



GARNET
INTERNATIONAL



38th Annual Report
2019-20

GARNET INTERNATIONAL LIMITED

ANNUAL REPORT

2019-20

The Board of Directors



Mr. Suresh Gaggar
Executive Chairman

Mr. Suresh Gaggar has been associated with Garnet International Limited since the 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 organization 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 24 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. Patil 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 over 30 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.

Mrs. Sandhya Lotlikar
Non Executive Independent Women Director

Mrs. Sandhya Lotlikar brings together 25 years of rich experience in Investment Compliance and organizational Management.

Previously she has held Management positions at an Investment trust Company and leading education conglomerate.

She holds a Bachelor of Arts degree from the University of Mumbai.



Mr. Sharad Rathi
Non-Executive Non Independent Director

With more than 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 a Non Executive Non 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.

Vishnu Kanth Bhangadia
Non Executive Independent Director

Mr. Vishnu Kant Bhangadia aged about 36 years has done his graduation and has experience in various fields including industrial and pharmaceuticals areas and is also having the knowledge of administrative and compliance related aspects of the Company.

He is Whole Time director in M/s Trimurthi Foods Limited.





ANNUAL REPORT 2019-20

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BOARD OF DIRECTORS

Mr. Suresh Gaggar – Chairman
Mr. Ramakant Gaggar – Managing Director
Mr. Sharad Rathi
Dr. Jaswantsingh Patil
Mrs. Sandhya Lotlikar
Mr. Vishnu Kanth Bhangadia

CFO

Mr. Sanjay Ravindra Raut

COMPANY SECRETARY

Mrs. Deepika Pandey (Resigned w.e.f 19.02.2020)

STATUTORY AUDITORS

M/s. B.M Gattani & Co.
Chartered Accountants (FRN No. 113536W)

SECRETARIAL AUDITORS

M/s. Siddharth Sharma & Associates
Company Secretaries

BANKERS

HDFC Bank Limited

REGISTRAR & TRANSFERS AGENTS

Link Intime India Private Limited

STOCK EXCHANGE (Shares Listed on)

Bombay Stock Exchange Limited
BSE Code: 512493

REGISTERED OFFICE OF COMPANY

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

NOTICE

Notice is hereby given that the 38th Annual General Meeting (AGM) of Members of Garnet International Limited will be held on Wednesday, 30th Day of September, 2020, at 11.00 a.m., through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), to transact the following business:

1. To receive, consider and adopt the audited (Standalone and Consolidated) financial statements of the Company for the financial year ended 31st March, 2020, together with the reports of the board of Directors and the auditors thereon;
2. To appoint a director in place of Mr. Suresh Gaggar (DIN: 00599561), who retires by rotation and being eligible offers himself for re-appointment.

By Order of the Board of Directors
For Garnet International Limited

Suresh Gaggar
Chairman
(DIN : 00599561)

Mumbai, 24th August 2020

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate affairs (“MCA”) has vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The Register of Beneficial Owners, Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 24th September 2020 to Wednesday, 30th September 2020 (both days inclusive) for the purpose of Annual General Meeting.
3. A statement giving the relevant details of the Director seeking re-appointment under item 2 of the accompanying notice as required under sub clause 3 of regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat Account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may

claim the same by making an online application to the IEPF Authority in web form no. IEPF-5 available on www.iepf.gov.in.

During the financial year 2019 – 20, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

Sr. No.	Particular	Amount of Dividend	No of shares
1	Final Dividend for the FY 2011-12	16,044	528

6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.garnetint.com, website of the stock exchange i.e. BSE Limited at www.bseindia.com respectively, and on the website of ministry of Corporate Affairs at www.mca.gov.in.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. At the Thirty Seventh Annual General Meeting held on 30th September, 2019, the Members approved appointment of M/s B.M Gattani & Co., Chartered accountants (Firm Registration No. 113536W) as Statutory Auditors of the Company to hold office for a period of Five Years from the conclusion of that AGM till the conclusion of the Forty Second Annual General Meeting, subject to ratification of their appointment by Members at every AGM, if so required under the act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (amendment) act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at this AGM.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. Instructions for e-voting and joining the AGM are as follows:
 - A. INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:
 - i. Pursuant to the provisions of section 108 of the Companies act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, Company has engaged the services of Link Intime India Private Limited as the Agency to provide e-voting facility for voting through remote e- Voting, for participation in the 38th AGM through VC/OAVM Facility and e-Voting during the 38th AGM.
 - ii. The Board of Directors of the Company has appointed Mr. Sidharth Sharma (Membership No. FCS 7890) Proprietor of M/s Siddharth Sharma & Associates, Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
 - iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

- iv. The voting rights shall be reckoned on the Paid Up value of the shares registered in the name of the Member/ Beneficial Owner (in case of electronic shareholding) as on the cut-off date i.e. Wednesday, 23rd September 2020.
- v. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.garnetint.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com.
- vii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
- viii. The Scrutinizer shall make a consolidated scrutinizer's report after scrutinizing the votes cast at the Meeting & through e-voting and submit the same to the Chairman, not later than 2 days of conclusion of the Meeting. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.garnetint.com. The results shall simultaneously be communicated to the Stock Exchange.
- ix. Voting through electronic means
The Company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services.
- x. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("e-voting") will be provided by Link Intime India Private Limited.
- xi. The instructions for shareholders voting electronically are as under:
 - a) The voting period begins on Tuesday, 27th September 2020 at 9.00 a.m. and ends on Tuesday, 29th September 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 23rd September 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited (LIPL) for voting thereafter.
 - b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - c) **Instructions for Shareholders / Members relating to e-voting are as follows:**
Step I: Log-in to e-Voting website of Link Intime India Private Limited (LIPL)
 1. Visit the e-Voting website of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in> 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 (CAPTCHA) as shown on the screen.

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	EVENT Number followed by Folio Number registered with the Company For example, if EVENT is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:

1. If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which I printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account No.	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction No. 4 (c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically.

- a) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select View “Event No” of the company, you choose to vote.
- b) On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under

‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

- c) If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- d) After selecting the appropriate option i.e. Favor/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- e) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- f) You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

General Guidelines for shareholders:

- I. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
 - II. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
 - III. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
 - IV. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in> under help section or write email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.
 - V. Any person, who acquires shares of the Company and become member of the Company after sending the Notice of AGM through electronic mode and holding shares as on the cutoff date, may obtain the login ID and password by sending a request at helpdesk.enotices@linkintime.co.in
 - VI. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
 - VII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.garnetint.com after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to the BSE Limited and the service provider Linkintime India Limited.
11. 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.
 12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are 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 Company.
 13. Members holding shares in physical form in single name are advised to avail of nomination facility. As per the provisions of Section 72 of the Companies Act 2013, the facility for making nomination is available for Members in respect of the shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. Nomination forms can be obtained from the RTA. Members are requested to submit the

said details to their DP in case shares are held in electronic form and to the RTA in case shares are held in physical form.

14. Process for those Shareholders whose email addresses are not registered with the Depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:
 - a) For Physical shareholders: Kindly send an email with a scanned request letter duly signed by 1st shareholder, providing the name, address and folio number, scanned copy of share certificate (front & back) and self attested copy of PAN Card and Aadhar Card to secretarial@garnetint.com.
 - b) For Demat Shareholders: Kindly update your email id with depository participant.
15. Instructions for Members for attending the AGM through InstaMeet (VC/OAVM) are as under:
 - (i) Please read the below instructions carefully for participating in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.
 - (ii) The Members are entitled to attend the Annual General Meeting through InstaMeet (VC/OAVM) provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting.
 - (iii) The Members are requested to participate on first come first serve basis. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting. Participation is restricted upto 1,000 members only on first come serve basis.
 - (iv) For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>
16. The Members will be provided with InstaMeet facility wherein Member shall register their details and attend the Annual General Meeting as under:
 - (i) Open the internet browser and launch the URL : <https://instameet.linkintime.co.in>
 - (ii) Select the “Company” and “Event Date” from the Drop Down Box.
 - (iii) Register with following details:
 - Demat Account No. or Folio No: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - PAN: Enter your 10 digit Permanent Account Number (PAN)
 - Mobile Number
 - Email ID
 - (iv) Click on “Go to Meeting”.

17. The Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

The Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting. Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call at: - Tel : (022-49186175).

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

18. The Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at agm2020@garnetint.com, at least 48 Hours prior to the date of Annual General Meeting i.e. on or before 11 A.M. (IST) on September 28, 2020. The same will be replied by the company suitably.
19. Shareholders will get confirmation on first come first served basis depending upon provision made by the Company.
20. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
21. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
22. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
23. The Members should allow to use camera and are required to use Internet with a good speed to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

24. Once the electronic voting is activated by the scrutinizer during the meeting, the members who have not exercised their vote through the remote e-voting can cast the vote as under
 - a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
 - b) Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
 - c) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

- d) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
 - e) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
 - f) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
25. The Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.
26. The Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
27. In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call at: 022-49186175

By Order of the Board of Directors
For Garnet International Limited

Suresh Gaggar
Chairman
(DIN : 00599561)

Mumbai, 24th August 2020

**RE-APPOINTMENT / APPOINTMENT OF DIRECTORS
(ANNEXURE TO NOTICE)**

(A brief particulars in respect of the proposed re-appointment/appointment of Director is given below in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015)

Particulars	Mr. Suresh Gaggar
Age	57 years
Qualification	Commerce Graduate from University of Rajasthan
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.
Terms and Conditions of Appointment / Reappointment	There is no change in the terms and conditions of his Appointment.
Remuneration last drawn(including sitting fees, if any)	Nil
Remuneration proposed to be paid	Nil
Date of first appointment on the Board	04-03-1996
Shareholding in the Company as on March 31, 2020	2916821
Relationship with other Directors/Key Managerial Personnel	Mr. Ramakant Gaggar – Brother
Number of meetings of the Board attended during the year	6
Directorships of other Boards as on March 31, 2020	1
Membership / Chairmanship of Committees of other Boards as on March 31, 2020	Nil

DETAILS OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS OF THE COMPANY
(Pursuant to Regulation 36(3) of the SEBI (LODR), Regulations, 2015)

S. No.	Name of Director	No. of Equity Shares
1	Mr. Vishnu Kanth Bhangadia	Nil
2	Dr. Jaswantsingh Patil	15000
3	Mrs. Sandhya Lotlikar	Nil

By Order of the Board of Directors
For Garnet International Limited

Suresh Gaggar
Chairman
(DIN : 00599561)

Mumbai, 24th August 2020

DIRECTOR`S REPORT

Your Directors have pleasure in presenting the Thirty Eighth (38th) Directors' Report of your Company along with the Financial Statements for the Financial Year ended 31st March, 2020.

RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS

Financial Results are as under:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Income for the year	233.80	6884.90	1753.32	8309.77
Expense for the year	1452.98	12869.27	2850.54	14304.00
Profit before Tax and Interest	(1219.18)	(5984.38)	(1097.22)	(5994.23)
Current Tax	-	-	23.24	-
Provisions for Taxation/ Deferred Tax	(63.02)	(221.13)	(58.38)	(219.65)
Net Profit / (Loss) for the Current Year	(1156.16)	(5763.25)	(1062.08)	(5774.59)
Minority Interest & Profit from Associate Company	-	-	28.13	(3.39)
Net Profit After Tax	(1156.16)	(5763.25)	(1090.21)	(5771.20)
Transfer to General Reserves	-	-	-	-
Balance carried to Balance Sheet	(1156.16)	(5763.25)	(1090.21)	(5771.20)

Accounts for the year ended 31st March 2020 have been prepared in conformity with Indian Accounting Standards ('Ind AS') notified under section 133 of Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 from 1st April, 2019, leading to major changes in the Accounting policies.

COMPANY`S PERFORMANCE

The year 2019-2020 has proven to be a tough year in the Global economy. The word economic slowdown has deeply impacted the business cycle all across the country. Your company has taken pandemic as opportunity to learn to focus on being prudent and building robust model. Your company has adopted solid business model for the coming years to calibrate the overall market dynamic and approaching with new strategies for business profitability.

The year 2019-2020 was not a good year for the company in terms of revenue and profit. During the year under review, on Standalone basis your Company recorded a total income of Rs. 233.80 Lakhs as compared to last year's total Income of Rs. 6884.90 Lakhs and Net Loss of Rs. 1156.16 Lakhs as compared to last year's net loss of Rs. 5763.25 Lakhs.

Management Discussion and Analysis (MDA) as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's various businesses viz., decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year 2019-20.

IMPACT OF COVID-19 PANDEMIC

Since the first quarter of year 2020, the Covid-19 pandemic has impacted most of the countries, including India. Owing to the outbreak of COVID-19 and the related directives received from the Central & State governments, lockdown was announced with adoption of quarantine measures. This has largely affected the economic activity. The Indian economy has been impacted by this pandemic with contraction in industrial and services industries.

Your company immediately took measures for the safety and well being of the employees and adopted “work from home” policy for all employee providing them proper infrastructure and other requirements, so that there would be very little or minimal disruption. As of March 31, 2020, work from home was enabled to employees to work remotely and securely. The Registered office of the company was closed since initial lockdown was announced i.e. 24.03.2020.

SEBI vide its various circulars has granted relaxation in compliance requirements for reporting by listed entities to exchanges as required under SEBI (LODR) Regulation due to COVID 19 Pandemic. Further SEBI vide its circular issued dated 20.05.2020 on “Advisory on disclosure of material impact of CoVID-19 pandemic on listed entities under SEBI(LODR) Regulation 2015, noted that due to such a lockdown and disruption is unforeseen and beyond the control of the entities, such events can lead to distortions in the market due to the gap in information available about the operations of a listed entity. So, all listed entities were required to ensure that all available information about the impact of COVID 19 & Lockdown on the company and its operations to be communicated in a timely and cogent manner to its investors and stakeholders.

DIVIDEND

Your company has incurred loss during the year under review and so Board of Directors has decided not to recommend any dividend for the year ended 31st March 2020. No amount was transferred to General Reserve during the year.

INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years.

Further, according to IEPF Rules, the shares on which dividend have not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the Demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided on the website of the Company www.garnetint.com.

CHANGE IN NATURE OF BUSINESS

There has been no change in nature of business of the company during the F.Y. 2019-2020. Your company is engaged in other financial services i.e. Investment in securities etc so there is only one segment reporting as per IND AS 108

MEETINGS OF BOARD

Regular Meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. Only in case of special and urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Board Committee meetings at short notice, as permitted by law.

The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision.

During the year under review six meetings of the Board were held. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of the Companies Act, 2013, Mr. Suresh Gaggar, Director, retires by rotation and being eligible, offers himself for re-appointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends his reappointment. A resolution seeking shareholders' approval for her re-appointment forms part of the notice. During the year under review Mrs. Deepika Pandey, resigned from the post of Company Secretary w.e.f closure of business hours of 19.02.2020. There is no change among the Key Managerial Personnel during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of the SEBI Listing Regulations and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has carried out evaluation of the annual performance of its Directors, Chairman, the Board as a whole, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Relationship Committees and also for the Directors individually through self-assessment and peer assessment.

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

COMMITTEES OF THE BOARD

The Company has constituted mandatory Board-level committees with Executive and Non-Executive Directors in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee

The details of mandatory Board committees with respect to the composition, terms of reference, number of meetings held, etc. are included in the Report on Corporate Governance, which forms part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013

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, 2020 are given in the notes to the Financial Statements forming part of this Annual report.

SHARE CAPITAL

The Company had allotted 320000 Convertible Equity Warrants in Financial Year 2017-18, out of which 2,84,552 warrants were converted into equivalent number of equity shares in Financial Year 2017-18.

During the financial year 2019-20, company had allotted the balance equity shares on conversion of 35,448 warrants on June 26, 2019. Company has also allotted the corresponding Bonus Shares on 35,448 Converted Warrants, earlier kept in abeyance on June 26, 2019.

As on March 31, 2020 the Paid up Share Capital of the Company stood at Rs. 19,63,50,000 consisting of 1,96,35,000 fully paid equity shares. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

DEPOSITS

The Company has not accepted any deposit from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

ANNUAL RETURN

The details forming part of the extract of the Annual return in Form MGT-9 as required under Section 92 of the Companies Act, 2013, is marked as Annexure - A which is annexed hereto and forms part of the Directors' Report.

SECRETARIAL STANDARDS

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(3) (C) of the Companies Act, 2013, your Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

- a) In the preparation of the annual accounts for financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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, 2020 and of the loss of the Company for that period.

- c) 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.
- d) The Directors have prepared the annual accounts for financial year ended 31st March, 2020 on a 'going concern' basis
- e) 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.
- f) The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITOR

Statutory Auditor

M/s. B.M. Gattani & Co., Chartered Accountants, Mumbai, (ICAI Registration No. 113536W) have been appointed as an Auditor of the Company from 37th Annual General meeting of the Company till the Conclusion of the 42th Annual General Meeting of the Company pursuant to provisions of the 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, 2020 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, 2020:

- a) Subsidiary of the Company has not made provision for employee benefit as per Accounting Standard 15 which deals with "Employee Benefits".
- b) The Company has granted interest free loans to its Subsidiary Company in violation of Section 186 (7) of Companies Act, 2013.

Management Reply for the Remark given by Statutory Auditor:

The Management has already started making CSR expenses. Further the Company is in talk with management of its material subsidiary so that adequate provisions for the employee benefit shall be made. Company ensures to recover the interest from subsidiary company in next financial year.

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 42th Annual General Meeting of the Company

Secretarial Auditor

In terms of Section 204 of the Act and Rules made there under, M/s. Siddharth Sharma & Associates, Company Secretary in Practice, has been appointed as Secretarial Auditor of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2020 under Companies Act, 2013, read with Rules made thereunder and Regulation 24A of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the as Annexure – B to this Report.

Further, the Company has received certificate of Non- Disqualification of Directors from M/s. Siddharth Sharma & Associates, Company Secretary in Practice. The same is enclosed as Annexure - C to this report.

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, 2020, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure - D.

SUBSIDIARY COMPANIES

The Company is having one material Subsidiary i.e. Sukartik Clothing Private Limited. There are no associate or Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of business of the Subsidiaries.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However, the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular in Form AOC 1 as Annexure - E.

The consolidated financial statements presented by the Company include financial results of its Subsidiary Company, i.e. Sukartik Clothing Private Limited and is available on the website of the Company www.garnetint.com.

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.

PARTICULARS OF EMPLOYEES:

During the year, the Company paid an aggregate sum of Rs. 08.53 Lakhs to Key Managerial Personnel, Mr. Sanjay Raut, Chief Financial Officer and Mrs. Deepika Pandey, Company Secretary.

VIGIL MECHANISM

Pursuant to the provisions of revised Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 166 (9) & (10) of the Companies Act, 2013, the Company had established a Vigil Mechanism for Directors and Employees to report concerns of unethical behavior,

actual or suspected fraud or violation of the Company's Code of Conduct. The said policy is also available on the Company's website: <https://garnetint.com/mdocs-posts/vigil-mechanisim-policy/>

COMPLIANCE WITH SECRETARIAL STANDARDS OF ICSI

The Board of Directors affirms that the Company has duly complied with the applicable Secretarial Standards (SS) relating to Meetings of the Board (SS-1) and General Meetings (SS-2) issued by the Institute of Companies Secretaries of India which have mandatory application during the year under review.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has an Internal Control System commensurate with the size and scale of its operations. 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 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.

CODE OF CONDUCT

The Company has formulated a Code of Business Conduct and Ethics for Board of Directors and Senior Managerial Personnel. The confirmation of compliance of the same is obtained from all concerned on an annual basis. All Board Members and Senior Managerial Personnel have given their confirmation of compliance. A declaration duly signed by Managing Director and CFO is given under Corporate Governance Report as a separate section in this Annual Report.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were in the ordinary course of business. None of the Directors has any direct pecuniary relationships or transactions vis-a-vis the Company.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

Your Company is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. Your Company provides a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as "Prevention of Sexual Harassment Act"). Internal Complaints Committees have also been set up to redress any such complaints received. The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace

Your Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the year under review, your Company has not received any complaints on sexual harassment from any of its' employees.

PERSONNEL

Your Directors wish to place on record their appreciation for the services rendered by the employees of the Company during the year.

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.

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

Since the company is a Investment Company and has no manufacturing activity or other operations. Therefore, the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable. There were no foreign exchange earnings or outgoing during the financial year ended 31st March, 2020.

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

During the year under review, 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.

CORPORATE GOVERNANCE

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

ACKNOWLEDGMENT

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the Reserve Bank of India, Ministry of Corporate Affairs, the Securities and Exchange Board of India, and other Regulatory Authorities, Stock Exchange, other statutory bodies, companies bankers, members and employees of the Company for the cooperation and encouragement and continued support extended to the Company.

