
Cash in hand	109,526	238,004
Other bank balances:		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	-	22,479,020
Fixed deposits with banks with maturity period more than 12 months.	1,443,497	-
(FDR of Rs.6,00,000 under Lien for Bank Guarantees)		
	<u>20,940,437</u>	<u>39,016,282</u>
Total	<u>20,940,437</u>	<u>39,016,282</u>
Note 18 : Short term loans and advances		
Unsecured, considered good		
Intercorporate loans		
To related parties		-
Others	188,884	6,822,692
Other Non corporate parties	13,313,162	-
	<u>13,502,046</u>	<u>6,822,692</u>
Advance for Purchase of Land		3,000,000
Advance to suppliers	286,432	700,307
Advance to employees	105,936	63,440
Balances with Statutory Authorities	5,279,028	1,804,182
Prepaid expenses	304,240	392,212
Other receivables	1,109	15,056
	<u>19,478,791</u>	<u>12,797,889</u>
Total	<u>19,478,791</u>	<u>12,797,889</u>
Note 19 : Other current assets		
Interest Accrued on fixed deposits	28,715	180,523
Interest Accrued on security deposit	3,073	-
Misc. Expenses	341,610	-
	<u>373,398</u>	<u>180,523</u>
Total	<u>373,398</u>	<u>180,523</u>

Notes on Consolidated Financial Statements for year ended 31st March 2018

(Amount in Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Note 20 : Revenue from operations		
Sales :		
Shares and securities	3,412,262,756	404,453,733
Garments		
Local	103,633,603	95,935,499
Export	-	895,872
	103,633,603	96,831,371
Dyes & Chemicals	-	-
Profit (loss) on sale of Shares transaction - intra-day	155,338,166	121,516
Profit (loss) on Shares transactions- F & O	(209,212,125)	3,485,337
Services:		
Job work charges	9,690,300	45,990,242
Other Operating revenues		
Dividend	1,936,190	256,325
Commission	-	-
	1,936,190	256,325
Total	3,473,648,890	551,138,524
Note 21 : Other income		
Interest		
on fixed deposits	1,657,623	847,938
on National saving certificate	2,228	2,036
on Loans	3,632,576	642,500
on security deposits	46,396	46,999
on profit on sale of investment	76,727,882	85,508,491
on Income tax refund	-	-
	82,066,705	87,047,964
Net gain on sale of Non-current investments	-	2,669,159
Miscellaneous income	7	-
Total	82,066,712	89,717,123
Note 22 : Cost of materials consumed		
Opening stocks:		
Raw material		
Yarn	3,422,943	1,074,951
Dyes & Cemicals	2,947,009	842,725
	6,369,952	1,917,676
Add : Cost of purchases		
Raw materials		
Yarn	17,960,622	24,472,001
Dyes & Cemicals	27,724,333	34,355,769
	45,684,955	58,827,770

(Amount in Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Note 22 : Cost of materials consumed (Contd.)		
Less: Closing stock		
Raw material		
Yarn	7,084,084	3,422,943
Dyes & Cemicsals	5,036,044	2,947,009
	12,120,128	6,369,952
Total	39,934,779	54,375,494

	Consumption in Rs.	% of total consumption	Consumption in Rs.	% of total consumption
Imported and Indigenous Raw materials consumed:				
Imported	-	-	-	-
Indigenous	39,934,779	100%	54,375,494	100%
	39,934,779	100%	54,375,494	100%

Note 22 : Purchases of stock-in-Trade

Fabric	5,676,456	8,205,174
Shares and securities	4,095,900,432	314,696,391
	4,101,576,888	322,901,565

Note 24 : Changes in inventories

Opening stocks:		
Finished goods	376,792	329,040
Stock in Trade :		
Shares and Securities	3,848,137	133,244,449
Fabrics	1,616,807	1,796,850
	5,464,944	135,041,299
Less: Closing stocks:		
Finished goods	2,792,722	376,792
Stock Converted to Investment	-	68,770,343
Stock in Trade :		
Shares and Securities	809,876,869	3,848,137
Fabrics	828,803	1,616,807
Work in progress	-	-
Add/(Less): Variation in excise duty on opening and closing stock of finished goods	-	-
Total	(807,656,658)	60,758,260