For and on behalf of the Board of Directors

Suresh Gaggar

Chairman

DIN: 00599561

Mumbai, 24th August, 2020

Annexure - A

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2020

[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	Category: 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:

S.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

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sukartik Clothing Private Limited Address: 28, Bombay Samachar Marg, 3rd Floor, Fort, Mumbai – 400023	U17122MH2004 PTCI49334	Subsidiary	70.10	2(87)

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

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	9383684	0	9383684	48.0508	9383684	0	9383684	47.7906	-0.2602
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	1652716	0	1652716	8.4630	1652716	0	1652716	8.4172	-0.0458
	Sub Total (A)(1)	11036400	0	11036400	56.5139	11036400	0	11036400	56.2078	-0.3061
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	11036400	0	11036400	56.5139	11036400	0	11036400	56.2078	-0.3061
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000

(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	7074	0	7074	0.0362	7601	0	7601	0.0387	0.0025
	Sub Total (B)(2)	7074	0	7074	0.0362	7601	0	7601	0.0387	0.0025
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	753411	13185	766596	3.9255	828740	11810	840550	4.2809	0.3554
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2511387	0	2511387	12.8600	2569840	0	2569840	13.0881	0.2281
(b)	NBFCs registered with RBI	4479	0	4479	0.0229	0	0	0	0.0000	-0.0229
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	310985	0	310985	1.5925	324464	0	324464	1.6525	0.0600
	Non Resident Indians (Non Repat)	76018	0	76018	0.3893	75886	0	75886	0.3865	-0.0028
	Non Resident Indians (Repat)	1525817	0	1525817	7.8132	1620450	0	1620450	8.2529	0.4397
	Clearing Member	99902	0	99902	0.5116	7503	0	7503	0.0382	-0.4734
	Bodies Corporate	3189598	400	3189998	16.3350	3151906	400	3152306	16.0545	-0.2805
	Sub Total (B)(3)	8471597	13585	8485182	43.4499	8578789	12210	8590999	43.7535	0.3036
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	8478671	13585	8492256	43.4861	8586390	12210	8598600	43.7922	0.3061
	Total (A)+(B)	19515071	13585	19528656	100.0000	19622790	12210	19635000	100.0000	0.0000
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	19515071	13585	19528656	100	19622790	12210	19635000	100	

2. Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	RAMA KANT GAGGAR	3757670	19.2418	0	3757670	19.1376	0	-0.1042
2	SURESH GAGGAR	2916821	14.9361	0	2916821	14.8552	0	-0.0809
3	MANGAL SAVITRI BIZCON PVT.LTD	1652716	8.463	0	1652716	8.4172	0	-0.0458
4	NAVRATAN GAGGAR	915075	4.6858	0	915075	4.6604	0	-0.0254
5	INDRA GAGGAR	888032	4.5473	0	888032	4.5227	0	-0.0246
6	KARTIK GAGGAR	488952	2.5038	0	488952	2.4902	0	-0.0136
7	SURESH GAGGAR	343200	1.7574	0	343200	1.7479	0	-0.0095
8	SARIKA GAGGAR	47468	0.2431	0	47468	0.2418	0	-0.0013
9	SWATI KARTIK GAGGAR	26466	0.1355	0	26466	0.1348	0	-0.0007
	Total	11036400	56.5139	0	11036400	56.2078	0	-0.3061

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

S. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RAMA KANT GAGGAR	3757670	19.1376	-	-	3757670	19.1376
	AT THE END OF THE YEAR					3757670	19.1376
2	SURESH GAGGAR	2916821	14.8552	-	-	2916821	14.8552
	AT THE END OF THE YEAR					2916821	14.8552
3	MANGAL SAVITRI BIZCON PVT.LTD	1652716	8.4172	-	-	1652716	8.4172
	AT THE END OF THE YEAR					1652716	8.4172

4	NAVRATAN GAGGAR	915075	4.6604	-	-	915075	4.6604
	AT THE END OF THE YEAR					915075	4.6604
5	INDRA GAGGAR	888032	4.5227	-	-	888032	4.5227
	AT THE END OF THE YEAR					888032	4.5227
6	KARTIK GAGGAR	488952	2.4902	-	-	488952	2.4902
	AT THE END OF THE YEAR					488952	2.4902
7	SURESH GAGGAR	343200	1.7479	-	-	343200	1.7479
	AT THE END OF THE YEAR					343200	1.7479
8	SARIKA GAGGAR	47468	0.2418	-	-	47468	0.2418
	AT THE END OF THE YEAR					47468	0.2418
9	SWATI KARTIK GAGGAR	26466	0.1348	-	-	26466	0.1348
	AT THE END OF THE YEAR					26466	0.1348

NOTE

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 19635000 Shares.
2. The detail of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

S. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	ANITA CHAINRAI ADVANI	853656	4.3476			853656	4.3476
	Transfer			16 Aug 2019	35448	889104	4.5282
	Transfer			23 Aug 2019	70896	960000	4.8892
	AT THE END OF THE YEAR					960000	4.8892
2	RELIGARE FINVEST LTD	755144	3.8459			755144	3.8459
	AT THE END OF THE YEAR					755144	3.8459
3	BALRAM CHAINRAI	482500	2.4573			482500	2.4573
	AT THE END OF THE YEAR					482500	2.4573
4	TELELINK COMMERCE PVT. LTD.	409653	2.0863			409653	2.0863
	AT THE END OF THE YEAR					409653	2.0863
5	PARAMESHWARI DEVI KAKKAR	363325	1.8504			363325	1.8504

	AT THE END OF THE YEAR					363325	1.8504
6	AKALKA KAKKAR	348012	1.7724			348012	1.7724
	AT THE END OF THE YEAR					348012	1.7724
7	BLUE SQUARE CORPORATE SERVICES PRIVATE LIMITED	345099	1.7576			345099	1.7576
	Transfer			20 Mar 2020	(50)	345049	1.7573
	AT THE END OF THE YEAR					345049	1.7573
8	AMAR PACKAGINGS (PVT) LTD	320250	1.6310			320250	1.6310
	AT THE END OF THE YEAR					320250	1.6310
9	SARASWATI KAKKAR	301689	1.5365			301689	1.5365
	AT THE END OF THE YEAR					301689	1.5365
10	PRITI MEHTA	179338	0.9134			179338	0.9134
	Transfer			02 Aug 2019	(10000)	169338	0.8624
	AT THE END OF THE YEAR					169338	0.8624

5. Shareholding of Directors and Key Managerial Personnel

S. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RAMA KANT GAGGAR	3757670	19.1376	-	-	3757670	19.1376
	AT THE END OF THE YEAR					3757670	19.1376
2	SURESH GAGGAR	2916821	14.8552	-	-	2916821	14.8552
	AT THE END OF THE YEAR					2916821	14.8552
3	DR. JASWANTSINGH PATIL	0	0	-	-	0	0
	AT THE END OF THE YEAR	0	0	-	-	0	0
4	SANDHYA LOTLIKAR	0	0	-	-	0	0
	AT THE END OF THE YEAR	0	0	-	-	0	0
5	VISHNU KANTH BHANGADIA	0	0	-	-	0	0
	AT THE END OF THE YEAR	0	0	-	-	0	0
6	SHARAD RATHI	0	0	-	-	0	0
	AT THE END OF THE YEAR	0	0	-	-	0	0

V. INDEBTEDNESS

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01/04/2019				
i) Principal Amount	-	238.81	-	238.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	238.81	-	238.81
Change in Indebtedness during the financial year 2019-20				
Addition	-	-	--	-
Reduction	-	(196.93)	-	(196.93)
Net Change	-	(196.93)	-	(196.93)
Indebtedness at the end of the financial year 31/03/2020				
i) Principal Amount	-	41.88	-	41.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	41.88	-	41.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. Remuneration to Managing Director, Whole-time Directors and/or Manager

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Ramakant 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	18,00,000 Per Annum	18,00,000 Per Annum
2.	Stock Option / Sweat Equity	Nil	Nil
3.	Commission	Nil	Nil
4.	Others, please specify	Nil	Nil
	Total (A)	18,00,000	18,00,000
	Ceiling as per the Act	As per Schedule V of C.A 2013	As per Schedule V of C.A 2013

II. Remuneration to Other Directors

S.No.	Particulars of Remuneration	Total Amount				
		Dr. Jaswantsingh Patil	Sandhya Lotlikar	Vishnu Kanth Bhangadia	Sharad Rathi #	Total Amount
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	0	0	0	0	0
	Overall Ceiling as per the Act (%)	Not Applicable, as no sitting fees paid to directors during the year.				0

Mr. Sharad Rathi resigned from the Board on 24.08.2020

III. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

(Rs. in Lakhs)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sanjay Raut (CFO)	Mrs. Deepika Pandey * (Company Secretary)	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	03.91	04.62	08.53
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
5	Others, Please Specify	0	0	0
TOTAL		03.91	04.62	08.53

* Mrs. Deepika Pandey has resigned on February 19, 2020.

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

Suresh Gaggar
Chairman
DIN: 00599561

Ramakant Gaggar
Managing Director
DIN: 01019838

Mumbai, 24th August, 2020

Annexure - B

SECRETARIAL AUDIT REPORT

(For the Financial Year Ended on March 31, 2020)

[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, 2020 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, 2020 according to the provisions of (as amended):
- 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 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.

- B) In our opinion and as identified and informed by the Management, the following laws are specifically applicable to the company as the Company is engaged in the activity of secondary market trading in securities and derivatives:
1. Reserve Bank of India Act, 1934.
 2. Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
 3. Secretarial Standards issued by the Institute of Company Secretaries of India.
- C) Apart from the Observations made in our Annual Secretarial Compliance Report issued on 31.07.2020 under Regulation 24A of SEBI (LODR) Regulations 2015, we hereby report that:

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:

- i. The Company has unspent amount of Rs. 23.13 Lakhs of previous years to be spent on CSR activities as required under Section 135 of Companies Act, 2013
 - ii. During the year under review, Mrs. Deepika Pandey resigned from the post of Company Secretary; the position of Company Secretary & Compliance Officer is vacant since 19-02-2020.
 - iii. The Company has granted interest free loans to its Subsidiary Company in violation of Section 186 (7) of Companies Act, 2013.
- D) During the period under review, provisions of the following regulations/ guidelines/standards were not applicable to the Company:
- a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c) 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;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- E) 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 under/by the Statutory Financial Audit and other designated professionals.

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.,

- (i) Company has allotted 35,448 Equity Share on conversion of equivalent number of Share Warrants on June 26, 2019. Company has further allotted the corresponding 70,896 Bonus Shares, on 35,448 Converted Warrants earlier kept in abeyance, on even date.

Note: We have relied upon the accuracy of the documents and information as shared by the Company with us through appropriate Information Technology tools to assist us in completing the secretarial audit work during lockdown period due to unprecedented situation prevailing in the County due to COVID-19 virus pandemic and with a very limited physical verification.

For SIDDHARTH SHARMA & ASSOCIATES
Company Secretaries
 UCN : S2016MH368200

Sidharth Sharma
 M.No. FCS 7890
 COP. 8872
 UCN: F007890B000606730

Date: 24.08.2020
 Place: Mumbai

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

'Annexure - I'

To,
The Members,
Garnet International Limited
 901, Raheja Chambers
 Nariman Point, Mumbai - 400021.

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
 UCN: F007890B000606730

Date: 24.08.2020
 Place: Mumbai

Annexure - C

CERTIFICATION OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/S GARNET INTERNATIONAL LIMITED having CIN L74110MHI995PLC093448 and having registered office at 901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400 021 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Suresh Gaggar	00599561	04.03.1996
2	Mr. Ramakant Gaggar	01019838	24.09.2007
3	Dr. Jaswantsingh Patil	02894705	28.06.2018
4	Mrs. Sandhya Lotlikar	08329535	11.01.2019
5	Mr. Sharad Rathi	00437174	21.07.2010
6	Vishnu Kanth Bhangadia	02405217	29.05.2019

Ensuring the eligibility for the appointment/ continuity of every director on the Board is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these based on our verification. This is neither an assurance as to the future viability of the Company nor the 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
UCN: F007890B000634483

Date: 24.08.2020
Place: Mumbai

ANNEXURE - D

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

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) Dr. Jaswantsingh Patil, Independent Director Mr. Sharad Rathi, Non Independent Director Mr. Ramakant Gaggar, Managing Director
3	Average Net profit of the Company for the last three financial years	(13,00,07,632)
4	Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above)	Not Applicable FY 2019-20
5	Details of the CSR spent during the financial year:	Being the Initial years 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 2020-21 and it will be the Endeavour 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

Suresh Gaggar
Chairman
DIN: 00599561

Ramakant Gaggar
Managing Director
DIN: 01019838

Mumbai, 24th August, 2020

ANNEXURE - E

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 in Lakhs)

S. 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, 2019 to 31 st March, 2020
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
5.	Reserves & surplus	941.33
6.	Total assets	2341.11
7.	Total Liabilities	1369.68
8.	Investments	Nil
9.	Turnover	1518.74
10.	Profit before taxation	121.96
11.	Provision for taxation	27.88
12.	Profit after taxation	94.08
13.	Proposed Dividend	Nil
14.	Percentage of shareholding	70.10%

Notes:

- a) Names of subsidiaries which are yet to commence operations: NA

For B.M. Gattani & Co.

Chartered Accountants

Firm registration No. 113536W

For and on behalf of the Board of Directors

Balmukund N. Gattani

Proprietor

Membership No. 047066

Suresh Gaggar

Chairman

DIN: 00599561

Ramakant Gaggar

Managing Director

DIN: 01019838

Mumbai, 24th August, 2020

CORPORATE GOVERNANCE REPORT 2019-20

1. PHILOSOPHY ON CORPORATE GOVERNANCE:

The Board of Directors and the Management of Garnet International Limited ensure that it endeavors to adopt the best practices on corporate Governance. The Company believes that good corporate governance practices would ensure a better transparency, accountability, integrity and responsibility in corporate actions and thereby would help in boosting investors / stake holder's confidence in the Company. The focus of the Company has always been to ensure continuing value creation for its shareholders and above all, to achieve business excellence with the goal of long term sustainable development.

2. BOARD OF DIRECTORS

a) Composition of the Board

As on 31st March, 2020, the Board comprised of 6 (Six) Directors with an optimum combination of Executive, Non-Executive and Independent Directors including one Women Director. The Board of the Company is duly constituted as per the requirements of Companies Act, 2013 read with rules made there under and Listing Regulations.

All the Directors have given Disclosure of Interest as required and details regarding their directorships and memberships in various Committees across all Public Companies in which they are Directors and Members. The composition and category of Directors of the Company are as follows:

S. No.	Name of Director	Designation	Category
1	Mr. Suresh Gaggar	Chairman	Executive – Non Independent
2	Mr. Ramakant Gaggar	Managing Director	Executive – Non Independent
3	Dr. Jaswantsingh Patil	Director	Non Executive – Independent
4	Mrs. Sandhya Lotlikar	Director	Non Executive – Independent
5	Mr. Vishnu Kant Bhangadia	Director	Non Executive – Independent
6	Mr. Sharad Rathi	Director	Non Executive – Non Independent

Mr. Sharad Rathi (DIN- 00437174) (Non Executive – Non Independent Director) has resigned from the Board w.e.f. 24.08.2020. All the Independent Directors are Non-Executive and given declaration as per the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they meets the criteria of Independence.

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.

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., a) Audit Committee, b) Stakeholders' Relationship Committee, c) Nomination and Remuneration Committee, d) 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 judgment 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. 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 Company has always encouraged and supported ethical business practices in personal and corporate behavior by its directors and employees. The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. 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, 2020. 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) Familiarization Program 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 program for Independent Directors is disclosed on the Company's website and the same may be accessed at the link: <http://garnetint.com/policies/#>

i) Skill/Expertise/Competence of the Board of Directors

The company is a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India engaged into the business of Investments. The Board requires to have the competences in the field of finance and accountancy, legal matters, RBI compliances and particularly in non banking finance business. The Board of Directors possesses high experience and expertise in the sector of business the company is carrying. Mrs. Suresh Gaggar, Chairman of the Company belongs to the promoter group and is having exemplary experience in handling the business operations while making the major business decisions. Mr. Suresh Gaggar has more than 35 years of business acumen in capital markets and financial services. Mr. Ramakant Gaggar, Managing Director of the Company, has 24 years of vast experience in Capital and Financial Services. Mr. Vishnu Kant Bhangadia, Dr. Jaswantsingh Patil, Mrs. Sandhya Lotlikar are the independent directors in the company who are richly experienced in Finance, Securities Market, Investments, Administrative and compliance related fields. In the opinion of the Board the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements), 2015 and are independent of the management.

j) Details of the Change in Board during the Year:

During the year under review ending March 31, 2020, there were no changes in Directors of the Company. However Mr. Sharad Rathi, Non Executive Non Independent Director resigned from the Board on 24.08.2020. At the ensuing Annual General Meeting, in accordance with the provisions of the Act, Mr. Suresh Gaggar, Director of the Company, retire by rotation, being eligible, has offered himself for re-appointment as a Director of the Company.

k) Details of Board Meetings held during the year ended 31st March, 2020.

During the Financial Year 2019-20, Six (Six) meetings of the Board were held, as follows:

S. No.	Date of Meeting	No. of Directors Present
1	May 29, 2019	6
2	June 26, 2019	6
3	August 16, 2019	6
4	September 14, 2019	6
5	December 13, 2019	6
6	February 15, 2020	6

l) Attendance of Directors

6 (Six) Board Meetings were held during the financial year 2019-20. The time gap between the two meetings was not more than 120 days. Attendance of each Director at the Board Meetings, last Annual General Meeting held during the financial year are as follows:

Name of Director	No. of Meeting Attended	Whether Last AGM Attended
Mr. Suresh Gaggar	6	Yes
Mr. Ramakant Gaggar	6	Yes
Dr. Jaswantsingh Patil	6	Yes
Mrs. Sandhya Lotlikar	6	Yes
Mr. Vishnu Kant Bhangadia	6	Yes
Mr. Sharad Rathi	6	Yes

m) Number of Directorships/Memberships in other Companies/Committees as on 31st March 2020:

Name of Director (s)	No. of Other Directorship and Committee Memberships/Chairmanships		
	Other Directorship in Listed Entity	Committee Membership	Committee Chairmanship
Mr. Suresh Gaggar	2	1	1
Mr. Ramakant Gaggar	1	3	0
Dr. Jaswantsingh Patil	1	3	1
Mrs. Sandhya Lotlikar	1	3	0
Mr. Vishnu Kant Bhangadia	1	3	2
Mr. Sharad Rathi	1	3	0

3. INDEPENDENT AUDIT COMMITTEE

1. Terms of Reference

a) Role of the audit committee

In terms of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an Audit Committee. The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and interacts with the statutory auditors. Besides, the Committee reviews the observations of the management and internal/ external auditors, interim and annual financial results, Management discussion and analysis of financial condition and results of operations, and related party transactions. The other roles of Audit Committee, inter-alia includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Modified opinion in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) The audit committee will review the following information:

- 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 shall be subject to review by the audit committee
- Statement of deviations:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Composition, Meetings & Attendance of Committee:

The Audit Committee of the Company as on 31st March, 2020 comprises of Four (4) members and majority is Independent Non-executive directors. Audit Committee met 5 (Five) times during the Financial Year 2019-20 on 29.05.2019, 16.08.2019, 14.09.2019, 13.12.2019 and 15.02.2020. The Composition of Audit Committee and the Attendance of Committee Members are as follows:

S. No	Name of Member	Category of Director	Designation	Attendance
1	Mr. Vishnu Kant Bhangadia	Non Executive - Independent	Chairman	5
2	Dr. Jaswantsingh Patil	Non Executive - Independent	Member	5
3	Mrs. Sandhya Lotlikar	Non Executive - Independent	Member	5
4	Mr. Ramakant Gaggar	Executive - Non Independent	Member	5

The Audit Committee considered all the points in terms of its reference at periodic intervals. The Company Secretary acts as Secretary to Audit Committee.

4. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and shall perform the following functions: -

- to formulate the criteria for determining qualifications;
- to frame and formulate positive attributes and independence of a director;
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- to identify persons who are qualified to become directors and who may be appointed a senior management in accordance with the criteria laid down;
- to recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

a) Composition, Meetings & Attendance of Committee:

The Nomination and Remuneration Committee, as on 31st March, 2020, comprised of 4 (Four) Members. The Composition of Committee and the Attendance of Committee Members are as follows:

S. No	Name of Member	Category of Director	Designation	Attendance
1	Dr. Jaswantsingh Patil	Non Executive - Independent	Chairman	-
2	Mr. Vishnu Kant Bhangadia	Non Executive - Independent	Member	-
3	Mrs. Sandhya Lotlikar	Non Executive - Independent	Member	-
4	Mr. Sharad Rathi	Non Executive - Non Independent	Member	-

b) Remuneration of Directors

The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination & Remuneration committee reviews the policy time to time.

c) Details of remuneration and sitting fees paid to Executive and Non-Executive Directors for the year ended 31st March, 2020 and their relationship with other Directors of the Company.

(Amount in INR)

Name	Status	Relationship with other Directors	Salary	Comm-ission	Sitting Fees	Benefits, Perks & allowance
Mr. Suresh Gaggar	Executive	Brother	-	-	-	-
Mr. Ramakant Gaggar	Executive	Brother	150000 p.m.	-	-	-
Mr. Sharad Rathi (Resigned w.e.f. 24.08.2020)	Non - Executive	None	-	-	-	-
Dr. Jaswantsingh Patil	Non-Executive	None	-	-	-	-
Mrs. Sandhya Lotlikar	Non-Executive	None	-	-	-	-
Mr. Vishnu Kant Bhangadia	Non-Executive	None	-	-	-	-

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Stakeholders' Relationship Committee/ Stakeholders' Grievance Committee pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Stakeholders' Relationship committee is constituted to look into the following matters:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non receipt of annual report, non receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

a) Composition, Meetings & Attendance of Committee:

The Stakeholders Relationship Committee as on 31st March, 2020, comprised of 4 (Four) Members. Committee met 5 (Five) times during the Financial Year 2019-20 on 13.06.2019, 14.09.2019, 11.11.2019, 13.12.2019 and 15.02.2020. The Composition of Committee and the Attendance of Committee Members are as follows:

S. No	Name of Member	Category of Director	Designation	Attendance
1	Mr. Vishnu Kant Bhangadia	Non Executive - Independent	Chairman	5
2	Mrs. Sandhya Lotlikar	Non Executive - Independent	Member	5
3	Mr. Sharad Rathi	Non Executive - Non Independent	Member	5
4	Mr. Ramakant Gaggar	Executive - Non Independent	Member	5

6. GENERAL BODY MEETINGS

a) Details of Last Three Annual General Meetings

The details of Annual General Meetings held in the last 3 years are as under:

Year	Location	Day & Date	Time	No. of Special Resolutions Passed
2016-17	The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai - 400 063	Wednesday September 27, 2017	01.00 P.M	01
2017-18	The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (East), Mumbai - 400 063	Monday September 10, 2018	11.00 A.M	01
2018-19	901, Raheja Chambers, Nariman Point, Free Press Journal Marg, Mumbai - 400021	Wednesday September 30, 2019	04.00 P.M	01

b) Special Resolution Passed through Postal Ballot.

During the current financial year the Company had not passed any Special Resolution through Postal Ballot. No special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 30th September, 2020.

7. MEANS OF COMMUNICATION

The Company has published Quarterly Un-audited / Annual Audited Financial results, notices, advertisements and other official news in the "The Financial Express" (English) and Mumbai Lakshadweep (vernacular language) regularly. The results are also displayed/uploaded on the Company's website: www.garnetint.com

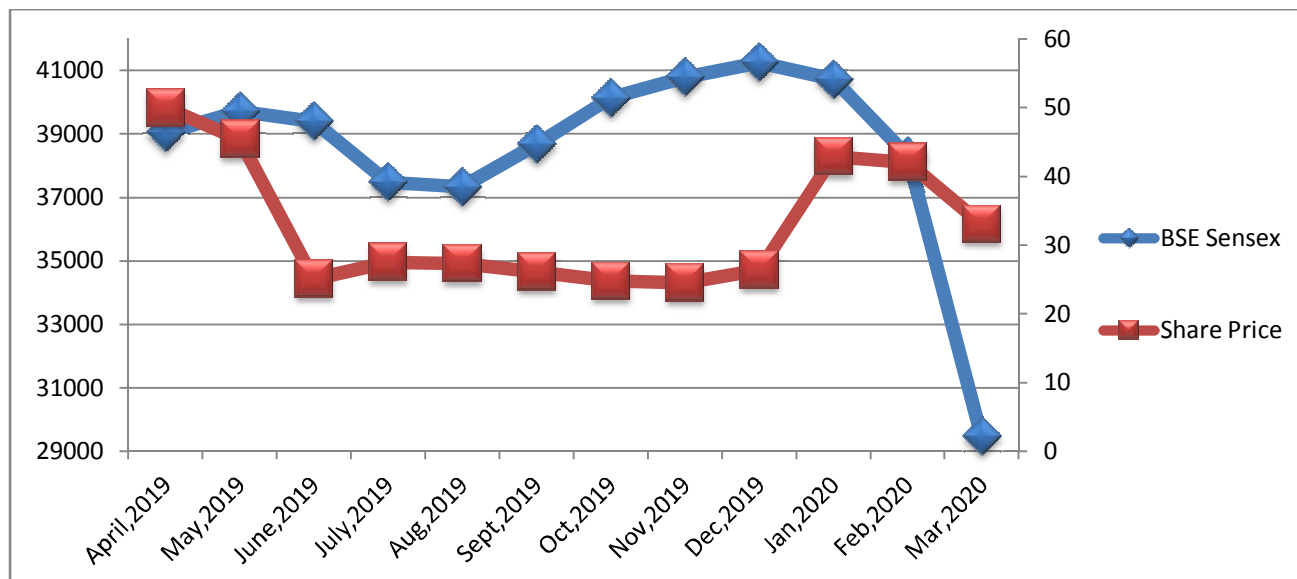
8. GENERAL SHAREHOLDER INFORMATION

a) Information related to Company and Annual General Meeting is as follows:

AGM Date, Time	Wednesday, September 30, 2020 at 11 a.m.
Venue of AGM	The Company is conducting Meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM For details please refer to the Notice of this AGM.
Next Financial Year Calendar	Company's Financial Year is based on 12 months starting 1 st April to 31 st March.
Dividend Payment Date	NA
Listed on Stock Exchange	BSE Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400 001, Maharashtra. Your Company has already paid the Listing fees to the Stock Exchange for the F.Y. 2019-20.
Scrip Code BSE Limited	512493
Corporate Identification Number (CIN)	L74110MH1995PLC093448
Registered office address	901, Raheja Chambers, Nariman Point, Free Press Journal Marg, Mumbai - 400021

b) Market Price Data High/ Low during the Financial Year 2019-20

Month	Bombay Stock Exchange Limited	
	High	Low
April	67.50	49.15
May	55.00	42.10
June	47.90	23.15
July	29.90	21.70
August	34.00	24.70
September	29.40	24.00
October	27.00	22.75
November	27.50	22.65
December	26.60	23.45
January	45.70	26.10
February	44.75	41.35
March	42.00	33.05



c) Registrar & Transfer Agents

Address: Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083
Phone: 022 – 49186270
Fax: 022 – 49186060

d) Share Transfer System

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, rematerialization, 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.

9. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

No. of Equity Shares held	No. of Shareholders		No. of Equity Shares	
	Total	Percentage (%)	Total	Percentage (%)
1 to 500	1400	76.13	136831	0.70
501 to 1000	125	6.80	93642	0.48
1001 to 2000	92	5.00	136409	0.69
2001 to 3000	45	2.45	116038	0.59
3001 to 4000	29	1.58	102148	0.52
4001 to 5000	20	1.09	88615	0.45
5001 to 10000	41	2.23	292227	1.49
10001 & Above	87	4.73	18669090	95.08

10. SHAREHOLDING PATTERN AS ON 31ST MARCH 2020

Sr. No.	Category of Shareholder	Number of Shares	% of Shareholding
(A)	Shareholding of Promoter and Promoter Group	11036400	56.21
(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	0	0.00
	(e) HUF	0	0.00
2	Non-Institutions		
	(a) Bodies Corporate	3152306	16.05
	(b) Individuals		
	(i) holding nominal share capital up to Rs. 2 Lakhs	1019839	5.20
	(ii) holding nominal share capital in excess of Rs. 2 Lakhs	2390551	12.17
	(c) Any Other (specify)		
	(i) NRIs	1696336	8.64
	(ii) Clearing Member	7503	0.04
	(iii) IEPF	7601	0.04
	(iii) HUF	324464	1.65
	Total Public Shareholding (B)	8598600	43.79
	TOTAL (A) + (B)	19635000	100.00

Dematerialization of Shares: - 99.94% of Equity Shares have been dematerialized as on March 31, 2020

II. DISCLOSURES

- i. There have been no materially significant related party transactions which may have potential conflict with the interests of the Company at large
- ii. During the year under review, there have been no instances of non compliance with any of the legal provisions of law by the Company nor any penalty or strictures has been imposed by the stock exchange or SEBI or any other statutory authority on the Company.
- iii. The Company has in place vigil mechanism and whistle blower policy under which employees can report any violations of applicable laws and regulations and the Code of Conduct of the Company. Vigil Mechanism of the Company provides adequate safeguards against

victimization of persons who use such mechanism and no personnel have been denied access to the Audit Committee.

- iv. The Company has complied with all the mandatory requirements of Listing Regulations.
- v. The Policy for determining 'material' subsidiaries is disclosed on website of the Company and the same may be accessed at the link: <https://garnetint.com/mdocs-posts/policy-for-determining-material-subsiary/>
- vi. The Company has in place Policy for Related Party Transaction and the same is placed on Company's website i.e. www.garnetint.com and same can be assessed at <https://garnetint.com/mdocs-posts/related-party-transactions-policy/>
- vii. Information pertaining to the disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- viii. The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- ix. A certificate from a Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board, Ministry of Corporate Affairs or any such statutory authority, forms part of this report.
- x. There are no instances where the Board has not accepted any recommendation of any committee of the board which was mandatorily required during the financial year in concern.
- xi. Total fees of Rs. 3,22,500 for financial year 2019-20, for all services, was paid by the Company, on a consolidated basis, to the statutory auditor.
- xii. There were no complaints filed/pending/disposed of in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year in concern.
- xiii. A qualified Practicing Company Secretary has carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd, (NSDL) and Central Depository Services (India) Ltd, (CDSL) and the total issued and listed capital. The said Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

12. CEO/CFO CERTIFICATION

Mr. Ramakant Gaggar, Managing Director and Mr. Sanjay Raut, Chief Financial Officer of the Company have furnished a certificate relating to financial statements and internal control systems as per the format prescribed under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and the Board took the same on record.

13. COMPLIANCE CERTIFICATION

Compliance Certificate for Corporate Governance obtained from Statutory Auditor is annexed herewith.

14. CODE OF CONDUCTS

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given under the head "Investors" on the website of the company i.e. www.garnetint.com

15. AFFIRMATION

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:

- a) Details of the business of the Company;
- b) Terms and conditions of appointment of Independent Directors;
- c) Composition of various Committees of Board of Directors;
- d) Code of Conduct for Board of Directors and Senior Management Personnel;
- e) Details of establishment of vigil mechanism/Whistle Blower policy;
- f) Criteria of making payments to Non-Executive Directors;
- g) Policy on dealing with Related Party Transactions;
- h) Policy for determining material subsidiaries and
- i) 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:

- The quarterly, half yearly and yearly Financial results are uploaded on the website of the Company under the weblink i.e. www.garnetint.com.
- The Chairman of the Board is a Executive Director and his position is separate from that of the Managing Director.
- 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, 2020.

For Garnet International Limited

Ramakant Gaggar
 Managing Director
 (DIN: 01019838)

Mumbai, August 24, 2020

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, 2020 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

Ramakant Gaggar
 Managing Director
 (DIN: 01019838)

Sanjay Raut
 Chief Financial Officer

Mumbai, August 24, 2020

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, 2020, 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 B.M. Gattani & Co.
Chartered Accountants
Registration No. 113536W

Balmukund N. Gattani
Proprietor
Membership No.: 047066

Mumbai, August 24, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

BACKGROUND

Garnet International Limited (GIL) is a Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI"). The GIL is non deposit accepting NBFC engaged in Investment activities. The Company has its registered office in Mumbai.

GLOBAL ECONOMY

More than a decade after the global financial crisis, the world is struggling with the health and economic effects of a profound new crisis caused by the COVID-19 pandemic. Advanced economies entered this crisis with interest rates at historical lows and public debts, on average, higher than they had been over the past 60 years. They will come out from the crisis with even higher public debts. Drawing on analysis completed before the emergence of the pandemic, this chapter examines policymakers' options to respond to adverse shocks and build resilience when rates are low and debts high.

The COVID-19 pandemic is impacting emerging markets through an unprecedented mix of domestic and external shocks whose combined effects are very hard to predict. Among these, emerging markets are confronting a sharp tightening in global financial conditions. Advanced economies now suffering the worst outbreaks of the virus will bear the brunt of the plunge in activity. The U.S. economy will contract 5.9% in 2020, with a rebound to 4.7% growth in 2021 under the Fund's best-case scenario.

A resurgence of COVID-19 in 2021 could leave economies struggling for years to come. The combination of a longer initial pandemic and 2021 resurgence would yield an even worse downturn, the organization said. Global GDP would sharply contract in 2021 and leave "additional scarring" as credit health deteriorates.

INDIAN ECONOMY

The UN slashed India's projected growth rate to 1.2 per cent in 2020 and forecast that the global economy will contract sharply by 3.2 per cent as the COVID-19 pandemic paralyses the world, sharply restricting economic activities, increasing uncertainties and unleashing a recession. The World Economic Situation and Prospects as of mid-2020 released Wednesday by the UN said that global gross domestic product is forecast to shrink by 3.2 per cent in 2020, with only a gradual recovery of lost output projected for 2021.

"The pandemic has unleashed a health and economic crisis unprecedented in scope and magnitude. Lockdowns and the closing of national borders enforced by governments have paralysed economic activities across the board, laying off millions of workers worldwide," the report said.

India's economic growth is forecast to slow to 1.2 per cent in 2020, a further deterioration from the already slowed growth of 4.1 per cent in 2019. "The national lockdown in India, for example, is expected to depress economic growth to just 1.2 per cent, much lower than the already disappointing growth in 2019," the report said.

TRENDS & DEVELOPMENTS

Your company has incurred a loss of Rs. 1156.16 Lakhs during the financial year under review against loss of Rs. 5763.30 Lakhs in previous year. Performance of the company is mainly affected because of sudden and prolonged volatility in the capital market, down fall in the valuation of financial and other assets due to rampant spread of COVID-19 outbreak, lockdown announced by Indian Government, slowdown in economy. The Company's future results will depend on how fast the businesses, other commercial and economical activities come back on track.

The Management of GIL is concentrating on the core area of investment. Capital market is improving from the shock of COVID-19 and GIL is constantly trying to explore the opportunities available in the Capital Market and other financial areas to seek long term appreciation by investing capital and expertise in high quality companies. The persistent challenges in the operating environment resulted in higher delinquency levels for the NBFCs.

INDIAN EQUITY MARKETS & OUTLOOK

The S&P BSE SENSEX / NIFTY 50 ended FY 19-20 with large negative returns but outperformed mid-cap and small cap indices. With the sharp underperformance of small and mid-caps over the last two years, the long term returns of large caps and small/mid-caps have largely converged. Performance of major sector indices was negative for the year with Metals, Auto, Capital Goods and Banking underperforming significantly.

All major global indices, namely, S&P, FTSE, DAX, Nikkei, Shanghai, delivered negative returns but most of them outperformed NIFTY 50. Notably, while India has underperformed in FY 19-20, it has outperformed most of the other markets over a 10-year period.

Most of the fall in Indian equities happened in the month of March 2020 driven by highest ever one month selling by FPIs (US \$ 8.3 billion, -0.4% of Indian market capitalization). Notably, -85% of the fall in NIFTY 50 during the year occurred in March 2020 alone. Despite large selling during March 2020, FPI flows for FY 19-20 were positive at US\$ 1.3 billion (FY 18-19: US\$ 0.1 billion).

As of end-March 2020, India's market capitalization to GDP stood at -50%, a level seen last post correction during global financial crisis in FY 08-09. Historically, whenever market capitalization to GDP fell below -60%, future equity returns over 1 to 3 years have been strong. Further, it has been observed that investments made during the time when FPIs were large sellers, have yielded good returns over the medium term (refer tables below).

End of CY	Market Cap to GDP	Next 1 Yr. Nifty Returns	Next 3 Yr. Nifty Returns
2003	48	11%	111%
2004	55	36%	195%
2008	56	76%	113%
2011	61	28%	79%
2013	65	31%	30%

Source: Bloomberg

Post the fall in March 2020, Indian equity markets are trading at attractive valuations with Indian market capitalization to GDP below 60% (based on 2022 GDP estimates) as of end-May 2020. Further, one year rolling forward price to book value of NIFTY 50 is also trading significantly below its long term average. Thus, while GDP growth is likely to be impacted significantly in near term, in view of the prevailing valuations, our medium term outlook on equities is positive.

Significant rise in spread of corona virus, adverse global events, sharp rise in crude oil prices, sharp moderation in equity-oriented mutual funds flows, higher than expected NPAs post the moratorium, are key risks for equities in the near term.

INVESTMENT IN SUBSIDIARIES

The company continues to have one subsidiary in the name of Sukartik Clothing Private Limited. There has not been any fresh investment in the company during the year.

RESOURCES & LIQUIDITY

Your Company has not availed any credit facility. It has consistently been able to meet its financial needs through internal accruals and available its Own Funds.

TRANSITION OF INDIAN ACCOUNTING STANDARDS

The Company has prepared its Financial Statements for the year ended March 31, 2020, in accordance with Ind AS for the first time. The Company has adopted Ind AS notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of transition is April 1, 2018.

In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018 i.e. the transition date to Ind AS for the Company. Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018. The corresponding figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods, duly re-stated according to Ind AS. These Ind AS adjustments have been audited by the statutory auditors.

Detailed explanations capturing areas of differences and reconciliations from previous GAAP to Ind AS have been provided in the Notes to Accounts which form a part of the financial statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system to and the system operate at different levels of effectiveness. Determining whether a particular internal control system is effective is a judgment resulting from an assessment of whether the five components - Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring - are present and functioning. Effective controls provide reasonable assurance regarding the accomplishment of established objectives.

HUMAN RESOURCES

People are the single biggest competitive advantage accompany can have. The Company realizes 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.

RISK AND CONCERNS

External environment remains uncertain and challenging. The outbreak of COVID-19 pandemic across the globe and in India and consequential nationwide lock down since March 24, 2020, has caused a significant decline and volatility in the global as well as Indian financial markets and slowdown in the economic activities. The industry growth is subdued for FY 2019-20 and to be negatively impacted in first half of FY 2020-21 due to effect of the lock down imposed due to COVID - 19. The virus that has spooked the world's markets and sparked fears of global recession has also played havoc with India's macro indicators.

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis (MDA) Report may contain certain forward-looking statements based on our projections and assumptions on the Company's present and future business strategies.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Garnet International Limited
Report on the Standalone Financial Statements

Opinion

We have audited the financial statements of Garnet International Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereafter referred to as the Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to Note 43 to the Financial Statements in relation to the interest free unsecured loan covered under section 186 of the Companies Act, 2013, which is in non-compliance of provisions of Section 186(7) of the Act. The Impact of this contravention on the profit/loss and the liability is not ascertainable readily.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Emphasis of Matter

We draw your attention to Note 41 to the Statement which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situations, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated.

Key Audit Matters	Auditor's Response
<p>Transition to Indian Accounting Standards ("Ind AS")</p> <p>The Company has adopted Ind-AS notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of such transition is April 01, 2018.</p> <p>The Company has applied Ind-AS 101, First-time Adoption of Indian Accounting Standards. Note 39 in the standalone financial statements sets forth the reconciliation of balances from previous GAAP to the new Ind-AS framework as at the transition date and the impact of restatement on the financial position of the comparative year due to such transition. Refer to Note 3 for significant accounting policies selected by the Company on transition to the Ind-AS.</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each item included in the standalone financial statements including presentation thereof, additional notes and disclosures. This evaluation required significant audit efforts. Considering the significance of the matter in the current year to the standalone financial statements and the audit efforts required, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our key audit procedures in respect of the first time adoption of Ind-AS framework included, but were not limited to, the following:</p> <ol style="list-style-type: none"> obtaining an understanding of management's processes and controls to identify the potential impact areas in the financial statements due to the adoption of Ind AS; Reviewed the exemptions availed by the Company from certain requirements under Ind AS; assessing the appropriateness of the adjustments made to the opening balance sheet as at April 1, 2017; assessing the appropriateness of the adjustments recorded in the standalone financial statements as of and for the year-ended March 31, 2018 which were prepared in the previous GAAP; evaluating the appropriateness of accounting policies selected by the Company on transition to Ind AS on the basis of our understanding of the Company, the nature and size of its operations and the requirements of the relevant accounting standards under the Ind AS framework; Assessed the disclosures made against the relevant Ind AS; and obtaining written representations from management on whether the financial statements comply with the Ind AS in all respects.
<p>Valuation of investments carried at fair value</p> <p>On initial recognition, Investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit loss. In other cases, the transaction costs are attributed to the acquisition value of the investments</p>	<p>Our audit procedures in relation to valuation of investments included, but were not limited to, the following:</p> <ol style="list-style-type: none"> Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. Assessed the appropriateness of the valuation

<p>The process of computation of fair valuation of investments include use of observable and unobservable inputs and management judgements and estimates.</p>	<p>methodologies for varied type of investments in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted for different types of investments;</p>
<p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the financial statements due to the materiality of the value of such investments and the complexity involved in the valuation of these investments</p>	<p>c. Ensured the appropriateness of the carrying value of these investments in the financial statements and the gain or loss recognised in the financial statements as a result of such fair valuation; and</p> <p>d. Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. 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.

In preparing the financial statements, Board of Directors is responsible for assessing the Company's ability

to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. 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.
 - a) 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.
 - b) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - c) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act,
 - d) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - e) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - f) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company did not have any pending litigations, which would have material impact on its financial position,
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any 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 Company.

3. Further, as required by 'Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016', we further state that we have submitted a separate report to the Board of Directors of the Company on the matters specified in said directions as under:-
- a) The company applied for registration as provided in section 45IA of the Reserve Bank of India Act, 1934 and has obtained certificate of registration from the Reserve Bank of India.
 - b) The Company is entitled to continue to hold the Certificate of Registration in terms of its asset/income pattern as on 31st March, 2020.
 - c) The Board of Directors of the company has passed a resolution for non - acceptance of any public deposits.
 - d) The company has not accepted any public deposit during the year under reference.
 - e) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning of bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
 - f) The Company has not accepted any public deposit during the year under reference.
 - g) The Company has requisite Net Owned Fund as required by Master direction -Non Banking Financial Company - Non systemically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration by way of Directors Fees paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B M Gattani & Co**
Chartered Accountants

Firm Registration No. 113536W

Balmukund N Gattani

Proprietor

M.No .047066

UDIN : 20047066AAAACX1527

Place: Mumbai

Date: 31/07/2020

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in our report of even date on the accounts of **Garnet International Limited**
for the year ended on 31st March, 2020

As required by the Companies (Auditors Report) Order, 2016 issued by the Government of India in terms of section 143(11) of the Act and on the basis of such checks as we considered appropriate and as per information and explanations given to us, we report that:-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
(b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) The title deeds of immoveable properties are held in the name of the Company.
2. The inventory of the company comprises equity shares, which are in dematerialized form, and which have been verified by the management with reference to holding statement from depository participant. In our opinion, the procedure of verification of inventory followed by the management is satisfactory. Further, the company is maintaining proper records of its inventory and no discrepancies were noticed on verification.
3. (a) According to information made available to us, the company has granted unsecured loan to one (1) subsidiary company covered in the register maintained under section 189 of the Act and in our opinion the terms and conditions of such loan are not prejudicial to the company's interest.
(b) As per the information and explanation given to us, the said loans are repayable on demand.
(c) As per the information and explanation given to us, no amount is overdue for more than ninety days towards principal as well as interest.
4. In our opinion, and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
5. On the basis of information and explanation given to us and on our scrutiny of company's records, in our opinion, the company has not accepted any deposits from the public.
6. To the best of our knowledge and belief and according to information given to us, Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company.
7. (a) According to the information and explanation given to us the company is generally regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. Further, there were no arrears of undisputed statutory dues outstanding as at last day of the financial year concerned for a period of more than six month from the date they became payable.

On the basis of the records of the Company and the information and explanations given to us, there was no arrears of outstanding statutory dues as on the last day of the financial year concerned outstanding for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and according to the information and explanations given to us , there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax and Cess which have not been deposited on account of any dispute.
8. The Company has no borrowings from financial institution, bank, government and the Company has no debenture holders. Accordingly, clause (viii) of paragraph 3 of the aforesaid Order is not applicable to the Company.
 9. According to the information and explanations given to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, clause (ix) of paragraph 3 of the aforesaid Order is not applicable to the Company.
 10. Based on audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.
 11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approval mandated by provisions of Section 197 read with Schedule V of the Companies Act, 2013
 12. The Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the aforesaid Order is not applicable to the Company.
 13. According to the information and explanations given to us, all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been properly disclosed in the Financial Statements as required by the applicable accounting standards.
 14. According to the information made available to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
 15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
 16. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and has received registration certificate from the Reserve Bank of India.