(Amount in Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Note 25 : Employee benefit expenses		
Salaries and Wages	6,346,296	7,180,253
Contribution to Provident Fund and other funds	1,046,205	987,410
Staff Welfare Expenses	410,899	576,532
Total	7,803,400	8,744,195
Note 26 : Finance cost		
Interest on loan	9,149,089	621,148
Bill Discounting Interest	11,057	150,557
Interest on late payment of taxes	1,371	450
Total	9,161,517	772,155
Note 27 : Other expenses		
Manufacturing Expenses		
Job Charges	22,392,012	19,181,750
Power and Fuel	11,784,542	11,700,315
Freight Inward	352,180	250,778
Dyeing Charges	48,413	47,107
Packing Expenses	9,345	19,000
Duties & Taxes	-	128,290
Fabrication Charges	89,236	975,036
Husk and Ash Lifting Charges	95,760	266,245
Stores and Spares Consumed*	14,404,812	12,565,593
Insurance	360,753	237,377
Repairs & Maintenance(Machinery)	2,382,589	3,120,765
	51,919,642	48,492,256
Administration and other expenses		
Brokerage and Commission	26,688	14,268
Communication Expenses	533,367	402,752
Compliance Expenses	43,500	194,923
Demat charges	396,355	91,281
Advertisement and publicity	121,461	156,957
Securities Transaction Tax	12,094,573	1,409,219
AGM Expenses	213,161	-
Share Trading Expenses	16,893,189	1,141,687
Legal and Professional Charges	4,801,976	2,023,586
Auditors' remuneration (refer note 29)	562,400	409,425
Incorporation Expenses	24,886	-
Internal Audit Fees	-	-
Insurance	19,018	12,313

(Amount in Rs.)		
Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Note 27 : Other expenses (Contd.)		
General expenses	75,739	268,104
Prior Period Exp.	-	-
Donation	-	-
Bank Commission / Charges	23,171	44,587
Membership and Subscription	111,091	98,831
Bad debts	(1,310)	-
Bonus Issue Expenses	286,328	-
Indirect Taxes Expenditure	5,879,570	-
Miscellaneous Expenses	664,654	1,114,893
Printing and Stationery	264,043	167,078
Rates and taxes	2,531,182	300,176
Repairs & Maintenance	307,864	568,951
Veohical Expenses	-	-
Travelling and Conveyance	2,103,756	2,594,850
Margin Money Charges	-	-
Sales Promotion Expenses	-	-
Festival Expenses	209,775	129,400
Directors Remuneration	840,000	820,000
Loss on Sale of Fixed Asset	-	-
	49,026,437	11,963,281
Net foreign exchange loss(gain)	584	14,335
Total	100,946,663	60,469,872

* Stores and spares consumed includes Imported Material of Rs.1,44,930/- in F.Y. 2016-17

Notes on Consolidated Financial Statements for year ended 31st March 2018

Particulars		For the year ended 31.03.2018	For the year ended 31.03.2017
Note 28 : Earning per equity share			
Net Profit / (Loss) after tax	Rs.	114,262,871	96,995,456
Weighted average number of shares used in computing basic earnings per share	Numbers	18,750,130	18,675,000
Weighted average number of shares used in computing basic earnings per share	Numbers	18,750,421	18,675,000
Face value of equity shares	Rs.	10	10
Basic Earnings per share / Adjusted Basic Earning per Share	Rs.	6.09	5.19
Diluted Earnings per share / Adjusted Diluted Earning per Share	Rs.	6.09	5.19
Note: As per AS-20 EPS has been restated in case of Bonus issue,			
Note 29 : Payment to Auditors (Including Goods & Service Tax)			
Statutory audit under the Companies Act, 2013		265,350	258,750
Tax Audit under the Income Tax Act, 1961		64,500	69,000
Taxation matters		54,500	34,500
Certifications		131,690	86,250
Others		29,500	1,175
Last Year Difference		15,000	
		560,540	449,675

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 Gratuity Unfunded	Previous year Gratuity Unfunded
I Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :		
1 Liability at the beginning of the year	182,293	151,038
2 Interest Cost	13,285	11,177
3 Current Service Cost	23,279	21,675
4 Actuarial (Gains) / Loss on obligations	(11,678)	(1,597)
5 Benefits paid	-	-
6 Net Acquisitions	-	-
7 Liability at the end of the year	207,179	182,293