For **B M Gattani & Co**
Chartered Accountants

Firm Registration No. 113536W

Balmukund N Gattani

Proprietor

M.No .047066

UDIN : 20047066AAAACX1527

Place: Mumbai

Date: 31/07/2020

Annexure "B" to Independent Auditors' Report

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

Report on the Financial Statements

We have audited the internal financial controls over financial reporting of Garnet International Limited ("the Company") as of March 31, 2020 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

The Company's management is responsible for laying down and maintaining internal financial controls based on 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company'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") and the Standards on Auditing, issued by ICAI and 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, 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 risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control 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 generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

In view 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 periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on 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 **B M Gattani & Co**
Chartered Accountants

Firm Registration No. 113536W

Balmukund N Gattani

Proprietor

M.No .047066

UDIN : 20047066AAAACX1527

Place: Mumbai

Date: 31/07/2020

BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Note No.	(Rs.In Lakhs)		
		As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	40.46	19.77	162.05
Bank balances other than cash and cash equivalents above	5	29.54	33.87	10.11
Trade receivables	6	230.82	526.01	-
Loans	7	803.20	523.43	489.75
Investments	8	1,319.64	2,560.27	5,657.95
Other Financial assets	9	1.31	1.32	0.25
Total Financial Assets		2,424.97	3,664.67	6,320.11
Non Financial assets				
Inventories - Shares & Securities	10	49.01	211.24	8,098.77
Deferred tax assets (net)	11	744.31	681.29	445.02
Property ,Plant & equipment	12	2.53	3.78	5.22
Intangible Assets	13	-	-	-
Current tax assets (net)	14	1.74	3.48	-
Other non-financial assets	15	11.53	6.13	4.45
Total Non Financial Assets		809.12	905.92	8,553.46
TOTAL ASSETS		3,234.09	4,570.59	14,873.57
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Payables				
Trade Payables	16	-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro and small enterprises		17.22	220.95	11.63
Borrowings(other than debt securities)	17	41.88	238.81	4,729.57
Other financial liabilities	18	2.29	2.22	2.61
Total Financial Liabilities		61.39	461.98	4,743.81
Non- financial liabilities				
Current tax liabilities (net)	19	-	-	133.07
Provisions	20	6.55	4.78	2.07
Other non-financial liabilities	21	1.43	0.96	10.73
Total Non Financial Liabilities		7.98	5.74	145.87
Equity				
Equity share capital	22	1,963.50	1,952.87	1,952.87
Other equity	23	1,201.22	2,150.00	8,031.02
Total Equity		3,164.72	4,102.87	9,983.89
TOTAL LIABILITIES AND EQUITY		3,234.09	4,570.59	14,873.57
Accompanying Notes on Financial Statements	1-46			
These notes form an integral part of the Financial Statements				

As per our attached report of even date

For B M Gattani & Co
Chartered Accountants
 Firm Registration No. : 113536W

Balmukund N Gattani
 Proprietor
Membership No. 047066

Mumbai, 31st July 2020

For and on behalf of the board

Suresh Gaggur
 Chairman
 DIN : 00599561

Ramakant Gaggur
 Managing Director
 DIN : 01019838

Sanjay Raut
 Chief Financial Officer

Vishu Kant Bhangadia
 Director
 DIN: 02405217

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note No.	(Rs.In Lakhs)	
		For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from operations			
Interest Income	24	25.51	50.72
Dividend Income		14.86	22.57
Sale of Shares		193.43	6,811.61
TOTAL REVENUE FROM OPERATIONS		233.80	6,884.90
Expenses:			
Finance costs	25	1.53	1.70
Net loss on fair value changes	26	1,056.24	3,262.33
Purchases of stock-in-trade		94.43	1,394.20
Changes in Inventories of finished goods,stock-in-trade & WIP	27	162.23	7,887.53
Employee benefits expense	28	44.28	65.14
Depreciation and amortisation expense	12 & 13	1.25	2.85
Other expenses	29	93.02	255.53
TOTAL EXPENSES		1,452.98	12,869.28
Profit/(loss) before exceptional items and tax		(1,219.18)	(5,984.38)
Exceptional items		-	-
Profit before tax		(1,219.18)	(5,984.38)
Tax expense:			
Current tax			
Deferred tax		(63.02)	(244.52)
Tax adjustment for earlier years			15.15
Minimum alternate tax credit entitlement			8.24
		(63.02)	(221.13)
Profit/(loss) for the period from continuing operations (A)		(1,156.16)	(5,763.25)
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(After tax) (B)		-	-
Profit/(loss) for the period [C=(A+B)]		(1,156.16)	(5,763.25)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans		0.002	(0.040)
Income tax on above		(0.001)	0.010
Other comprehensive income for the year (D)		0.001	(0.050)
Total comprehensive income for the year (C+D)		(1,156.16)	(5,763.30)
Earning per equity share (for continuing operations)	30		
Basic & Diluted		(5.89)	(29.51)
Earning per equity share (for discontinued operations)	30		
Basic & Diluted		-	-
Earning per equity share (for continuing and discontinued operations)	30		
Basic & Diluted		(5.89)	(29.51)
Accompanying Notes on Financial Statements	1-46		
These notes form an integral part of the Financial Statements			

As per our attached report of even date

For B M Gattani & Co**Chartered Accountants**

Firm Registration No. : 113536W

Balmukund N Gattani

Proprietor

Membership No. 047066

Mumbai, 31st July 2020

For and on behalf of the board**Suresh Gagar**

Chairman

DIN : 00599561

Ramakant Gagar

Managing Director

DIN : 01019838

Sanjay Raut

Chief Financial Officer

Vishu Kant Bhangadia

Director

DIN: 02405217

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

A. Equity Share Capital		(Rs.In Lakhs)
Particulars	Value	
Balance at the beginning of the reporting period i.e. 1st April, 2018	1,952.87	
Changes during the year	-	
Balance at the end of the reporting period i.e. 31st March, 2019	1,952.87	
Balance as at April 1, 2019	1,952.87	
Add:- Equity shares on Conversion	3.54	
Add:- Bonus shares	7.09	
Balance at the end of the reporting period i.e. 31st MARCH, 2020	1,963.50	

B. Other Equity

(Rs.In Lakhs)

Particulars	Reserves and Surplus			Other Reserves	Money received against share warrants	Total
	Securities Premium	Reserve fund u/s 45-IC(1) of RBI,1934	Retained Earnings	Remeasurements of the net defined benefit plans through OCI		
Balance at the beginning of the reporting period i.e. 1st April, 2018	4,266.45	-	3,691.90	-	72.67	8,031.02
Profit for the year	-	-	(5,763.25)	-	-	(5,763.25)
Other Comprehensive Income (net of tax)	-	-	-	(0.045)	-	(0.04)
Total Comprehensive Income for the year*	-	-	(5,763.25)	(0.045)	-	(5,763.29)
Final dividend, declared and paid during the year	-	-	97.64	-	-	97.64
Tax on final dividend	-	-	20.08	-	-	20.08
Balance at the end of the reporting period i.e. 31st March, 2019	4,266.45	-	(2,189.07)	(0.045)	72.67	2,150.01
Profit for the year	-	-	(1,156.16)	-	-	(1,156.16)
Other Comprehensive Income (net of tax)	-	-	-	0.003	-	0.00
Total Comprehensive Income for the year*	-	-	(1,156.16)	0.003	-	(1,156.16)
Conversion of share warrants into equity	287.13	-	-	-	-	287.13
Bonus shares issued	7.09	-	-	-	-	7.09
Conversion of share warrants into equity shares	-	-	-	-	72.67	72.67
Balance at the end of the reporting period i.e. 31st March, 2020	4,546.49	-	(3,345.23)	(0.042)	-	1,201.22

*Movement in other comprehensive income relates to remeasurements of the net defined benefit plans

Refer note no. 23 for nature and purpose of reserves

Accompanying Notes on Financial Statements 1-46
 These notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the board

For B M Gattani & Co
Chartered Accountants
 Firm Registration No. : 113536W

Suresh Gaggar
 Chairman
 DIN : 00599561

Ramakant Gaggar
 Managing Director
 DIN : 01019838

Balmukund N Gattani
 Proprietor
Membership No. 047066

Sanjay Raut
 Chief Financial Officer

Vishu Kant Bhangadia
 Director
 DIN: 02405217

Mumbai, 31st July 2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	(Rs.In Lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(1,219.18)	(5,984.38)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	1.25	2.84
Interest income	25.51	42.22
Dividend income	14.86	22.57
Interest and other borrowing costs	1.53	1.70
Operating profit before working capital changes	(1,176.03)	(5,915.05)
Adjustments for :		
(Increase)/Decrease in Trade Receivables	295.19	(526.01)
(Increase)/Decrease in Inventories	162.23	7,887.53
(Increase)/Decrease in Other Financial Assets	0.01	(1.07)
(Increase)/Decrease in Bank and other bank balances	4.32	(23.76)
Increase/(Decrease) in Trade Payables	(203.73)	209.32
(Increase)/Decrease in Other Assets		
(Increase)/Decrease in Long term Loans and Advances	(279.78)	(33.68)
Increase/(Decrease) in Other Non Financial Assets	(5.40)	(1.69)
Increase/(Decrease) in Provisions	1.77	2.71
Increase/(Decrease) in Other Financial liabilities	0.08	(0.39)
Increase/(Decrease) in Other Non Financial liabilities	0.48	(9.77)
Cash generated from operations	(1,200.86)	1,588.14
Direct taxes paid	2.53	(151.74)
Cash flow before extraordinary items	(1,198.33)	1,436.40
Extraordinary items	-	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(1,198.33)	1,436.40
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of tangible assets	-	-
Purchase of tangible assets	-	(1.40)
Purchase of investments	1,240.64	3,097.68
Interest income	(25.51)	(42.22)
Dividend income	(14.86)	(22.57)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	1,200.27	3,031.49
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital & premium	218.00	-
Repayment of long term borrowings	(196.93)	(4,490.75)
Interest expense	(1.53)	(1.70)
Dividend and DDT paid	-	(117.72)
Dividend paid	-	-
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	19.54	(4,610.17)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	21.48	(142.28)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	18.98	162.05
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	40.46	19.77

Notes :

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 on "Statement of Cash Flow" notified u/s 133 of Companies Act, 2013 ("Act") read with relevant rules issued thereunder and the relevant provisions of the Act.

2. Change in liability arising from financing activities

(Rs.In Lakhs)

Particulars	Borrowings (other than debt)	Total
Balance as at 1st April 2018	4,729.57	4,729.57
Net cash flows	(4,490.76)	(4,490.76)
Balance as at 31st March 2019	238.81	238.81
Net cash flows	(196.93)	(196.93)
Balance as at 31st March 2020	41.88	41.88

3. All figures in brackets reflects cash outflow.

4. Figures of the previous year have been regrouped wherever necessary.

Accompanying Notes on Financial Statements
These notes form an integral part of the Financial Statements

1-46

As per our attached report of even date

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536W

For and on behalf of the board

Balmukund N Gattani
Proprietor
Membership No. 047066

Suresh Gaggar
Chairman
DIN : 00599561

Ramakant Gaggar
Managing Director
DIN : 01019838

Mumbai, 31st July 2020

Sanjay Raut
Chief Financial Officer

Vishu Kant Bhangadia
Director
DIN: 02405217

Notes to Standalone Financial Statements for the year ended 31st March 2020:**1. COMPANY OVERVIEW:**

Garnet International Limited ('the Company') is a Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI"). The Company is non deposit accepting NBFC engaged in financial services. The Company is domiciled in India and its registered office is situated at 901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400021.

2. BASIS OF PREPARATION:**(i) Statement of compliance with Indian Accounting Standards (Ind AS)**

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in this financial statement.

The financial statements for the year ended March 31, 2020 are the first financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The financial statements up to and for the year ended March 31, 2019 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 39.

The financial statements for the year ended March 31, 2020 were authorised and approved for issue by the Board of Directors on July 31, 2020.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods

presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

3.1 **Property, plant and equipment:**

a. Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

b. Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

c. De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

d. Capital work-in-progress

Capital work-in-progress is carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

e. Transition to Ind AS

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2018.

3.2 **Intangible assets:**

a. Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

b. Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

c. Transition to Ind AS

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2018.

3.3 Revenue Recognition:

a. Sale of assets

Revenue from the sale of assets (shares and securities) is recognised when the significant risks and rewards of ownership have passed to the buyer, based on the applicable terms. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and the revenue recognition criteria have been complied.

b. Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

c. Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

d. Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

3.4 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use, are capitalised. Borrowing cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

3.5 Taxation

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

3.6 Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contributions made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

Gratuity Fund

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

3.7 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

3.8 Financial instruments

A Financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another party.

I. Financial Assets

a. Initial recognition:

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognized in statement of profit and loss).

b. Subsequent measurement:

i. Financial assets carried at amortized cost (AC): - A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI):- All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument- by-instrument basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to statement of profit and loss, even on sale of the instrument. However, the Company may transfer the cumulative gain or loss within the equity.

iii. Financial assets at fair value through statement of profit and loss (FVTPL) Equity instruments: - Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

c. De-recognition:

A Financial Asset (or where applicable, part of financial asset) is primarily derecognized when the contractual right to receive cash flows from the asset has expired or the Company has transferred its right to receive cash flow from the financial asset and consequently all the risks and rewards of ownership of the asset to third party.

d. Impairment of financial assets:

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit loss are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

II. Financial Liabilities

a. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. The Company's financial liabilities include trade and other payable and loans and borrowings.

b. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are de-recognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss. Short term borrowings maturing within one year from the balance sheet date are measured at fair value at the balance sheet date due to short maturity.

c. De-recognition:

A financial liability is derecognized where the obligation under the liability is discharged or cancelled or expires where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified. Such an exchange or modification is treated as the de-recognition of the original liability and the recognition of new liability. The difference in the respective carrying amounts is recognized in the statement of Profit and Loss.

III. Reclassification of financial assets and liabilities

Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets and financial liabilities.

IV. Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the Balance sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously

V. Fair value measurement

Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 "Fair Value Measurement" (Ind AS - 113). For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Three widely used valuation techniques specified in the said Ind AS are the market approach, the cost approach and the income approach which have been dealt with separately in the said Ind AS.

Each of the valuation techniques stated as above proceeds on different fundamental assumptions, which have greater or lesser relevance, and at times there is no relevance of a particular methodology to a given situation. Thus, the methods to be adopted for a particular purpose must be judiciously chosen. The application of any particular method of valuation depends on the Company being evaluated, the nature of industry in which it operates, the Company's intrinsic strengths and the purpose for which the valuation is made.

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement.

3.10 Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

3.11 Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.12 Leases

Company as a lessee

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability. The Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

3.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.14 Segment reporting

The Company identifies segment basis of the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating

decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

3.15 Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

3.16 Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

a. Fair Valuation:

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model. Such valuations are based on existing circumstances and assumptions about future developments which may change due to market changes or circumstances arising that are beyond the control of the Company which may have impact on such valuations.

b. Expected Credit Loss:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward-looking information.

c. Impairment loss in Investments carried at cost:

The Company conducts impairment reviews of investments whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use based on future cash flows and a suitable discount rate in order to calculate the present value.

d. Useful life of Assets:

Depreciation on property, plant and equipment is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Deferred Taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes to the financial statements for the year ended 31st March 2020

(Rs. In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Note 4: Cash and cash equivalents			
Cash on hand	0.93	0.79	1.10
Balance with banks in current account	39.53	18.98	160.95
Total	40.46	19.77	162.05
Note 5: Bank balances other than Cash and cash equivalents			
Earmarked balances (unpaid dividend account)	2.22	2.22	2.59
Fixed deposit with banks (with original maturity more than 3 months)	27.32	31.65	7.52
Total	29.54	33.87	10.11
Note 6: Trade Receivables			
Unsecured, considered good Sundry debtors	230.82	526.01	-
Total	230.82	526.01	-
Note 7: Unsecured Loans			
At cost			
Loan to Subsidiary (refer Note 36)	357.51	382.51	354.73
Other group companies	-	-	1.88
Loan repayable on demand	445.69	140.92	133.14
Total	803.20	523.43	489.75
Loans in India			
(i) Public sector	-	-	-
(ii) Others	803.20	523.42	489.75
	803.20	523.42	489.75
Note 8: Investments			
(A) At cost :			
Unquoted: Investments in fully paid equity instruments:			
a) Investment in a Subsidiary Company:#			
Nil(March 31, 2019:Nil and April 1, 2018:9999) Equity shares of Face value Rs.10/- each of Garnet Valoram Cap Venture Pvt Ltd	-	-	0.99
211000 (March 31, 2019:211000 and April 1, 2018:211000) Equity shares of face value of Rs.10/- each of Sukartik Clothing Private Limited	542.00	542.00	542.00
b) Investment in Shares of Other Companies:			
10000(March 31, 2019:10000 and April 1, 2018:10000) Equity shares of face valur of Rs.10/- each of A&G Accelerators Pvt Ltd	1.00	1.00	1.00
736875(March 31, 2019:Nil and April 1, 2018:Nil) Equity shares of face value of Rs.10/- each of Shree Narayan Silk House Pvt Ltd	147.38	-	-
40000(March 31,2019:Nil and April 1,2018:Nil) Equity shares of face value of Rs.10/- each of Mangal Savitri Investment Pvt Ltd	46.00	-	-
Share Application Money			
4550(March 31,2019:Nil and April 1,2018:Nil) Equity shares of face value of Rs.10/- each of Kuntunath Merchants Pvt Ltd	434.98	-	-
Share Warrant			
Agarwal Industrial Corporation Limited	-	-	129.38
Investments in Government securities			
National Saving Certificates(in the name of one of the director)	0.23	0.23	0.23
Other non-current investment			
Silver bar	3.05	3.05	3.05
(A)	1,174.64	546.28	676.65

Notes to the financial statements for the year ended 31st March 2020

Particulars	(Rs. In Lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
(B) At FVTPL			
Quoted: Investments in fully paid equity instruments:			
Nil (March 31, 2019: 875000 and April 1, 2018: 845000) Equity shares of face value of Rs.10/- each of Arambhan Hospitality Services Limited	-	95.98	298.71
324747 (March 31, 2019: 1161022 and April 1, 2018: 1383540) Equity shares of face value of Rs.10/- each of Agarwal Industrial Corporation Limited	145.00	1,918.01	4,682.59
(B)	145.00	2,013.99	4,981.30
Total	1,319.64	2,560.27	5,657.95
(i) Investments in India	1,319.64	2,560.27	5,657.95
(ii) Investments outside India	-	-	-
	1,319.64	2,560.27	5,657.95

Name of Subsidiaries	Principle Place of Business	Ownership Interest		
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Sukartik Clothing Private Limited	India	70.10%	70.10%	70.10%
Garnet Valorem Capital Venture Private Limited	India	Not applicable	Not applicable	99.99%

Investment in subsidiaries are measured at cost as per Ind AS 27 'Separate Financial Statements'.

Note 9: Other financial assets

Interest accrued	1.31	1.27	0.25
Receivables from others	-	0.05	-
Total	1.31	1.32	0.25

Note 10: Inventories

Stock-in-Trade - Shares	49.01	211.24	8,098.77
Total	49.01	211.24	8,098.77

Note 11: Deferred tax assets (net)**Deferred Tax Assets:**

Difference between book and MAT Credit Entitlement*	2.24	2.92	2.70
Gratuity	613.37	613.37	621.62
Provision for Standard Asset	0.83	0.68	0.53
Investments at Fair value	0.81	0.54	-
	127.06	63.78	

Deferred Tax Liabilities:

Investments at Fair value	-	-	179.83
Total	744.31	681.29	445.02

*As per Ind AS 12, the Company has considered MAT entitlement credit as deferred tax asset being unused tax credit entitlement.

The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2019:

Particulars	As at 01.04.2018		As at 31.03.2019		As at 31.03.2020
	Deferred Tax Asset/ (Liabilities)	Credit/(charge) in statement of Profit and Loss	Deferred Tax Asset/ (Liabilities)	Credit/(charge) in statement of Profit and Loss	Deferred Tax Asset/ (Liabilities)
Provision for Standard Asset	-	0.54	0.54	0.27	0.81
Provision for Gratuity	0.53	0.16	0.69	0.15	0.84
PPE	2.70	0.21	2.92	(0.68)	2.24
Investments at Fair value	(179.83)	243.61	63.78	63.28	127.06

Notes to the financial statements for the year ended 31st March 2020

Note 12: Property, plant and equipment

(Rs.In Lakhs)

Gross carrying amount	Land	Vehicle	Office Equipments	Computers	Electric Equipment	TOTAL
Balance as at April 1, 2018 (refer note(i))	0.78	51.60	13.62	7.64	1.93	75.57
Additions	-	-	0.67	0.74	-	1.41
Disposals	-	-	-	-	-	-
Balance as at March 31, 2019	0.78	51.60	14.29	8.38	1.93	76.98
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at March 31, 2020	0.78	51.60	14.29	8.38	1.93	76.98

Accumulated depreciation

Balance as at April 1, 2018 (refer note(i))	-	50.02	12.24	6.16	1.93	70.35
Depreciation charge for the year	-	1.58	0.44	0.83	-	2.85
Balance as at March 31, 2019	-	51.60	12.68	6.99	1.93	73.20
Depreciation charge for the year	-	-	0.44	0.81	-	1.25
Balance as at March 31, 2020	-	51.60	13.12	7.80	1.93	74.45

Net block

Balance as at April 1, 2018	0.78	1.58	1.38	1.48	-	5.22
Balance as at March 31, 2019	0.78	-	1.61	1.39	-	3.78
Balance as at March 31, 2020	0.78	-	1.17	0.58	-	2.53

(i) Deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount

Particulars	Land	Vehicle	Office Equipments	Computers	Electric Equipment	TOTAL
Gross block as at April 1, 2018	0.78	51.60	13.62	7.64	1.93	75.57
Accumulated depreciation as at April 1, 2018	-	50.02	12.24	6.16	1.93	70.35
Carrying amount as at April 1, 2018	0.78	1.58	1.38	1.48	-	5.22

Notes to the financial statements for the year ended 31st March 2020

Note 13: Intangible assets

(Rs.In Lakhs)

Gross carrying amount	Computer Software	TOTAL
Balance as at April 1, 2018 (refer note(i))	34.81	34.81
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	34.81	34.81
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	34.81	34.81

Accumulated depreciation

Balance as at April 1, 2018 (refer note(i))	34.81	34.81
Depreciation charge for the year	-	-
Adjustment on account of disposals	-	-
Balance as at March 31, 2019	34.81	34.81
Depreciation charge for the year	-	-
Adjustment on account of disposals	-	-
Balance as at March 31, 2020	34.81	34.81

Net block

Balance as at April 1, 2018	-	-
Balance as at March 31, 2019	-	-
Balance as at March 31, 2020	-	-

(i) Deemed cost of other intangible assets - Reconciliation of gross block and net carrying amount

Particulars	Computer Software	TOTAL
Gross block as at April 1, 2018	34.81	34.81
Accumulated depreciation as at April 1, 2018	34.81	34.81
Carrying amount as at April 1, 2018	-	-

Notes to the financial statements for the year ended 31st March 2020

Particulars	(Rs. In Lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Note 14: Current tax assets(net)			
Advance Income tax (net)	1.74	3.48	-
Total	1.74	3.48	-
Note 15: Other non- financial assets			
Security Deposit	0.80	0.80	0.80
Advance to Creditors	-	-	0.02
Prepaid expenses	0.19	0.14	0.21
Misc. Expenses	5.74	5.18	3.42
Other assets	4.80	0.02	-
Total	11.53	6.13	4.45
Note 16: Payables			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	17.22	220.95	11.63
	<u>17.22</u>	<u>220.95</u>	<u>11.63</u>
Other Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total	17.22	220.95	11.63
Note 17: Borrowings			
Loan from related parties (refer note 36)	41.88	-	-
Loans repayable on demand	-	238.81	4,729.57
Total	41.88	238.81	4,729.57
Borrowings in India	41.88	238.81	4,729.57
Borrowings outside India	-	-	-
	<u>41.88</u>	<u>238.81</u>	<u>4,729.57</u>
Note 18: Other financial liabilities			
Unpaid dividends	2.22	2.22	2.59
Accrued Expenses	0.07	-	0.02
Total	2.29	2.22	2.61
Note 19: Current tax liabilities(net)			
Provision for income tax(net)	-	-	133.07
Total	-	-	133.07
Note 20: Provisions			
Provision for employee benefits(Gratuity)	3.34	2.68	2.07
Provision for Standard assets	3.21	2.10	-
Total	6.55	4.78	2.07
Note 21: Other Non-financial liabilities			
Statutory dues payable	1.39	0.86	10.65
Outstanding expenses	0.04	0.10	0.08
Total	1.43	0.96	10.73

Notes to the financial statements for the year ended 31st March 2020

(Rs. In Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Note 22: Equity share capital						
Authorised						
Equity shares of Rs.10/- each	30000000	3,000.00	30000000	3,000.00	30000000	3,000.00
Total		<u>3000.00</u>		<u>3000.00</u>		<u>3,000.00</u>
Issued, subscribed and paid-up						
Equity shares of Rs. 10/- each fully paid up	19635000	1963.50	19528656	1952.87	19528656	1952.87
Total		<u>1963.50</u>		<u>1952.87</u>		<u>1,952.87</u>

2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

Particulars	Numbers	Amount	Numbers	Amount	Numbers	Amount
At the beginning of the year	19528656	1952.87	19528656	1952.87	6225000	623
Add : Equity shares issued on conversion of warrant:	35448	3.54	0	0.00	284552	28
Allotted as fully paid by way of Bonus Shares	70896	7.09	0	0.00	13019104	1,302
At the end of the year	19635000	1964	19528656	0.02	19528656	1,953

2.b The company has issued only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of preferential amounts, in proportion of their shareholding.

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

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding	Numbers	% of Holding
Shri Ramakant Gaggar	3,757,670	19.14	3,757,670	19.24%	3,536,514	18.11%
Mangal Savitri Bizcon Pvt. Ltd.	1,652,716	8.42	1,652,716	8.46%	2,580,845	13.22%
Shri Suresh Gaggar	3,260,021	16.60	3,260,021	16.69%	2,150,010	11.01%

2.d During the year, the Company has allotted 35448 Equity shares pursuant to Conversion of 35448 Equity warrants. Bonus shares on the above 35448 shares earlier kept in abeyance also allotted in the year on 26.06.2019

Notes to the financial statements for the year ended 31st March 2020

(Rs.In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Note 23: Other equity			
<u>Reserve fund in terms of Section 45-IC(1) of RBI Act,1934</u>			
Balance at the beginning of the year	-	-	-
Add:- Transferred from surplus in Statement of Profit or loss	-	-	-
Balance at the end of the year	-	-	-
<u>Securities Premium account</u>			
Balance at the beginning of the year	4,266.45	4,266.45	4,266.45
Add : on account of issue of equity shares on conversion of share warrants	287.13	-	-
Less:- Bonus shares issued	7.09	-	-
Balance at the end of the year	4,546.49	4,266.45	4,266.45
<u>Retained Earnings</u>			
Balance at the beginning of the year	(2,189.07)	3,691.90	2,706.65
Add : Profit (loss) after tax for the year	(1,156.16)	(5,763.25)	985.25
Balance at the end of the year	(3,345.23)	(2,071.35)	3,691.90
Less : <u>Appropriations</u>			
Transfer to Reserve fund u/s 45-IC(1) of RBI	-	-	-
Proposed Dividend	-	97.64	-
Tax on Proposed Dividend	-	20.08	(117.72)
Balance at the end of the year	-	20.08	(117.72)
<u>Money received against share warrants</u>			
Balance at the beginning of the year	72.67	72.67	72.67
Conversion of share warrants into equity share capital	72.67	-	-
Balance at the end of the year	-	-	-
	-	72.67	72.67
OTHER RESERVES			
<u>Other Comprehensive income</u>			
Balance at the beginning of the year	(0.045)	-	-
Add: Movement in OCI (Net) during the year	0.002	(0.036)	-
Less : Tax on above	(0.001)	0.009	-
Balance at the end of the year	(0.042)	(0.045)	-
Total	1,201.22	2,150.00	8,031.02

Nature and purpose of reserve:**Securities premium**

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Reserve fund u/s 45-IC (1) of RBI Act, 1934

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Money received against share warrants

The Company had allotted 3,20,000 fully convertible warrants of Rs.10 each at an issue price of Rs.820 per warrant including premium of Rs. 810 per warrant on preferential basis to non-promoter). Out of the above 320000, company had earlier allotted 284552 warrants and Rs. 7267360 was received against the balance 35448 warrants. During the year 2019-20, company had allotted 35448 convertible warrants. 35448 equity shares were allotted on the conversion of 35448 warrants and the company has also allotted the bonus shares on the same, which were kept in abeyance.

Retained Earnings

Retained earnings generally represents the undistributed profits/ amount of accumulated earnings of the company and includes remeasurement gains/losses on defined benefit obligations.

Notes to the financial statements for the year ended 31st March 2020

Particulars	(Rs.In Lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Note 24: Interest Income		
<u>On Financial Assets measured at Amortised Cost</u>		
Interest on Loans	23.50	38.69
Interest income from investments	-	0.03
Interest on deposits with Banks	2.01	3.50
Other interest Income	-	8.50
Total	25.51	50.72
Note 25: Finance Cost		
<u>On Financial liabilities measured at Amortised Cost</u>		
Interest On Borrowings	1.53	1.70
Total	1.53	1.70
Note 26 : Net Loss on Fair Value Changes		
<u>(A) Net gain/ (loss) on financial instruments at fair value through profit or loss</u>		
(i) On trading portfolio		
Investments	842.48	2,603.66
Derivatives	213.76	658.67
Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
<u>(B) Others</u>	-	-
Total Net gain/(loss) on fair value changes	1,056.24	3,262.33
<u>Fair Value changes:</u>		
Realised	350.56	798.69
Unrealised	705.68	2,463.64
Total	1,056.24	3,262.33
Note 27: Changes in Inventories		
Opening stocks:		
Stock in trade	211.24	8,098.77
Closing stocks:		
Stock in trade	49.01	211.24
Total	162.23	7,887.53
Note 28: Employee benefit expenses		
Salaries and Wages	24.64	48.69
Director Remuneration	18.00	13.50
Contribution to Provident Fund and other funds	1.13	2.44
Staff Welfare Expenses	0.51	0.51
Total	44.28	65.14

Notes to the financial statements for the year ended 31st March 2020

Particulars	(Rs.In Lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Note 29: Other expenses		
Advertisement and Publicity	0.73	0.64
Auditors remuneration (refer note 31)	3.23	3.48
Share warrant forfeiture	-	129.38
Bank charges	0.12	0.15
Bonus Issue Expenses	0.24	2.00
Communication expenses	0.31	0.43
Demat charges	0.35	2.39
GST Expenses	28.61	16.98
General expenses	11.89	21.77
Insurance	0.14	0.19
Legal and professional charges	2.96	5.20
Penalty Charges	-	1.00
Printing & Stationery	0.05	0.43
Provision for Standard assets	1.12	2.09
Rates and Taxes	4.69	4.30
Repairs and maintenance	0.01	-
Securities Transaction Tax	16.35	14.21
Share Trading Expenses	17.49	45.77
Travelling and Conveyance	4.73	5.12
Total	93.02	255.53
Note 30: Earning per equity share	2019-2020	2018-2019
Net profit / (loss) after tax (Rs. In Lakhs)	(1156.16)	(5763.25)
Weighted average number of shares used in computing basic earnings per share	Numbers 19635000	19528656
Effect of potential equity shares on allotment of shares on conversion of warrants	Numbers 0	0
Weighted average number of shares used in computing basic earnings per share	Numbers 19635000	19528656
Basic earnings per share	(5.89)	(29.51)
Diluted earnings per share	(5.89)	(29.51)
Note 31: Payment to auditors(Including Goods & Service Tax)		(Rs. In Lakhs)
	2019-2020	2018-2019
Statutory audit fees	2.00	2.07
Tax audit fees	0.35	0.35
Income tax matter & ITR	0.35	0.35
Certification work	0.53	0.71
	3.23	3.48

Notes to the financial statements for the year ended 31st March 2020

Note 32: Contingent liabilities and commitments (to the extent not provided for): There is no contingent liability not acknowledged as debt.

Note 33: The management is of view that as per Ind AS 36, no impairment loss is required to be recognised, as the present values of assets are higher than the carrying amount of such assets.

Note 34: Issue of Share Warrants, their conversion and utilization of its proceeds

- i. The Company, during the financial year 2017-18, had allotted 320000 Warrants at a price of Rs. 820/- per warrant carrying an entitlement to subscribe to an equivalent number of equity shares of face value of Rs. 10/- each within 18 months from the date of allotment of warrants to non-promoter group in accordance of Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended. The company had utilized these proceeds for its working capital requirements and other corporate purposes in accordance with the object of the issue.
- ii. Out of the amount received during the year 2017-18, 2,84,552 warrants were converted into equivalent number of equity shares. The balance Rs.72,67,360/- were received for remaining 35,448 warrants, pending for allotment.
- iii. During the financial year 2019-20, company had allotted the balance equity shares on conversion of 35448 warrants on 26/06/2019. Company has also allotted the corresponding bonus shares on 35448 converted warrants, earlier kept in abeyance on 26/06/2019

Notes to the financial statements for the year ended 31st March 2020

Note 35: Employee benefits expense

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under

(a) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Contribution to defined contribution plan recognised, charged off for the year, are as under:

	2019-2020	2018-2019
Employer's contribution to provident fund	3.34	2.68

(Rs. In Lakhs)

(b) Defined benefit plan:

Leave Encashment: During the year 2019-20, the amount paid to employees as leave encashment is NIL

Gratuity:

The employee's gratuity scheme is non -fund based. The present value of obligation is 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 final obligation.

I) Reconciliation of defined benefit obligation

	2019-2020	2018-2019
Defined Benefit obligation at beginning of the year	2.68	2.60
Current service cost	0.45	0.11
Interest cost	0.20	0.05
Benefits paid	0.00	0.00
<i>Components of Actuarial (gains)/losses on obligations</i>		
- due to demographic assumptions	0.29	
- due to financial assumptions	(0.00)	
- due to experience adjustments	(0.29)	(0.08)
Past service cost	0.00	0.00
Defined Benefit obligation at year end	3.34	2.68

(Rs. In Lakhs)

II) Net liability / (asset) recognised in the balance sheet

	2019-2020	2018-2019
Present value of defined benefit obligation	3.34	2.68
Fair value of plan assets	0.00	0.00
Net liability / (asset)	3.34	2.68
Less: Unrecognised past service cost	0.00	0.00
Liability / (asset) recognised in the balance sheet	3.34	2.68
Of which short term defined benefit obligation at end of the year	0.09	0.08

(Rs. In Lakhs)

III) Expenses recognized during the year

	2019-2020	2018-2019
Current service cost	0.45	0.11
Interest cost	0.20	0.05
Defined benefit cost included in	0.65	0.16
Remeasurements of the net defined benefit plans-Actuarial	(0.00)	(0.08)
Defined benefit cost included in Other Comprehensive Income	(0.00)	(0.08)
Total defined benefit recognized in Statement of profit & loss and Other Comprehensive Income	0.65	0.08

(Rs. In Lakhs)

Notes to the financial statements for the year ended 31st March 2020

IV) Actuarial assumptions

	2019-2020	2018-2019
Salary growth rate	7.50%	7.50%
Discount rate	6.85%	7.70%
Withdrawal rate		
Up to 25 years	10.00%	10.00%
25 to 35 years	6.00%	6.00%
35 to 45 years	4.00%	4.00%
45 to 55 years	2.00%	2.00%
55 years & above	1.00%	1.00%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

V) Sensitivity analysis for gratuity liability

The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	-5.30%	5.72%	-5.34%	5.77%
Rate of increase in salaries (50bps movement)	5.66%	-5.29%	5.66%	-5.30%

The above Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Notes to the financial statements for the year ended 31st March 2020

Note 36: Related Party Disclosures:

I) Names of related parties and description of relationships

a) Key Managerial Personnel (KMP)

Suresh Gagar	Director
Ramakant Gagar	Managing Director
Sharad Rathi	Director
Manju Bhagchand Maheshwari	Director (Resigned on 14/09/2018)
Sandhya Lotlikar	Director
Jaswantpatil Dilipsingh Patil	Director
Vishnu Kant Bhangadia	Director (Appointed on 29/05/2019)
Koshal Gupta	Company Secretary (Resigned on 28/05/2018)
Deepika Pandey	Company Secretary (From on 26/06/18 to 19/02/2020)
Sanjay Ravindra Raut	CFO

b) Relatives of KMP & Entities over which KMP exercises

Indra Gagar	Relative of Director
Kartik Gagar	Relative of Director
Swati Gagar	Relative of Director
Preeti Gagar	Relative of Director
Kirti Gagar	Relative of Director
Prakash Gagar	Relative of Director
Subhash Gagar	Relative of Director
Navratan Gagar	Relative of Director
Prabbha Bihani	Relative of Director
Saroj Jaju	Relative of Director
Suman Jhanwar	Relative of Director
Madhu Bang	Relative of Director
Kanchan Soni	Relative of Director
Suresh Gagar HUF	Entity controlled by Director
GVS Chemical Private Limited	Entity controlled by Director
Alaukik Mines & Power Private Limited	Entity controlled by Director
Bhuta Investment Private Limited	Entity controlled by Director
Mangal Savitri Bizcon Private Limited	Entity controlled by Director
Gini Silk Mills Limited	Entity controlled by Director
Maxwell Management Services Pvt. Ltd.	Entity controlled by Director
Minex Explore Pvt. Ltd.	Entity controlled by Director
Blue Square Corporate Services Limited	Entity controlled by Director
Deepganga Total Health Solutions Pvt Ltd	Entity controlled by Director
Deep Ganga Foundation	Entity controlled by Director
Kamai Capital Private Limited	Entity controlled by Director
Harco Silk Mills Private Limited	Entity controlled by Director
Canova Trading Pvt Ltd	Entity controlled by Director
Honour Sales Agencies Pvt Ltd	Entity controlled by Director
Azure Exim Services Limited	Entity controlled by Director
Anandmangal Fintrade Limited	Entity controlled by Director's relative

c) Holding / Subsidiary Company

Garnet Valorem Capital Venture Pvt. Ltd.	Subsidiary Company upto January 2019
Sukartik Clothing Private Limited	Subsidiary Company

Notes to the financial statements for the year ended 31st March 2020

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

(Rs. In Lakhs)

Particulars	Volume of Transactions	
	2019-2020	2018-2019
Loan taken / (repayments made)		
Sarika Gaggar	46.00 (44.00)	-
Suresh Gaggar	147.38 (107.50)	-
Loan given (repayment received)		
Sukartik Clothing Private Ltd	- (25.00)	30.87 -
Anandmangal Fintrade Ltd	3.08 (6.00)	- (1.12)
Remuneration to KMP		
Salary to Director	13.50	13.50
Salary to CFO	3.91	4.55
Salary to Company secretary	4.62	4.63

III) Outstanding balances with related parties in ordinary course of business:

Name of Related Party	Nature of balance	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Sarika Gaggar	Borrowings	2.00	-	-
Suresh Gaggar	Borrowings	39.88	-	-
Sukartik Clothing Private Limited	Loans Given	357.51	382.51	354.73
Anandmangal Fintrade Limited	Loans Given	9.99	12.91	14.03
Ramakant Gaggar	Remuneration	-	-	-
Sanjay Raut	Remuneration	-	-	-
Deepika Pandey	Remuneration	-	-	-
Compensation of Key management personnel			31.03.2020	31.03.2019
Short-term benefits			22.04	22.69
Post employment benefits*			-	-

* Remuneration does not include gratuity as employee wise break up is not available.

Note:

- 1) Related party relationship is identified by the Company and relied upon by the auditors.
- 2) Figure in the brackets pertains to previous year.

Notes to the financial statements for the year ended 31st March 2020

Note 37: Capital Management

The Company is cash surplus and has only equity capital. The Company operates as an Investment Company and is registered as as Non- Banking Financial Company - Investments Company with Reserve Bank Of India. The Company has to maintain the minimum net-worth as prescribed by SEBI and RBI. The net-worth is monitored by Company on half yearly basis.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders through the optimisation of the debt and equity balance. The management and the Board of Directors monitors the return on capital to shareholders.

Particulars	(Rs. In Lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Net Debt *	(26.81)	186.44	4,557.66
Total Equity	1,963.50	1,952.87	1,952.87
Net debt to equity ratio	(0.01)	0.10	2.33

* Net debt includes borrowings other than debt securities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

No changes were made in the objectives, policies and processes of capital management during the year.

Note 38: Financial Instruments

A. Financial assets and Liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	Note	(Rs. In Lakhs)		
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Financial assets measured at fair value				
Investments measured at :				
(i) Fair value through other comprehensive Income	Note 8	-	-	-
(ii) Fair value through profit and loss	Note 8	145.00	2,014.00	4,981.30
Financial assets measured at amortised cost				
Cash and cash equivalents	Note 4	40.45	19.77	162.05
Bank balances other than cash and	Note 5	29.54	33.87	10.11
Trade receivables	Note 6	230.82	526.01	-
Loans	Note 7	803.21	523.43	489.75
Investments	Note 8	1,174.63	546.28	676.65
Other Financial assets	Note 9	1.31	1.32	0.25
TOTAL		2,424.97	3,664.67	6,320.11

Particulars	Note	(Rs. In Lakhs)		
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Financial Liabilities measured at amortised cost				
Trade Payables	Note 16	17.22	220.95	11.63
Borrowings (other than debt securities)	Note 17	41.88	238.81	4,729.57
Other financial liabilities	Note 18	2.29	2.22	2.61
TOTAL		61.39	461.98	4,743.81

Notes to the financial statements for the year ended 31st March 2020

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices)/indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs &;

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements (Rs. In Lakhs)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through profit and loss (refer Note 8)	145.00	-	-	145.00
As at March 31, 2019				
Assets				
Investments at fair value through profit and loss (refer Note 8)	2,014.00	-	-	2,014.00
As at April 1, 2018				
Assets				
Investments at fair value through profit and loss (refer Note 8)	4,981.30	-	-	4,981.30

Valuation

The fair values of the financial assets and liabilities (other than above) are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments (other than above), the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

C. Financial Risk Management Framework

The Company's business activities are exposed to a variety of financial risks, namely market risk, liquidity risk, interest rate risk and credit risk. The Company's management and the Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework. The Board of Directors which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Financial instruments that are subject to credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material credit risk.

Notes to the financial statements for the year ended 31st March 2020

Credit risk with respect to trade receivables are limited, due to the Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Credit risk on cash and cash equivalents, other bank balances with bank is limited as the Company generally invest in deposits with banks.

The Company's maximum exposure to credit risk as at 31st March, 2020, 2019 and 1st April, 2018 is the carrying value of each class of financial assets

ii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents' and cash flows generated from operations. The Company believes that its working capital is sufficient to meet the financial liability. The company has no borrowings. The Company has invested its surplus funds in fixed deposits with banks, thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company invests its surplus funds in bank fixed deposit which carry no or low market risk.

Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

		(Rs. In Lakhs)		
<u>Financial Assets</u>		31.03.2020		
Particulars	Carring Value	0-1 years	1-3 years	above 3 years
Cash and cash equivalents	40.45	40.45	-	-
Bank balances other than cash and cash	29.54	29.54	-	-
Trade receivables	230.82	230.82	-	-
Loans	803.21	803.21	-	-
Investments	1,319.63	1,319.63	-	-
Other Financial assets	1.31	1.31	-	-
Total	2,424.97	2,424.97	-	-
		31.03.2019		
Particulars	Carring Value	0-1 years	1-3 years	above 3 years
Cash and cash equivalents	19.77	19.77	-	-
Bank balances other than cash and cash	33.87	33.87	-	-
Trade receivables	526.01	526.01	-	-
Loans	523.43	523.43	-	-
Investments	2,560.27	2,560.27	-	-
Other Financial assets	1.32	1.32	-	-
Total	3,664.67	3,664.67	-	-

Notes to the financial statements for the year ended 31st March 2020

Particulars	31.03.2018			
	Carring Value	0-1 years	1-3 years	above 3 years
Cash and cash equivalents	162.05	162.05	-	-
Bank balances other than cash and cash	10.11	10.11	-	-
Trade receivables	-	-	-	-
Loans	489.75	489.75	-	-
Investments	5,657.95	5,657.95	-	-
Other Financial assets	0.25	0.25	-	-
Total	6,320.11	6,320.11	-	-

Financial Liabilities

(Rs. In Lakhs)

Particulars	31.03.2020			
	Carring Value	0-1 years	1-3 years	above 3 years
Borrowings	41.88	-	41.88	-
Trade payables	17.22	17.22	-	-
Other financial liabilities	2.29	2.29	-	-
Total	61.39	19.51	41.88	-

Particulars	31.03.2019			
	Carring Value	0-1 years	1-3 years	above 3 years
Borrowings	238.81	-	238.81	-
Trade payables	220.95	220.95	-	-
Other financial liabilities	2.22	2.22	-	-
Total	461.98	223.17	238.81	-

Particulars	31.03.2018			
	Carring Value	0-1 years	1-3 years	above 3 years
Borrowings	4,729.57	-	4,729.57	-
Trade payables	11.63	11.63	-	-
Other financial liabilities	2.61	2.61	-	-
Total	4,743.81	14.24	4,729.57	-

iii) Market Risk

Market risk is the risk that the changes in market prices such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to borrowing obligations. The Company has no borrowings and hence the Interest rate risk is negligible.

b) Price risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio across capitalisation sectors with large cap bias and active monitoring of the portfolio using effective strategic tools. Diversification of the portfolio is as per the Investment policy of the Company.