Particulars	Current Year Gratuity Unfunded	Previous year Gratuity Unfunded
II Amount Recognised in Balance Sheet		
1 Liability at the end of the year	207,179	182,293
2 Fair value of Plan Assets at the end of the year	-	-
3 Amount recognised in the Balance Sheet	207,179	182,293
III Expenses Recognised in the Income Statement		
1 Current Service Cost	23,279	21,675
2 Interest Cost	13,285	11,177
3 Expected Return on Plan Assets	-	-
4 Net Actuarial (gain) /loss to be Recognised	(11,678)	(1,597)
5 Expenses Recognised in Profit & Loss Account	24,886	31,255
IV Balance Sheet Reconciliation		
1 Opening Net Liability	182,293	151,038
2 Expenses as above	24,886	31,255
3 Employers Contribution	-	-
4 Net Acquisitions	-	-
4 Amount Recognised in Balance Sheet	207,179	182,293
V Actuarial Assumptions		
1 Discount Rate (%)	7.65%	7.40%
2 Expected Return on Plan Assets (%)	N.A	N.A

Sub Note : No provision has been made for accrued liability in respect of gratuity payable to employees by one of the Subsidiary Company "Sukartik Clothing Pvt. Ltd.

Note 31 : 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 (Resigned w.e.f 10th August, 2017)
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)

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

c) Holding / Subsidiary Company

Alaukik Mines & Power Private Limited	Subsidiary Company upto 01/04/2016
Bhuta Investment Private Limited	Subsidiary Company upto 27/03/2017

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	
	2017-18	2016-17	31st March 2018	31st March 2017
Current liabilities				
Short term borrowings				
Unsecured Loans:				
Ramakant Gaggar	-	1,500,000	-	-
Short term Loans & Advances				
Alaukik Mines & Power Private Limited	-	24,500,000	-	-
Non current assets				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Alaukik Mines & Power Private Limited	-	(110,500,000)	-	-
Bhuta Investment Private Limited	-	(12,000,000)	-	-
Current assets				
Intercorporate Loans				
Bhuta Investment Private Limited	-	(2,268,852)	-	-
Alaukik Mines & Power Private Limited	-	(95,807)	-	-
GVS Chemical Private Limited	145,209,315	5,900,000	188,383	-
Sales				
Ramakant Gaggar	-	620,000	N.A.	N.A.
Remuneration				
Salary to CFO	410,810	330,000	-	-
Salary to Related parties	420,000	495,770	-	-
Remuneration to Directors	840,000	820,000	-	-

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

Note 32 : Contingent liabilities (to the extent not provided for)

Undertakings given by the company under EPCG Scheme, pending fulfillment of export obligation	1,143,839	1,143,839
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Note 33 : C. I. F. value of imports:

Repairs & Maintainance	-	265,081
Laptop	-	121,220
Plant & Machinery	-	-

Note 34 : Earnings in Foreign Exchange:

FOB value of Exports	-	895,872
Tour Expense	142,570	16,605

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

CA. Mittal Vora
Partner
Membership no. 140786

Place : Mumbai
Dated : 30th May, 2018

For and on behalf of the board

Suresh Gaggar
Managing Director
DIN: 00599561

Sanjay Raut
Chief Financial Officer

Ramakant Gaggar
Director
DIN: 01019838
Sharad Rathi
Director
DIN:00437174

GARNET INTERNATIONAL LIMITED

Regd. Office: 901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400021

Tel: (91) (22) 22820714, **Email:** secretarial@garnetint.com,

Website: www.garnetint.com

(CIN: L74110MH1995PLC093448)

36th Annual General Meeting to be held on Monday, 10th day of September, 2018 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 36th Annual General Meeting at 1st Floor, The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai – 400 063 on Monday, 10th September, at 11:00 A.M.

Signature of Shareholder / Proxy

* Applicable for investors holdings shares in electronic form.

GARNET INTERNATIONAL LIMITED

Regd. Office: 901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400021 Tel: (91) (22) 22820714,
Email: secretarial@garnetint.com, Website: www.garnetint.com

(CIN: L74110MH1995PLC093448)

PROXY FORM

(Form No. MGT - 11)

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

Name of the Member(s) :	
Registered address :	
Email-ID	
Folio No./Client ID	DP ID:

I / We, being the member(s) of shares of Garnet International Limited, hereby appoint

1. Name:..... EmailId:

Address:.....

..... Signature:

or failing him/her

2. Name:..... Email Id:.....

Address:.....

..... Signature:

or failing him/her

3. Name:..... Email Id:

Address:.....

..... Signature:

as my/our Proxy to attend and vote (on a poll) for me /us and on my / our behalf at the 36th Annual General Meeting of the Company, to be held on Monday, 10th September, 2018 at 11.00 a.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 overleaf.