Notes to the financial statements for the year ended 31st March 2020

Note 39: First Time Adoption of Indian Accounting Standards (Ind AS), Disclosures, Reconciliation etc.**A. Reconciliation in terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards"**

i) Reconciliation of Equity as at 31st March, 2019 and 1st April, 2018 :

(Rs. In Lakhs)

Particulars	Ref No.	As at March 31, 2019 (End of Last period presented under Previous GAAP)			As at April 1, 2018 (Date of transition)		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
ASSETS							
Financial assets							
Cash and cash equivalents		19.77	-	19.77	162.05	-	162.05
Bank balances other than cash and cash equivalents above		33.87	-	33.87	10.11	-	10.11
Trade receivables		526.01	-	526.01	-	-	-
Loans		523.43	-	523.43	489.75	-	489.75
Investments	D-1	3,123.22	562.95	2,560.27	4,070.73	(1,587.22)	5,657.95
Other Financial assets		1.32	-	1.32	0.25	-	0.25
Total Financial Assets		4,227.61	562.95	3,664.67	4,732.89	(1,587.22)	6,320.11
Non Financial assets							
Inventories - Shares & Securities		211.24	-	211.24	8,098.77	-	8,098.77
Deferred tax assets (net)	D-3	3.87	(677.42)	681.29	4.42	(440.60)	445.02
Property, Plant & equipment		3.78	-	3.78	5.22	-	5.22
Intangible Assets		-	-	-	-	-	-
Current tax assets (net)	D-4	616.85	613.37	3.48	621.62	621.62	-
Other non-financial assets		6.14	-	6.14	4.45	-	4.45
Total Non Financial Assets		841.87	(64.05)	905.92	8,734.48	181.02	8,553.46
TOTAL ASSETS		5,069.49	498.89	4,570.59	13,467.37	(1,406.20)	14,873.57
LIABILITIES AND EQUITY							
Liabilities							
Financial Liabilities							
Payables		-	-	-	-	-	-
Trade Payables		-	-	-	-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises		220.95	-	220.95	-	-	-
Borrowings (other than debt securities)		238.81	-	238.81	11.63	-	11.63
Other financial liabilities		2.22	-	2.22	4,729.57	-	4,729.57
Total Financial Liabilities		461.98	-	461.98	4,743.81	-	4,743.81
Non-financial liabilities							
Current tax liabilities (net)		-	-	-	133.06	-	133.06
Provisions	D-2	4.87	0.09	4.78	2.07	-	2.07
Other non-financial liabilities		0.96	-	0.96	10.73	-	10.73
Total Non Financial Liabilities		5.82	0.09	5.73	145.87	-	145.87
Equity							
Equity share capital		1,952.87	-	1,952.87	1,952.87	-	1,952.87
Other equity		2,648.82	498.81	2,150.01	6,624.82	(1,406.20)	8,031.03
Total Equity		4,601.68	498.81	4,102.88	8,577.69	(1,406.20)	9,983.89
TOTAL LIABILITIES AND EQUITY		5,069.49	498.89	4,570.59	13,467.37	(1,406.20)	14,873.57

Notes to the financial statements for the year ended 31st March 2020

ii) Reconciliation of Total Equity as given above :

(Rs. In Lakhs)			
Particulars	Ref No.	As at March 31, 2019 (End of last period presented under Previous GAAP)	As at April 1, 2018 (Date of Transition)
Total Equity (shareholders' funds) under Previous GAAP		4,601.68	8,577.69
Ind AS Adjustments			
Effect of fair valuation of investments measured at fair value through profit and loss	D-1	562.95	(1,587.22)
Adjustment of Deferred tax created due to ind as impact	D-3	(64.05)	181.02
Effect of Provision on Gratuity	D-2	(0.09)	-
Total adjustments to Equity		498.81	(1,406.20)
Total Equity under Ind AS		4,102.88	9,983.89

iii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. In Lakhs)				
Particulars	Ref. No	For the year ended 31.03.2019 (As per previous GAAP)	Effect of transition to Ind AS	For the year ended 31.03.2019 (As per Ind AS)
Revenue from operations				
Interest Income		50.72	-	50.72
Dividend Income		22.57	-	22.57
Sale of Shares		6,811.61	-	6,811.61
TOTAL INCOME		6,884.90	-	6,884.90
Expenses:				
Finance costs		1.70	-	1.70
Net loss on fair value changes	D-1	-	(3,262.33)	3,262.33
Purchases of stock-in-trade		1,394.20	-	1,394.20
Changes in Inventories of finished goods, stock-in-trade and WIP		7,887.53	-	7,887.53
Employee benefits expense	D-2	65.26	0.13	65.14
Depreciation and amortisation expense		2.84	-	2.84
Other expenses	D-4	1,367.69	1,112.17	255.53
TOTAL EXPENSES		10,719.23	(2,150.04)	12,869.27
Profit/(loss) before exceptional items and tax		(3,834.34)	2,150.04	(5,984.38)
Exceptional items		-	-	-
Profit before tax		(3,834.34)	2,150.04	(5,984.38)
<u>Tax expense:</u>				
Current tax		-	-	-
Deferred tax	D-3	0.55	245.08	(244.52)
Tax adjustment for earlier years		15.16	-	15.16
Minimum alternate tax credit entitlement		8.24	-	8.24
Profit/(loss) for the period from continuing operations (A)		(3,858.29)	1,904.97	(5,763.25)
Profit/(loss) from discontinued operations		-	-	-
Tax Expense of discontinued operations		-	-	-
Profit/(loss) from discontinued operations(After tax) (B)		-	-	-
Profit/(loss) for the period [C=(A+B)]		(3,858.29)	1,904.97	(5,763.25)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit plans		-	0.04	(0.04)
Income tax on above		-	(0.01)	0.01
Other comprehensive income for the year (D)		-	0.04	(0.04)
Total comprehensive income for the year (C+D)		(3,858.29)	1,905.01	(5,763.30)

Notes to the financial statements for the year ended 31st March 2020

iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2019: (Rs. In Lakhs)

Particulars	Ref. No	For the year ended 31.03.2019
Net profit under Previous GAAP		(3,858.29)
Fair valuation of investments measured at fair value through profit and loss	D-1	(2,150.17)
Remeasurement of Defined Benefit Plans	D-2	(0.04)
Deferred tax impact on above		(0.01)
Remeasurement of Defined Benefit Plans - Net Interest	D-2	0.13
Deferred tax due to Ind AS impact	D-3	245.08
Net Profit for the period under Ind AS		(5,763.30)

v) Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2019

There is no impact on the statement of Cash flows for the year ended march 31, 2019 due to adoption of Ind AS.

B. FIRST-TIME ADOPTION – Optional Exemptions

These Financial Statements are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards", as they are the Company's first Ind AS financial statements for the year ended March 31, 2020.

i) Overall Principle:

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2018 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of Assets or Liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance sheet may have differed from those that it used for its Previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind-AS has been recognized directly in retained earnings at the date of transition.

However, this principle is subject to certain optional exemptions availed by the Company as detailed below:

ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2018 (the transition date).

iii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

C. Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

i) **Estimates**

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

ii) **Classification and measurement of financial assets/liabilities**

The classification of financial assets to be measured at amortised cost or fair value through profit & loss is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

D. Explanatory notes to reconciliation between Previous GAAP and Ind AS1 Investments

Under Previous GAAP, the current investment were measured at lower of cost and fair value. Under Ind AS, the Company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and the carrying value under Previous GAAP has been recognised in retained earnings. Fair value changes are recognised in the Statement of Profit and Loss for the year ended 31st March, 2019.

2 Employee benefits & Other comprehensive Income

Under previous GAAP and ind as, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of Statement of profit and loss.

3 Deferred Taxes

In accordance with Ind AS 12, "Income Taxes", the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences, i.e. profit and loss approach. The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes.

4 Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of these notes.

Notes to the financial statements for the year ended 31st March 2020

Note 40: The Company has disclosed the segment information in the Consolidated Financial Statements, in accordance with IND AS – 108 - Segment Reporting

Note 41: Consequent to outbreak of COVID - 19 which has been declared a pandemic by the World Health Organisation (WHO), Government of India and state Governments have declared lockdown which have impacted business in general, earnings prospects causing erosion in value of companies. The resultant impact on the fair valuation of investment have been reflected in Profit or Loss and the other Comprehensive income statement of the Company. In case of one of the subsidiary involved in manufacturing of garments, the operations were affected due to loss of more than 2-3 month's production due to the suspension of the operations, disruptions in supply chain and non-availability of personnel during lock down. Though the production has started, due to absenteeism, consequent to nationwide lockdown, the normal production is still affected. The stock exchanges were permitted to function uninterruptedly during the lockdown and as such investment and related operations of the Company were not affected substantially. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of financial and non financial assets held by the Company. The eventual impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements. The Company will continue to monitor any material changes to the future economic conditions and the same will be considered on crystallisation.

Note 42: No amount is due to Micro, Small or Medium Enterprises.

Note 43: The Company has granted Interest free loans to its subsidiary company.

Note 44: Corporate social responsibility expenses: (Rs. In Lakhs)

Particulars	For the year	For the year
	ended March 31,2020	ended March 31,2019
Gross amount to be spent by the Company during the	-	14.23
Unspent amount of earlier years	23.13	8.91
Amount spent during the year in cash	-	-
Unspent amount upto current year	23.13	23.13

CSR not applicable during the current financial year since the Company does not fulfill the conditions laid down under Section 135 of the Companies Act,2013.

Note 45: Previous year's figures have been re-grouped/ re-classified, wherever necessary, to make them comparable with the current year's figures.

Note 46: Other Disclosure

Disclosure of details as required in terms of paragraph 13 of Non-Systemically important Non-Banking Financial Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2016 is as per Annexure.

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536W

Balmukund N Gattani
Proprietor
Membership No. 047066

Mumbai, 31st July 2020

For and on behalf of the board

Suresh Gaggar
Chairman
DIN : 00599561

Ramakant Gaggar
Managing Director
DIN : 01019838

Sanjay Raut
Chief Financial Officer

Vishu Kant Bhangadia
Director
DIN: 02405217

Annexure

**Disclosures of details as required in terms of Paragraph 13 of Non-Systemically Important
Non-Banking Companies Prudential Financial (Non-Deposit Accepting or Holding) Norms
(Reserve Bank) Directions, 2015**

Particulars	(Rs. In Lakhs)
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Liabilities side :**(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not**

Particulars	Amount Outstanding	Amount Overdue
a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits*)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-Corporate loans and borrowing	41.88	-
(e) Commercial Paper	-	-

Asset side:**(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**

Particulars	Amount Outstanding
(a) Secured	
(b) Unsecured	803.21

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities

Particulars	Amount Outstanding
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

(4) Break-up of Investments:

Particulars	Amount Outstanding
Current Investments :	
1. Quoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
2. Unquoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-

Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity	145.00
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	
(v) Others (please specify)	
2. Unquoted :	
(i) Shares : (a) Equity	736.38
(b) Preference	
(ii) Debentures and Bonds	
(iii) Units of mutual funds	
(iv) Government Securities	
(v) Others (Share application money , NSC and Silver bar)	438.26

(5) **Borrower group-wise classification of assets financed as in (2) and (3) above :**

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	357.51	357.51
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	445.69	445.69
Total	-	803.21	803.21

(6) **Investor group-wise classification of all investments (current and long term) in shares and securities (both**

Category	Amount net of Provisions	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	542.00	542.00
(b) Companies in the same group	47.00	47.00
(c) Other related parties	-	-
2. Other than related parties	730.63	730.63
Total	1,319.63	1,319.63

(7) **Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Garnet International Limited
Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Garnet International Limited the parent ("the Holding Company"), and its subsidiary company (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereafter referred to as the Consolidated Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2020, and its consolidated loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to Note 43 to the Consolidated Financial Statements in relation to the interest free unsecured loan covered under section 186 of the Companies Act, 2013, which is in non-compliance of provisions of Section 186(7) of the Act. In the Consolidated Financial Statements, the Subsidiary company has not made provision for Employee benefits as per IND-AS 19 which deals with "Employee Benefits"

The Impact of the above contravention on the profit/loss and the liability is not ascertainable readily.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw your attention to Note 42 to the Statement which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19

pandemic situations, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters are addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated.

Key Audit Matters	Auditor's Response
<p>Transition to Indian Accounting Standards ("Ind AS")</p> <p>The Group has adopted Ind-AS notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of such transition is April 01, 2018.</p> <p>The Group has applied Ind-AS 101, First-time Adoption of Indian Accounting Standards. Note 41 in the Consolidated financial statements sets forth the reconciliation of balances from previous GAAP to the new Ind-AS framework as at the transition date and the impact of restatement on the financial position of the comparative year due to such transition. Refer to Note 3 for significant accounting policies selected by the Group on transition to the Ind-AS.</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each item included in the consolidated financial statements including presentation thereof, additional notes and disclosures. This evaluation required significant audit efforts. Considering the significance of the matter in the current year to the consolidated financial statements and the audit efforts required, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our key audit procedures in respect of the first time adoption of Ind-AS framework included, but were not limited to, the following:</p> <ol style="list-style-type: none"> obtaining an understanding of management's processes and controls to identify the potential impact areas in the consolidated financial statements due to the adoption of Ind AS; Reviewed the exemptions availed by the Group from certain requirements under Ind AS; assessing the appropriateness of the adjustments made to the opening consolidated balance sheet as at April 1, 2017; assessing the appropriateness of the adjustments recorded in the consolidated financial statements as of and for the year-ended March 31, 2018 which were prepared in the previous GAAP; evaluating the appropriateness of accounting policies selected by the Group on transition to Ind AS on the basis of our understanding of the Group, the nature and size of its operations and the requirements of the relevant accounting standards under the Ind AS framework; Assessed the disclosures made against the relevant Ind AS; and Obtaining written representations from management on whether the consolidated financial statements comply with the Ind AS in all respects.
<p>Valuation of investments carried at fair value</p> <p>On initial recognition, Investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss</p>	<p>Our audit procedures in relation to valuation of investments included, but were not limited to, the following:</p> <ol style="list-style-type: none"> Obtained a detailed understanding of the

<p>(FVTPL), its transaction cost is recognised in the statement of profit loss of holding company. In other cases, the transaction costs are attributed to the acquisition value of the investments</p>	<p>management's process and controls for determining the fair valuation of these investments.</p>
<p>The process of computation of fair valuation of investments include use of observable and unobservable inputs and management judgements and estimates.</p>	<p>b. Assessed the appropriateness of the valuation methodologies for varied type of investments in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted for different types of investments;</p>
<p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the consolidated financial statements due to the materiality of the value of such investments and the complexity involved in the valuation of these investments</p>	<p>c. Ensured the appropriateness of the carrying value of these investments in the consolidated financial statements and the gain or loss recognised in the consolidated financial statements as a result of such fair valuation; and d. Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. The respective Board of Directors / management 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 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 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 including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity 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 aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act,
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer our separate Report in Annexure
 - (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 Auditor's) Rules, 2014, read with the Companies (Audit

- and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Group did not have any pending litigations, which would have material impact on consolidated financial position,
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any 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.
2. Further, as required by 'Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions,2016', we further state that we have submitted a separate report to the Board of Directors of the Holding Company on the matters specified in said directions as under:-
- a) The Holding company applied for registration as provided in section 45IA of the Reserve Bank of India Act, 1934 and has obtained certificate of registration from the Reserve Bank of India.
 - b) The Holding Company is entitled to continue to hold the Certificate of Registration in terms of its asset/income pattern as on 31st March, 2020.
 - c) The Board of Directors of the Holding Company has passed a resolution for non - acceptance of any public deposits.
 - d) The Holding company has not accepted any public deposit during the year under reference.
 - e) The Holding company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning of bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
 - f) The Holding Company has not accepted any public deposit during the year under reference.
 - g) The Holding Company has requisite Net Owned Fund as required by Master direction -Non Banking Financial Company - Non systemically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For B M Gattani & Co
Chartered Accountants

Firm Registration No. 113536W

Balmukund N Gattani

Proprietor

M.No .047066

UDIN : 20047066AAAACX1527

Place: Mumbai

Date: 31/07/2020

Annexure to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Report on the Consolidated Financial Statements

We have audited the internal financial controls over financial reporting of Garnet International Limited (hereinafter referred to as "the Holding Company") and its subsidiary company as of March 31, 2020 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

The respective Board of Directors of the Holding Company and subsidiary company are responsible for laying down and maintaining internal financial controls based on 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group'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.

Auditors' Responsibility

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") and the Standards on Auditing, issued by ICAI and 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, 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 risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control 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 generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

In view 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 periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on 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 **B M Gattani & Co**
Chartered Accountants

Firm Registration No. 113536W

Balmukund N Gattani

Proprietor

M.No .047066

UDIN : 20047066AAAACX1527

Place: Mumbai

Date: 31/07/2020

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Note No.	(Rs. In Lakhs)		
		As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	46.26	22.05	192.37
Bank balances other than cash and cash equivalents above	5	34.71	39.08	17.02
Trade receivables	6	774.20	1,103.26	458.01
Loans	7	447.14	142.69	136.17
Investments	8	777.64	2,018.27	5,114.96
Other Financial assets	9	133.67	72.03	67.37
Total Financial Assets		2,213.62	3,397.38	5,985.90
Non Financial assets				
Inventories	10	627.14	409.29	8,261.89
Deferred tax assets (net)	11	685.50	627.11	392.33
Property ,Plant & equipment	12	1,065.16	1,037.54	1,058.12
Intangible Assets	13	-	-	-
Goodwill		167.46	167.46	167.46
Investment Property	14	11.30	11.30	11.30
Current tax assets (net)	15	2.63	3.85	0.37
Other non-financial assets	16	11.53	6.14	4.45
Total Non Financial Assets		2,570.72	2,262.69	9,895.92
TOTAL ASSETS		4,784.34	5,660.07	15,881.82
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Payables				
Trade Payables	17	-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro and small enterprises		662.53	638.28	455.77
Borrowings(other than debt securities)	18	81.44	247.05	4,742.59
Other financial liabilities	19	247.54	163.33	39.81
Total Financial Liabilities		991.51	1,048.66	5,238.17
Non- financial liabilities				
Current tax liabilities (net)	20	23.24	-	133.07
Provisions	21	6.55	4.78	2.07
Other non-financial liabilities	22	1.44	0.95	10.73
Total Non Financial Liabilites		31.23	5.73	145.87
Equity				
Equity share capital	23	1,963.50	1,952.87	1,952.87
Other equity	24	1,493.56	2,376.40	8,265.11
Equity attributable to equity holders of the holding company		3,457.06	4,329.27	10,217.98
Non-controlling interest		304.54	276.41	279.80
Total Equity		3,761.60	4,605.68	10,497.78
TOTAL LIABILITIES AND EQUITY		4,784.34	5,660.07	15,881.82

Accompanying Notes on Financial Statements

1-48

These notes form an integral part of the Financial Statements

As per our attached report of even date

For B M Gattani & Co

Chartered Accountants

Firm Registration No. : 113536W

Balmukund N Gattani

Proprietor

Membership No. 047066

Mumbai, 31st July,2020

For and on behalf of the board

Suresh Gaggar

Chairman

DIN : 00599561

Sanjay Raut

Chief Financial Officer

Ramakant Gaggar

Managing Director

DIN : 01019838

Vishu Kant Bhangadia

Director

DIN: 02405217

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. In Lakhs)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from operations			
Interest Income	25	26.29	22.04
Dividend Income		14.86	22.57
Sale of Shares		193.43	6,811.61
Sale of Products		1,518.74	1,453.55
TOTAL REVENUE FROM OPERATIONS		1,753.32	8,309.77
Expenses:			
Finance costs	26	16.20	9.05
Net loss on fair value changes	27	1,056.24	3,262.33
Cost of Material Consumed	28	539.29	599.94
Purchases of stock-in-trade		241.00	1,450.21
Changes in Inventories of finished goods, stock-in-trade & WIP	29	(88.52)	7,841.33
Employee benefits expense	30	100.44	126.68
Depreciation and amortisation expense	12 & 13	81.90	83.05
Other expenses	31	903.99	931.41
TOTAL EXPENSES		2,850.54	14,304.00
Profit/(loss) before exceptional items and tax		(1,097.22)	(5,994.23)
Exceptional items		-	-
Profit before tax		(1,097.22)	(5,994.23)
Tax expense:			
Current tax		23.24	-
Deferred tax		(58.38)	(243.05)
Tax adjustment for earlier years		-	15.16
Minimum alternate tax credit entitlement		-	8.24
		(35.14)	(219.65)
Profit/(loss) for the period from continuing operations (A)		(1,062.08)	(5,774.59)
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations (After tax) (B)		-	-
Profit/(loss) for the period [C=(A+B)]		(1,062.08)	(5,774.59)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans		0.002	(0.036)
Income tax on above		(0.001)	0.009
Other comprehensive income for the year (D)		0.001	(0.045)
Total comprehensive income for the year (C+D)		(1,062.08)	(5,774.63)
Profit or Loss attributable to			
Non-controlling Interest		28.13	(3.39)
Owners of the Parents		(1,090.21)	(5,771.20)
Total Comprehensive Income attributable to			
Non-controlling Interest		28.13	(3.39)
Owners of the Parents		(1,090.21)	(5,771.25)
Earning per equity share (for continuing operations)			
Basic & Diluted	32	(5.41)	(29.57)
Earning per equity share (for discontinued operations)			
Basic & Diluted	32	-	-
Earning per equity share (for continuing and discontinued operations)			
Basic & Diluted	32	(5.41)	(29.57)
Accompanying Notes on Financial Statements	1-48		
These notes form an integral part of the Financial Statements			

As per our attached report of even date

For B M Gattani & Co**Chartered Accountants**

Firm Registration No. : 113536VV

Balmukund N Gattani

Proprietor

Membership No. 047066

Mumbai, 31st July, 2020

For and on behalf of the board**Suresh Gaggar**

Chairman

DIN : 00599561**Sanjay Raut**

Chief Financial Officer

Ramakant Gaggar

Managing Director

DIN : 01019838**Vishu Kant Bhangadia**

Director

DIN: 02405217

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	(Rs. In Lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after tax	(1,062.08)	(5,774.59)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	81.90	83.05
Interest income	25.51	19.85
Dividend income	14.86	22.57
Interest and other borrowing costs	16.20	9.05
Operating profit before working capital changes	(923.61)	(5,640.07)
Adjustments for :		
(Increase)/Decrease in Trade Receivables	329.06	(645.25)
(Increase)/Decrease in Inventories	(217.85)	7,852.60
(Increase)/Decrease in Other Financial Assets	(61.64)	(4.66)
Increase/(Decrease) in Trade Payables	24.25	182.51
(Increase)/Decrease in Bank and other bank balances	4.37	(22.06)
(Increase)/Decrease in Long term Loans and Advances	(304.45)	(6.52)
Increase/(Decrease) in Other Non Financial Assets	(5.39)	(1.69)
Increase/(Decrease) in Provisions	1.77	2.71
Increase/(Decrease) in Other Financial liabilities	84.21	123.52
Increase/(Decrease) in Other Non Financial liabilities	0.49	(9.78)
Cash generated from operations	(1,068.79)	1,831.31
Direct taxes paid	1.74	(133.07)
Cash flow before extraordinary items	(1,067.05)	1,698.24
Extraordinary items	-	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(1,067.05)	1,698.24
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of tangible assets	-	-
Purchase of tangible assets	(109.52)	20.58
Purchase of investments	1,204.97	2,758.53
Interest income	(25.51)	(19.85)
Dividend income	(14.86)	(22.57)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	1,055.08	2,736.69
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital & premium	218.00	-
Repayment of long term borrowings	(165.62)	(4,495.51)
Interest expense	(16.20)	(9.05)
Dividend and DDT paid	-	(117.71)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	36.18	(4,622.27)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	24.21	(187.34)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	22.05	209.39
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	46.26	22.05

Notes :

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 on "Statement of Cash Flow" notified u/s 133 of Companies Act, 2013 ("Act") read with relevant rules issued thereunder and the relevant provisions of the Act.