Res. No.	Particulars	For	Against
1	Ordinary Business: To approve and adopt Standalone and Consolidate Audited Financial Statement, for the year ended 31 st March, 2018 and Reports of the Board of Directors and Auditors thereon.		
2	To declare dividend on equity shares for the year 2017-18		
3	Re-appointment of Mr. Suresh Gaggar, who retires by rotation.		
4	Ratification of Appointment of M/s. MVK Associates, Chartered Accountants as Auditors and fixing their remuneration.		
	Special Business		
5	To Appoint Mr. Suresh Gaggar, as Chairman of the Company		
6	To Appoint Mr. Ramakant Gaggar, as a Managing Director of the Company		
7	To Appoint Dr. Jaswantsingh Patil as an Independent Director of the Company		
8	To re-appoint Mr. Sharad Rathi, as an Independent Director		

Signed thisday of2018



Signature of shareholder
across Revenue Stamp

Signature of first proxy holder

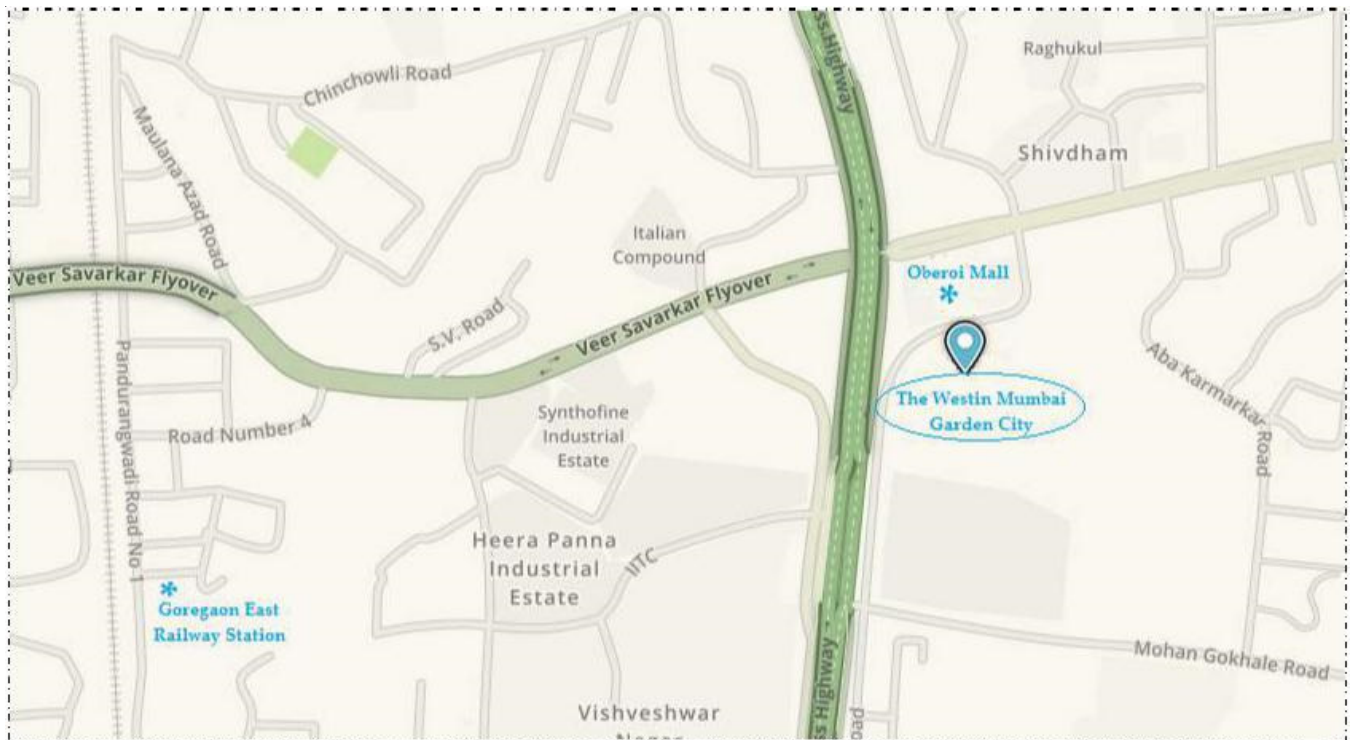
Signature of second proxy holder

Signature of third proxy holder

Notes:

- This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- It is optional to indicate your preference, if you leave the for, against or abstained column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
- Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting right, than such proxy shall not act as a proxy for any other person or Member.
- A Proxy need not be a member of the Company.

ROUTE MAP TO THE 36TH 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)



Garnet International Limited

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