2. Change in liability arising from financing activities

Particulars	Borrowings (other than debt)	Total
Balance as at 1st April 2018	4,742.59	4,742.59
Net cash flows	(4,495.51)	(4,495.51)
Balance as at 31st March 2019	247.08	247.08
Net cash flows	(165.62)	(165.62)
Balance as at 31st March 2020	81.46	81.46

3. All figures in brackets reflects cash outflow.

4. Figures of the previous year have been regrouped wherever necessary.

Accompanying Notes on Financial Statements

1-48

These notes form an integral part of the Financial Statements

As per our attached report of even date

For B M Gattani & Co
Chartered Accountants

Firm Registration No. : 113536W

Balmukund N Gattani

Proprietor

Membership No. 047066

Mumbai, 31st July, 2020

For and on behalf of the board

Suresh Gaggar

Chairman

DIN : 00599561

Sanjay Raut

Chief Financial Officer

Ramakant Gaggar

Managing Director

DIN : 01019838

Vishu Kant Bhangadia

Director

DIN: 02405217

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

A. Equity Share Capital		(Rs. In Lakhs)
Particulars	Value	
Balance at the beginning of the reporting period i.e. 1st April, 2018	1,952.87	
Changes during the year	-	
Balance at the end of the reporting period i.e. 31st March, 2019	1,952.87	
Balance as at April 1, 2019	1,952.87	
Add:- Equity shares on Conversion	3.54	
Add:- Bonus shares	7.09	
Balance at the end of the reporting period i.e. 31st MARCH, 2020	1,963.50	

B. Other Equity		(Rs. In Lakhs)					
Particulars	Reserves and Surplus				Other Reserves	Money received against share warrants	Total
	Capital Reserve	Securities Premium	Reserve fund u/s 45-IC (1) of RBI, 1934	Retained Earnings	Remeasurements of the net defined benefit plans through OCI		
Balance at the beginning of the reporting period i.e. 1st April, 2018	49.48	4,266.45	-	3,876.51	-	72.67	8,265.12
Profit for the year	-	-	-	(5,771.20)	-	-	(5,771.20)
Other Comprehensive Income (net of tax)	-	-	-	-	(0.045)	-	(0.04)
Total Comprehensive Income for the year*	-	-	-	(5,771.20)	(0.045)	-	(5,771.25)
Final dividend, declared and paid during the year	-	-	-	97.64	-	-	97.64
Tax on final dividend	-	-	-	20.07	-	-	20.07
Profit/loss on Sale of Subsidiary	-	-	-	0.25	-	-	0.25
Balance at the end of the reporting period i.e. 31st March, 2019	49.48	4,266.45	-	(2,012.15)	(0.045)	72.67	2,376.41
Profit for the year	-	-	-	(1,090.21)	-	-	(1,090.21)
Other Comprehensive Income (net of tax)	-	-	-	-	0.003	-	0.00
Total Comprehensive Income for the year*	-	-	-	(1,090.21)	0.003	-	(1,090.21)
Conversion of share warrants into equity share capital	-	287.13	-	-	-	-	287.13
Bonus shares issued	-	7.09	-	-	-	-	7.09
Conversion of share warrants into equity share capital	-	-	-	-	-	72.67	72.67
Balance at the end of the reporting period i.e. 31st March, 2020	49.48	4,546.49	-	(3,102.36)	(0.042)	-	1,493.57

*Movement in other comprehensive income relates to remeasurements of the net defined benefit plans

Refer note no. 23 for nature and purpose of reserves

Accompanying Notes on Financial Statements 1-48

These notes form an integral part of the Financial Statements

As per our attached report of even date

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536W

Balmukund N Gattani
Proprietor
Membership No. 047066

Mumbai, 31st July, 2020

For and on behalf of the board

Suresh Gagar
Chairman
DIN : 00599561

Ramakant Gagar
Managing Director
DIN : 01019838

Sanjay Raut
Chief Financial Officer

Vishu Kant Bhangadia
Director
DIN : 02405217

Notes to Consolidated Financial Statements for the year ended 31st March 2020:**1. COMPANY OVERVIEW**

Garnet International Limited ('the Company') is a Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI"). The Company is non deposit accepting NBFC engaged in financial services. The Company is domiciled in India and its registered office is situated at 901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400021.

The consolidated financial statements relate to Garnet International limited (hereinafter referred to as "the holding Company" and its subsidiary (collectively hereinafter referred to as "Group") as detailed below:

Name of Subsidiaries	Principle Place of Business	Ownership Interest		
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Sukartik Clothing Private Limited	India	70.10%	70.10%	70.10%
Garnet Valorem Capital Venture Private Limited	India	Not applicable	Not applicable	99.99%

2. BASIS OF PREPARATION:**(i) Statement of compliance with Indian Accounting Standards (Ind AS)**

These Consolidated financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for all the periods presented in this financial statement.

The consolidated financial statements for the year ended March 31, 2020 are the first consolidated financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The consolidated financial statements upto and for the year ended March 31, 2019 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS.

As these are the Group's first financial statements prepared in accordance with Ind AS, the Group has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 41.

The consolidated financial statements for the year ended March 31, 2020 were authorised and approved for issue by the Board of Directors on July 31, 2020.

(ii) Historical cost convention

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

3.1 Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and entities controlled by the Holding Company i.e., its subsidiaries.

Control is achieved when the Holding Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

Subsidiary Companies

The Group combines the financial statements of the Holding Company and its subsidiary companies line-by-line adding together like items of assets, liabilities, equity, income and expenses. The intra group balances and intra group transactions between the entities within the Group are fully eliminated.

Non Controlling Interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

3.2 Property, plant and equipment:

a. Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will

flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

b. Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

c. De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

d. Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

e. Transition to Ind AS

The Group has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2018.

3.3 Intangible assets:

a. Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

b. Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

c. Transition to Ind AS

The Group has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2018.

3.4 Revenue Recognition:

a. Sale of assets

Revenue from the sale of assets is recognised when the significant risks and rewards of ownership have passed to the buyer, based on the applicable terms. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and the revenue recognition criteria have been complied.

b. Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

c. Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

d. Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

3.5 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use, are capitalised. Borrowing cost consists of interest and other cost that the Group incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss as incurred basis the effective interest rate method.

3.6 Taxation

Tax expense recognised in Consolidated Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

3.7 Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

"Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:"

Defined contribution plans

The Holding Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contributions made by the Holding Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

Gratuity Fund

The Holding Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

3.8 Impairment of Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

3.9 Financial instruments

A Financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another party.

I. Financial Assets

a. Initial recognition:

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognized in statement of profit and loss).

b. Subsequent measurement:

i. Financial assets carried at amortized cost (AC): - A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI):- All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument- by-instrument basis.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to statement of profit and loss, even on sale of the instrument. However, the Group may transfer the cumulative gain or loss within the equity.

iii. Financial assets at fair value through statement of profit and loss (FVTPL) Equity instruments:
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

c. De-recognition:

A Financial Asset (or where applicable, part of financial asset) is primarily derecognized when the contractual right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flow from the financial asset and consequently all the risks and rewards of ownership of the asset to third party.

d. Impairment of financial assets:

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through Consolidated Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit loss are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

II. Financial Liabilities

a. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. The Group's financial liabilities include trade and other payable and loans and borrowings.

b. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are de-recognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss. Short term borrowings maturing within one year from the balance sheet date are measured at fair value at the balance sheet date due to short maturity.

c. De-recognition:

A financial liability is derecognized where the obligation under the liability is discharged or cancelled or expires where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified. Such an exchange or modification is treated as the de-recognition of the original liability and the recognition of new liability. The difference in the respective carrying amounts is recognized in the statement of Profit and Loss.

III. Reclassification of financial assets and liabilities

Group determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets and financial liabilities.

IV. Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the Balance sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously

V. Fair value measurement

Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 "Fair Value Measurement" (Ind AS - 113). For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions

(i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Three widely used valuation techniques specified in the said Ind AS are the market approach, the cost approach and the income approach which have been dealt with separately in the said Ind AS.

Each of the valuation techniques stated as above proceeds on different fundamental assumptions, which have greater or lesser relevance, and at times there is no relevance of a particular methodology to a given situation. Thus, the methods to be adopted for a particular purpose must be judiciously chosen. The application of any particular method of valuation depends on the Company being evaluated, the nature of industry in which it operates, the Company's intrinsic strengths and the purpose for which the valuation is made.

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group has netted off the balance of bank overdraft with cash and cash equivalents for consolidated cash flow statement.

3.11 Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

"Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made."

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.12 Leases

As a lessee

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability. The Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

3.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.14 Segment reporting

The Group identifies segment basis of the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for

which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

3.15 Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

3.16 Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

a. Fair Valuation:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When Level 1 inputs are not available, the Group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model. Such valuations are based on existing circumstances and assumptions about future developments which may change due to market changes or circumstances arising that are beyond the control of the Group which may have impact on such valuations.

b. Expected Credit Loss:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information.

c. Impairment loss in Investments carried at cost:

The Group conducts impairment reviews of investments whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which

requires the Group to estimate the value in use based on future cash flows and a suitable discount rate in order to calculate the present value.

d. Useful life of Assets:

Depreciation on property, plant and equipment is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Deferred Taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes to the Consolidated financial statements for the year ended 31st March 2020

Particulars	(Rs. In Lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Note 4: Cash and cash equivalents			
Cash on hand	1.37	1.91	2.01
Balance with banks in current account	44.89	20.14	190.36
Total	46.26	22.05	192.37
Note 5: Bank balances other than Cash and cash equivalents			
Earmarked balances (unpaid dividend account)	2.22	2.22	2.59
Fixed deposit with banks (with original maturity more than 3 months)	32.49	36.86	14.43
Total	34.71	39.08	17.02
Note 6: Trade Receivables			
Unsecured, considered good			
Sundry debtors	774.20	1,103.26	458.01
Total	774.20	1,103.26	458.01
Note 7: Unsecured Loans			
At cost			
Other group companies	-	-	1.88
Loan repayable on demand	445.70	140.92	133.14
Loans to Employees	1.35	1.69	1.06
Security Deposit	0.09	0.08	0.09
Total	447.14	142.69	136.17
Loans in India			
(i) Public sector	-	-	-
(ii) Others	447.14	142.69	136.17
	447.14	142.69	136.17
Note 8: Investments			
(A) At cost :			
Unquoted: Investments in fully paid equity instruments:			
<u>Investment in Shares of Other Companies:</u>			
10000(March 31, 2019:10000 and April 1, 2018:10000) Equity shares of face value of Rs.10/- each of A&G Accelerators Private Limited	1.00	1.00	1.00
736875(March 31, 2019:Nil and April 1, 2018:Nil) Equity shares of face value of Rs.10/- each of Shree Narayan Silk House Private Limited	147.38	-	-
40000(March 31,2019:Nil and April 1,2018:Nil) Equity shares of face value of Rs.10/- each of Mangal Savitri Investment Private Limited	46.00	-	-
Share Application Money			
4550(March 31,2019:Nil and April 1,2018:Nil) Equity shares of face value of Rs.10/- each of Kuntunath Merchants Private Limited	434.98	-	-
Share Warrant			
Agarwal Industrial Corporation Limited	-	-	129.38
Investments in Government securities			
National Saving Certificates*	0.23	0.23	0.23
* stands in the name of one of the directors			
Other non-current investment			
Silver bar	3.05	3.05	3.05
(A)	632.64	4.28	133.66

Notes to the Consolidated financial statements for the year ended 31st March 2020

Particulars	(Rs. In Lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
(B) At FVTPL			
Quoted: Investments in fully paid equity instruments:			
Nil(March 31,2019:875000 and April 1,2018:845000) Equity shares of face value of Rs.10/- each of Arambhan Hospitality Services Limited	-	95.98	298.71
324747(March 31,2019:1161022 and April 1,2018:1383540) Equity shares of face value of Rs.10/- each of Agarwal Industrial Corporation Ltd	145.00	1,918.01	4,682.59
(B) Total	145.00	2,013.99	4,981.30
	777.64	2,018.27	5,114.96
(i) Investments in India	777.64	2,018.27	5,114.96
(ii) Investments outside India	-	-	-
	777.64	2,018.27	5,114.96
Note 9: Other financial assets			
Interest accrued	1.31	1.29	0.32
Security Deposit	14.15	11.52	8.95
Prepaid expenses	5.62	5.25	2.83
Advance to suppliers	15.42	2.11	2.84
Margin money	-	1.66	-
Other Receivables	0.26	0.23	0.01
Balance with Statutory Authorities	84.48	41.94	52.42
TDS Receivable	12.43	8.03	-
Total	133.67	72.03	67.37
Note 10: Inventories			
Raw Materials and components	200.81	101.80	121.20
Shares and Securities	49.01	211.24	8,098.77
Stock in trade	48.70	11.89	8.29
Finished goods	284.47	70.53	27.93
Stores, spares and Consumables	44.15	13.83	5.70
Total	627.14	409.29	8,261.89
Note 11: Deferred tax assets(net)			
Deferred Tax Assets:			
MAT Credit Entitlement*	613.37	613.37	621.62
Gratuity	0.83	0.68	0.53
Provision for Standard Asset	0.81	0.54	-
Investments at Fair value	127.06	63.78	-
Deferred Tax Liabilities:			
Difference between book and tax	56.57	51.26	49.99
Investments at Fair value	-	-	179.83
Total	685.50	627.11	392.33

*As per Ind AS 12, the Company has considered MAT entitlement credit as deferred tax asset being unused tax credit entitlement.

The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2019:

Particulars	As at 01.04.2018		As at 31.03.2019		As at 31.03.2020
	Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Deferred Tax Asset/ (Liabilities)
Provision for Standard Asset	-	0.54	0.54	0.27	0.81
Provision for Gratuity	0.53	0.15	0.68	0.15	0.83
PPE	(49.99)	(1.26)	(51.26)	(5.32)	(56.57)
Investments at Fair value	(179.83)	243.61	63.78	63.28	127.06

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 12: Property, plant and equipment

(Rs. In Lakhs)

Gross carrying amount	Land	Office Premises	Factory Building	Plant & Machinery	Furniture & Fixtures	Vehicle	Office Equipments	Computers	Electric Equipment	TOTAL
Balance as at April 1, 2018 (refer note(i))	173.33	10.43	195.03	877.00	30.71	105.51	57.18	13.81	1.93	1,464.93
Additions	-	-	29.89	25.62	7.33	3.34	2.37	1.26	-	69.81
Disposals	-	-	-	17.24	-	3.34	-	-	-	20.58
Balance as at March 31, 2019	173.33	10.43	224.92	885.38	38.04	105.51	59.55	15.07	1.93	1,514.16
Additions	-	-	8.11	91.18	5.80	0.59	3.17	0.66	-	109.51
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	173.33	10.43	233.03	976.56	43.84	106.10	62.72	15.73	1.93	1,623.67

Accumulated depreciation

Balance as at April 1, 2018 (refer note(i))	-	2.96	26.77	247.22	8.27	76.72	31.91	11.02	1.93	406.80
Depreciation charge for the year	-	0.36	6.75	56.20	3.57	7.00	7.40	1.77	-	83.05
Adjustment on account of disposals	-	-	-	9.97	-	3.26	-	-	-	13.23
Balance as at March 31, 2019	-	3.32	33.52	293.45	11.84	80.46	39.31	12.79	1.93	476.62
Depreciation charge for the year	-	0.36	6.94	56.32	4.10	5.09	7.62	1.47	-	81.90
Adjustment on account of disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	-	3.68	40.46	349.77	15.94	85.55	46.93	14.26	1.93	558.52

Net block

Balance as at April 1, 2018	173.33	7.47	168.26	629.78	22.44	28.79	25.27	2.79	-	1,058.12
Balance as at March 31, 2019	173.33	7.11	191.40	591.93	26.20	25.05	20.24	2.28	-	1,037.54
Balance as at March 31, 2020	173.33	6.75	192.57	626.79	27.90	20.55	15.79	1.47	-	1,065.16

(i) Deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount

Particulars	Land	Office Premises	Factory Building	Plant & Machinery	Furniture & Fixtures	Vehicle	Office Equipments	Computers	Electric Equipment	TOTAL
Gross block as at April 1, 2018	173.33	10.43	195.03	877.00	30.71	105.51	57.18	13.81	1.93	1,464.93
Accumulated depreciation as at April 1, 2018	-	2.96	26.77	247.22	8.27	76.72	31.91	11.02	1.93	406.80
Carrying amount as at April 1, 2018	173.33	7.47	168.26	629.78	22.44	28.79	25.27	2.79	-	1,058.13

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 13: Intangible assets

(Rs. In Lakhs)

Gross carrying amount	Computer Software	TOTAL
Balance as at April 1, 2018 (refer note(i))	35.31	35.31
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	35.31	35.31
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	35.31	35.31

Accumulated depreciation

Balance as at April 1, 2018 (refer note(i))	35.31	35.31
Depreciation charge for the year	-	-
Adjustment on account of disposals	-	-
Balance as at March 31, 2019	35.31	35.31
Depreciation charge for the year	-	-
Adjustment on account of disposals	-	-
Balance as at March 31, 2020	35.31	35.31

Net block

Balance as at April 1, 2018	-	-
Balance as at March 31, 2019	-	-
Balance as at March 31, 2020	-	-

(i) Deemed cost of other intangible assets - Reconciliation of gross block and net carrying amount

Particulars	Computer Software	TOTAL
Gross block as at April 1, 2018	35.31	35.31
Accumulated depreciation as at April 1, 2018	35.31	35.31
Carrying amount as at April 1, 2018	-	-

Notes to the consolidated financial statements for the year ended 31st March 2020

Particulars	(Rs. In Lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Note 14: Investment Property			
Deposits / Investment in CETP Project	11.30	11.30	11.30
	11.30	11.30	11.30
Note 15: Current tax assets(net)			
Advance Income tax (net)	2.63	3.85	0.37
Total	2.63	3.85	0.37
Note 16: Other Non- financial assets			
Security Deposit	0.80	0.80	0.80
Advance to Creditors	-	-	0.02
Misc. Expenses	5.74	5.18	3.42
Others	4.99	0.16	0.21
Total	11.53	6.14	4.45
Note 17 : Payables			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	662.53	638.28	455.77
	662.53	638.28	455.77
Other Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	-	-	-
	-	-	-
Total	662.53	638.28	455.77
Note 18: Borrowings			
Secured Loans			
Term Loans from banks	39.56	8.24	12.76
Unsecured Loans			
Loan from related parties (refer note 38)	41.88	-	0.26
Loans repayable on demand	-	238.81	4,729.57
Total	81.44	247.05	4,742.59
Borrowings in India	81.44	247.05	4,742.59
Borrowings outside India	-	-	-
	81.44	247.05	4,742.59
Nature of security : Hypothecation of the vehicle financed by the bank.			
Note 19: Other financial liabilities			
Current maturities of long-term debts (refer note no 18)	38.07	7.25	5.67
Balance in Cash credit account	147.57	110.49	-
Security deposits	-	-	-
Payable to related parties (refer note no.38)	6.78	8.29	3.60
Statutory Liabilities	2.57	5.03	4.49
Advance from Customers	15.85	0.52	0.43
Unpaid dividends	2.22	2.22	2.59
Accrued Expenses	34.48	29.53	23.03
Total	247.54	163.33	39.81
Note 20: Current tax liabilities(net)			
Provision for income tax(net)	23.24	-	133.07
Total	23.24	-	133.07
Note 21: Provisions			
Provision for employee benefits(Gratuity)	3.34	2.68	2.07
Provision for Standard assets	3.21	2.10	-
Total	6.55	4.78	2.07
Note 22: Other Non-financial liabilities			
Statutory dues payable	1.39	0.85	10.65
Outstanding expenses	0.05	0.10	0.08
Total	1.44	0.95	10.73

Notes to the consolidated financial statements for the year ended 31st March 2020

(Rs. In Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Note 23: Equity share capital						
Authorised						
Equity shares of Rs. 10/- each	30000000	3,000.00	30000000	3,000.00	30000000	3,000.00
Total		<u>3000.00</u>		<u>3000.00</u>		<u>3,000.00</u>
Issued, subscribed and paid-up						
Equity shares of Rs. 10/- each fully paid up	19635000	1,963.50	19528656	1,952.87	19528656	1,952.87
Total		<u>1963.50</u>		<u>1952.87</u>		<u>1,952.87</u>

2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

Particulars	Numbers		Amount		Numbers		Amount	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
At the beginning of the year	19528656	19635000	1,952.87	1,963.50	19528656	19528656	1,952.87	622.50
Add : Equity shares issued on conversion of warrants	35448		3.54		0	284552	-	28.46
Allotted as fully paid by way of Bonus Shares	70896		7.09		0	13019104	-	1,301.91
At the end of the year	19635000	19635000	1,963.50	1,963.50	19528656	19528656	1,952.87	1,952.87

2.b The company has issued only one class of equity shares having a par value of Rs.10/- per share. Each shareholder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of preferential amounts, in proportion of their shareholding.

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

Name of shareholders	Numbers		% of Holding		Numbers		% of Holding	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
Shri Ramakant Gaggar	3,757,670	3,757,670	19.14	19.24%	3,757,670	3,536,514	19.14	18.11%
Mangal Savitri Bizcon Pvt. Ltd.	1,652,716	1,652,716	8.42	8.46%	1,652,716	2,580,845	8.42	13.22%
Shri Suresh Gaggar	3,260,021	3,260,021	16.60	16.69%	3,260,021	2,150,010	16.60	11.01%

2.d During the year, the Company has allotted 35448 Equity shares pursuant to Conversion of 35448 Equity warrants. Bonus shares on the above 35448 shares earlier kept in abeyance also allotted in the year on 26.06.2019

Notes to the consolidated financial statements for the year ended 31st March 2020

Note 24 : Other equity

Reserve fund in terms of Section 45-IC(1) of RBI Act,1934

Balance at the beginning of the year	-	-	-	-
Add:- Transferred from surplus in Statement of Profit or loss	-	-	-	-
Balance at the end of the year	-	-	-	-
<u>Securities Premium account</u>				
Balance at the beginning of the year	4,266.45	4,266.45	4,266.45	
Add : on account of issue of equity shares on conversion of share warrants	287.13	-	-	
Less:- Bonus shares issued	7.09	-	-	
Balance at the end of the year	4,546.49	4,266.45	4,266.45	4,266.45

Retained Earnings

Balance at the beginning of the year	(2,012.16)	3,876.51	2,914.89	
Add : Profit (loss) after tax for the year	(1,090.21)	(5,771.20)	961.62	
Balance at the end of the year	(3,102.37)	(1,894.69)	3,876.51	3,876.51
Less : <u>Appropriations</u>				
Transfer to Reserve fund u/s 45-IC(1) of RE	-	-	-	
Proposed Dividend	-	97.64	-	
Tax on Proposed Dividend	-	20.07	-	
Profit /loss on Sale of Subsidiary	-	(0.24)	(117.47)	-

Money received against share warrants

Balance at the beginning of the year	72.67	72.67	72.67	
Conversion of share warrants into equity share	72.67	-	-	
Balance at the end of the year	-	-	-	
	-	72.67	72.67	72.67
<u>Capital Reserve on Consolidation</u>	49.48	49.48	49.48	49.48

OTHER RESERVES

Other Comprehensive income

Balance at the beginning of the year	(0.045)	-	-	
Add: Movement in OCI (Net) during the year	0.002	(0.036)	-	
Less : Tax on above	(0.001)	0.009	-	
Balance at the end of the year	(0.042)	(0.045)	-	
Total	<u>1,493.56</u>	<u>2,376.40</u>	<u>8,265.11</u>	

Nature and purpose of reserve :

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies

Reserve fund u/s 45-IC(1) of RBI,1934

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Money received against share warrants

The Company had allotted 3,20,000 fully convertible warrants of Rs.10 each at an issue price of Rs.820 per warrant including premium of Rs. 810 per warrant on preferential basis to non- promoter group). Out of the above 320000, company had earlier allotted 284552 warrants and Rs. 7267360 was received against the balance 35448 warrants. During the year 2019-20 , company had allotted 35448 convertible warrants . 35448 equity shares were allotted on the conversion of 35448 warrants and the company has also allotted the bonus shares on the same ,which were kept in abeyance.

Retained Earnings

Retained earnings generally represents the undistributed profits/ amount of accumulated earnings of the company and includes remeasurement gains/losses on defined benefit obligations.

Notes to the Consolidated financial statements for the year ended 31st March 2020

Particulars	(Rs. In Lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Note 25: Interest Income		
<u>On Financial Assets measured at Amortised Cost</u>		
Interest on Loans	23.50	7.82
Interest income from investments	-	0.03
Interest on deposits with Banks	2.00	3.95
Interest on Electricity deposit	0.79	0.48
Other interest Income	-	8.50
Profit on sale of asset	-	0.93
Miscellaneous income	-	0.33
Total	26.29	22.04
Note 26: Finance Cost		
<u>On Financial liabilities measured at Amortised Cost</u>		
Interest expense on		
Loans	2.71	3.20
Bill discounting facility	0.83	1.71
Others	-	0.04
Cash Credit Facility	11.66	3.66
Bank Charges	1.00	0.44
Total	16.20	9.05
Note 27 : Net Loss on Fair Value Changes		
<u>(A) Net gain/ (loss) on financial instruments at fair value through profit or loss</u>		
(i) On trading portfolio		
Investments	842.49	2,603.66
Derivatives	213.76	658.67
(ii) On financial instruments designated at fair value through profit or loss	-	-
<u>(B) Others</u>	-	-
Total Net gain/(loss) on fair value changes	1,056.25	3,262.33
<u>Fair Value changes:</u>		
Realised	350.55	798.69
Unrealised	705.69	2,463.64
Total	1,056.24	3,262.33
Note 28: Cost of Material Consumed		
Opening stocks:		
Raw Material		
Yarn	60.59	70.84
Dyes & Chemicals	41.21	50.36
Add : Cost of purchases		
Raw Material		
Yarn	268.12	225.62
Dyes & Chemicals	370.18	354.92
Less: Closing stock		
Raw Material		
Yarn	143.98	60.59
Dyes & Chemicals	56.83	41.21
Total	539.29	599.94

Notes to the Consolidated financial statements for the year ended 31st March 2020

Particulars	(Rs. In Lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Note 29: Changes in Inventories		
Opening stocks:		
Stock in trade	223.13	8,107.06
Finished goods	70.53	27.93
Closing stocks:		
Stock in trade	97.71	223.13
Finished goods	284.47	70.53
Total	(88.52)	7,841.33
Note 30: Employee benefit expenses		
Salaries and Wages	60.93	89.37
Director Remuneration	26.40	21.90
Contribution to Provident Fund and other funds	6.79	9.30
Staff Welfare Expenses	6.32	6.11
Total	100.44	126.68
Note 31: Other expenses		
Job charges	351.07	264.76
Power and fuel	147.46	133.21
Freight & Cartage Inwards	1.99	1.39
Stores and spares consumed*	223.82	194.37
Repairs & Maintenance(Machinery)	33.66	34.30
Brokerage and Commission	-	-
Limit processing fee	1.18	3.16
Membership and Subscription	1.05	2.42
Sales Promotion Expenses	0.55	0.12
Advertisement and Publicity	0.73	0.64
Auditors remuneration (refer note 33)	4.23	4.48
Share warrant forfeiture	-	129.38
Bank charges	0.12	0.15
Bonus Issue Expenses	0.24	2.00
Communication expenses	4.03	4.36
Demat charges	0.35	2.39
GST Expenses	28.61	16.98
General expenses	28.82	35.03
Insurance	4.18	3.27
Legal and professional charges	4.46	7.57
Penalty Charges	-	1.00
Printing & Stationery	2.92	2.60
Provision for Standard assets	1.12	2.09
Rates and Taxes	4.69	4.29
Repairs and maintenance	7.26	3.09
Securities Transaction Tax	16.35	14.21
Share Trading Expenses	17.49	45.77
Travelling and Conveyance	17.61	18.24
Net Foreign exchange loss (gain)	-	0.14
Total	903.99	931.41

* All stores and spares consumed are indigenous in nature.

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 32: Earning per equity share		2019-2020	2018-2019
Net profit / (loss) after tax		-1062.08	-5774.59
Weighted average number of shares used in computing basic earnings per share	Numbers	19635000	19528656
Effect of potential equity shares on allotment of shares on conversion of warants	Numbers	0	0
Weighted average number of shares used in computing basic earnings per share	Numbers	19635000	19528656
Basic earnings per share		-5.41	-29.57
Diluted earnings per share		-5.41	-29.57

Note 33: Payment to auditors(Including Goods & Service Tax)		(Rs. In Lakhs)	
		2019-2020	2018-2019
Statutory audit fees		3.00	2.57
Tax audit fees		0.35	0.65
Income tax matter & ITR		0.35	0.55
Certification work		0.53	0.71
		4.23	4.48

Note 34: Contingent liabilities and commitments (to the extent not provided for)		(Rs. In Lakhs)		
		As at	As at	As at
		31.03.2020	31.03.2019	31.03.2018
Undertakings given by the company under EPCG Scheme, pending fulfillment of export obligation		11.44	11.44	11.44

Note 35: The management is of view that as per Ind AS 36, no impairment loss is required to be recognised, as the present values of assets are higher than the carrying amount of such assets.

Note 36 : Issue of Share Warrants, their conversion and utilization of its proceeds

- (i) The Company, during the financial year 2017-18, had allotted 320000 Warrants at a price of Rs. 820/- per warrant carrying an entitlement to subscribe to an equivalent number of equity shares of face value of Rs. 10/- each within 18 months from the date of allotment of warrants to non-promoter group in accordance of Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended. The company had utilized this proceeds for its working capital requirements and other corporate purposes in accordance with the object of the issue.
- (ii) Out of the amount recieved during the year 2017-18, 2,84,552 warrants were converted into equivalent number of equity shares. The balance Rs.72,67,360/- were recieved for remaining 35,448 warrants, pending for allotment.
- (iii) During the financial year 2019-20, company had allotted the balance equity shares on conversion of 35448 warrants on 26/06/2019. Company has also allotted the corresponding bonus shares on 35448 converted warrants, earlier kept in abeyance on 26/06/2019

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 37: Employee benefits expense
The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under

(a) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Contribution to defined contribution plan recognised, charged off for the year, are as under:

	(Rs. In Lakhs)	
	2019-2020	2018-2019
Employer's contribution to provident fund	3.34	2.68

(b) Defined benefit plan:

Leave Encashment: During the year 2019-20, the amount paid to employees as leave encashment is NIL

Gratuity :

The employee's gratuity scheme is non -fund based. The present value of obligation is 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 final obligation.

I) Reconciliation of defined benefit obligation

	(Rs. In Lakhs)	
	2019-2020	2018-2019
Defined Benefit obligation at beginning of the year	2.68	2.60
Current service cost	0.45	0.11
Interest cost	0.20	0.05
Benefits paid	0.00	0.00
<i>Components of Actuarial (gains)/losses on obligations</i>		
- due to demographic assumptions	0.29	
- due to financial assumptions	(0.00)	
- due to experience adjustments	(0.29)	(0.08)
Past service cost	0.00	0.00
Defined Benefit obligation at year end	3.34	2.68

II) Net liability / (asset) recognised in the balance sheet

	(Rs. In Lakhs)	
	2019-2020	2018-2019
Present value of defined benefit obligation	3.34	2.68
Fair value of plan assets	0.00	0.00
Net liability / (asset)	3.34	2.68
Less: Unrecognised past service cost	0.00	0.00
Liability / (asset) recognised in the balance sheet	3.34	2.68
Of which short term defined benefit obligation at end of the year	0.09	0.08

III) Expenses recognized during the year

	(Rs. In Lakhs)	
	2019-2020	2018-2019
Current service cost	0.45	0.11
Interest cost	0.20	0.05
Defined benefit cost included in	0.65	0.16
Remeasurements of the net defined benefit plans-Actuarial	(0.00)	(0.08)
Defined benefit cost included in Other Comprehensive Income	(0.00)	(0.08)
Total defined benefit recognized in Statement of profit & loss	0.65	0.08

Notes to the Consolidated financial statements for the year ended 31st March 2020

IV) Actuarial assumptions

	2019-2020	2018-2019
Salary growth rate	7.50%	7.50%
Discount rate	6.85%	7.70%
Withdrawal rate		
Up to 25 years	10.00%	10.00%
25 to 35 years	6.00%	6.00%
35 to 45 years	4.00%	4.00%
45 to 55 years	2.00%	2.00%
55 years & above	1.00%	1.00%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

V) Sensitivity analysis for gratuity liability

The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	-5.30%	5.72%	-5.34%	5.77%
Rate of increase in salaries (50bps movement)	5.66%	-5.29%	5.66%	-5.30%

The above Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

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

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 38: Related Party Disclosures:

I) Names of related parties and description of relationships

a) Key Managerial Personnel (KMP)

Suresh Gaggar	Director
Ramakant Gaggar	Managing Director
Sharad Rathi	Director
Manju Bhagchand Maheshwari	Director (Resigned on 14/09/2018)
Sandhya Lotlikar	Director
Jaswantpatil Dilipsingh Patil	Director
Vishnu Kant Bhangadia	Director (Appointed on 29/05/2019)
Koshal Gupta	Company Secretary (Resigned on 28/05/2018)
Deepika Pandey	Company Secretary (From on 26/06/18 to 19/02/2020)
Sanjay Ravindra Raut	CFO

b) Relatives of KMP & Entities over which KMP exercises

Indra Gaggar	Relative of Director
Sangeeta Gaggar	Relative of Director
Kartik Gaggar	Relative of Director
Swati Gaggar	Relative of Director
Preeti Gaggar	Relative of Director
Kirti Gaggar	Relative of Director
Prakash Gaggar	Relative of Director
Subhash Gaggar	Relative of Director
Navratan Gaggar	Relative of Director
Prabbha Bihani	Relative of Director
Saroj Jaju	Relative of Director
Suman Jhanwar	Relative of Director
Madhu Bang	Relative of Director
Kanchan Soni	Relative of Director
Suresh Gaggar HUF	Entity controlled by Director
GVS Chemical Private Limited	Entity controlled by Director
Alaukik Mines & Power Private Limited	Entity controlled by Director
Bhuta Investment Private Limited	Entity controlled by Director
Mangal Savitri Bizcon Private Limited	Entity controlled by Director
Gini Silk Mills Limited	Entity controlled by Director
Maxwell Management Services Pvt. Ltd.	Entity controlled by Director
Minex Explore Pvt. Ltd.	Entity controlled by Director
Blue Square Corporate Services Limited	Entity controlled by Director
Deepganga Total Health Solutions Pvt Ltd	Entity controlled by Director
Deep Ganga Foundation	Entity controlled by Director
Kamai Capital Private Limited	Entity controlled by Director
Harco Silk Mills Private Limited	Entity controlled by Director
Canova Trading Pvt Ltd	Entity controlled by Director
Honour Sales Agencies Pvt Ltd	Entity controlled by Director
Azure Exim Services Limited	Entity controlled by Director
Anandmangal Fintrade Limited	Entity controlled by Director's relative

Notes to the Consolidated financial statements for the year ended 31st March 2020

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

(Rs. In Lakhs)

Particulars	Volume of Transactions	
	2019-2020	2018-2019
Loan taken / (repayments made)		
Sarika Gaggar	46.00 (44.00)	-
Suresh Gaggar	147.38 (107.50)	-
Anandmangal Fintrade Limited	3.08 (6.00)	- (1.12)
Remuneration to KMP		
Salary to Director	21.90	21.90
Salary to CFO	3.91	4.55
Salary to Company secretary	4.62	4.63
Salary to related parties	3.00	4.20

III) Outstanding balances with related parties in ordinary course of business:

Name of Related Party	Nature of balance	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Sarika Gaggar	Borrowings	2.00	-	-
Suresh Gaggar	Borrowings	39.88	-	-
Anandmangal Fintrade Limited	Loans Given	9.99	12.91	14.03
Ramakant Gaggar	Remuneration	-	-	-
Sanjay Raut	Remuneration	-	-	-
Deepika Pandey	Remuneration	-	-	-
Navratan Gaggar	Remuneration	4.37	7.06	3.10
Sangeeta Gaggar	Remuneration	2.41	1.23	0.50

Compensation of Key management personnel

	31.03.2020	31.03.2019
Short-term benefits	30.44	31.09
Post employment benefits*	-	-

* Remuneration does not include gratuity as employee wise break up is not available.

Note:

- 1) Related party relationship is identified by the Company and relied upon by the auditors.
- 2) Figure in the brackets pertains to previous year.

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 39: Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders.

The Group is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Group

(Rs. In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Net Debt *	1.78	187.21	4,533.50
Total Equity	1,963.50	1,952.87	1,952.87
Net debt to equity ratio	0.00	0.10	2.32

* Net debt includes borrowings other than debt securities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

No changes were made in the objectives, policies and processes of capital management during the year.

Note 40: Financial Instruments

A. Financial assets and Liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

(Rs. In Lakhs)

Particulars	Note	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Financial assets measured at fair value				
Investments measured at :				
(i) Fair value through other comprehensive Income	Note 8	-	-	-
(ii) Fair value through profit and loss	Note 8	145.00	2,014.00	4,981.30
Financial assets measured at amortised cost				
Cash and cash equivalents	Note 4	46.26	22.05	192.37
Bank balances other than cash and	Note 5	34.71	39.08	17.03
Trade receivables	Note 6	774.20	1,103.26	458.01
Loans	Note 7	447.14	142.69	136.16
Investments	Note 8	632.63	4.28	133.65
Other Financial assets	Note 9	133.68	72.03	67.37
TOTAL		2,213.61	3,397.38	5,985.90

(Rs. In Lakhs)

Particulars	Note	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Financial Liabilities measured at amortised cost				
Trade Payables	Note 17	662.52	638.27	455.77
Borrowings (other than debt securities)	Note 18	81.44	247.05	4,742.59
Other financial liabilities	Note 19	247.55	163.33	39.81
TOTAL		991.50	1,048.65	5,238.17

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices)/indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs &:

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Notes to the Consolidated financial statements for the year ended 31st March 2020

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements (Rs. In Lakhs)				
As at March 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through profit and loss (refer Note 8)	145.00	-	-	145.00
As at March 31, 2019				
Assets				
Investments at fair value through profit and loss (refer Note 8)	2,014.00	-	-	2,014.00
As at April 1, 2018				
Assets				
Investments at fair value through profit and loss (refer Note 8)	4,981.30	-	-	4,981.30

Valuation

The fair values of the financial assets and liabilities (other than above) are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

- Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments (other than above), the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

C. Financial Risk Management Framework

The Group's business activities are exposed to a variety of financial risks, namely market risk, liquidity risk, interest rate risk and credit risk. The Group's management and the Board of Directors has the overall responsibility for establishing and governing the Group's risk management framework. The Board of Directors of Holding and subsidiary companies which are responsible for developing and monitoring the Company's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Holding Company.

i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. Financial instruments that are subject to credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group result in material credit risk.

Credit risk with respect to trade receivables are limited, due to the Group has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Credit risk on cash and cash equivalents, other bank balances with bank is limited as the Group generally invest in deposits with banks.

The Company's maximum exposure to credit risk as at 31st March, 2020, 2019 and 1st April, 2018 is the carrying value of each class of financial assets

ii) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents' and cash flows generated from operations. The Group believes that its working capital is sufficient to meet the financial liability. The Holding company has no borrowings. The Group has invested its surplus funds in fixed deposits with banks, thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

The Holding and subsidiary Companies have maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group invests its surplus funds in bank fixed deposit which carry no or low market risk.

Notes to the Consolidated financial statements for the year ended 31st March 2020

Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

(Rs. In Lakhs)

Financial Assets

Particulars	Carring Value	31.03.2020		
		0-1 years	1-3 years	above 3 years
Cash and cash equivalents	46.26	46.26	-	-
Bank balances other than cash and cash	34.71	34.71	-	-
Trade receivables	774.20	774.20	-	-
Loans	447.14	447.14	-	-
Investments	777.63	777.63	-	-
Other Financial assets	133.68	133.68	-	-
Total	2,213.61	2,213.61	-	-

Particulars	Carring Value	31.03.2019		
		0-1 years	1-3 years	above 3 years
Cash and cash equivalents	22.05	22.05	-	-
Bank balances other than cash and cash	39.08	39.08	-	-
Trade receivables	1,103.26	1,103.26	-	-
Loans	142.69	142.69	-	-
Investments	2,018.27	2,018.27	-	-
Other Financial assets	72.03	72.03	-	-
Total	3,397.38	3,397.38	-	-

Particulars	Carring Value	31.03.2018		
		0-1 years	1-3 years	above 3 years
Cash and cash equivalents	192.37	192.37	-	-
Bank balances other than cash and cash	17.03	17.03	-	-
Trade receivables	458.01	458.01	-	-
Loans	136.16	136.16	-	-
Investments	5,114.95	5,114.95	-	-
Other Financial assets	67.37	67.37	-	-
Total	5,985.90	5,985.90	-	-

Financial Liabilities

(Rs. In Lakhs)

Particulars	Carring Value	31.03.2020		
		0-1 years	1-3 years	above 3 years
Borrowings	81.44	-	81.44	-
Trade payables	662.52	662.52	-	-
Other financial liabilities	247.55	99.98	147.57	-
Total	991.50	762.50	229.01	-

Particulars	Carring Value	31.03.2019		
		0-1 years	1-3 years	above 3 years
Borrowings	247.05	-	247.05	-
Trade payables	638.27	638.27	-	-
Other financial liabilities	163.33	7.25	156.08	-
Total	1,048.65	645.52	403.13	-

Particulars	Carring Value	31.03.2018		
		0-1 years	1-3 years	above 3 years
Borrowings	4,742.59	-	4,742.59	-
Trade payables	455.77	455.77	-	-
Other financial liabilities	39.81	5.67	34.14	-
Total	5,238.17	461.44	4,776.73	-

Notes to the Consolidated financial statements for the year ended 31st March 2020

iii) Market Risk

Market risk is the risk that the changes in market prices such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to borrowing obligations.

b) Price risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio across capitalisation sectors with large cap bias and active monitoring of the portfolio using effective strategic tools. Diversification of the portfolio is as per the Investment policy of the Company.

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 41: First Time Adoption of Indian Accounting Standards (Ind AS), Disclosures, Reconciliation etc.**A.** Reconciliation in terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards"

i) Reconciliation of Equity as at 31st March, 2019 and 1st April, 2018 :

(Rs. In Lakhs)

Particulars	Ref No.	As at March 31, 2019 (End of Last period presented under Previous GAAP)			As at April 1, 2018 (Date of transition)		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
ASSETS							
Financial assets							
Cash and cash equivalents		22.05	-	22.05	192.37		192.37
Bank balances other than cash and cash		39.08	-	39.08	17.03		17.03
Trade receivables		1,103.26	-	1,103.26	458.01	-	458.01
Loans		142.69	-	142.69	136.16	-	136.16
Investments	D-1	2,581.22	562.95	2,018.27	3,527.73	(1,587.22)	5,114.95
Other Financial assets		72.03	-	72.03	67.37	-	67.37
Total Financial Assets		3,960.33	562.95	3,397.38	4,398.68	(1,587.22)	5,985.90
Non Financial assets							
Inventories - Shares & Securities		409.28	0.00	409.28	8,261.89	-	8,261.89
Deferred tax assets (net)	D-3	(50.30)	(677.42)	627.12	(48.27)	(440.60)	392.33
Property ,Plant & equipment		1,037.54		1,037.54	1,058.13		1,058.13
Goodwill		167.46		167.46	167.46		167.46
Investment Property		11.30	-	11.30	11.30	-	11.30
Current tax assets (net)	D-4	617.22	613.37	3.85	621.98	621.62	0.37
Other non-financial assets		6.14	-	6.14	4.45	-	4.45
Total Non Financial Assets		2,198.64	(64.05)	2,262.69	10,076.93	181.02	9,895.92
TOTAL ASSETS		6,158.96	498.89	5,660.07	14,475.61	(1,406.20)	15,881.82
LIABILITIES AND EQUITY							
Liabilities							
Financial Liabilities							
Payables							
Trade Payables							
Total outstanding dues of micro enterprises and small enterprises							
Total outstanding dues of creditors other than micro and small enterprises		638.27	-	638.27	455.77	-	455.77
Borrowings(other than debt securities)		247.05	-	247.05	4,742.59	-	4,742.59
Other financial liabilities		163.33	0.00	163.33	39.81	-	39.81
Total Financial Liabilities		1,048.65	0.00	1,048.65	5,238.17	-	5,238.17
Non- financial liabilities							
Current tax liabilities (net)			-	-	133.06	-	133.06
Provisions	D-2	4.87	0.09	4.78	2.07	-	2.07
Other non-financial liabilities		0.96	-	0.96	10.73	-	10.73
Total Non Financial Liabilities		5.82	0.09	5.73	145.87	-	145.87
Equity							
Equity share capital		1,952.87	-	1,952.87	1,952.87	-	1,952.87
Other equity		2,875.21	498.81	2,376.40	6,858.91	(1,406.20)	8,265.11
Equity attributable to equity holders of the holding company		4,828.07	498.81	4,329.27	8,811.77	(1,406.20)	10,217.98
Non-controlling interest		276.41	-	276.41	279.80	-	279.80
Total Equity		5,104.49	498.81	4,605.68	9,091.58	(1,406.20)	10,497.78
TOTAL LIABILITIES AND EQUITY		6,158.96	498.89	5,660.07	14,475.61	(1,406.20)	15,881.82

Notes to the Consolidated financial statements for the year ended 31st March 2020

ii) Reconciliation of Total Equity as given above :

(Rs. In Lakhs)

Particulars	Ref No.	As at March 31, 2019 (End of last period presented under Previous GAAP)	As at April 1, 2018 (Date of Transition)
Total Equity (shareholders' funds) under Previous GAAP		5,104.49	9,091.58
Ind AS Adjustments			
Effect of fair valuation of investments measured at fair value through profit and loss	D-1	562.95	(1,587.22)
Adjustment of Deferred tax created due to ind as impact	D-3	(64.05)	181.02
Effect of Provision on Gratuity	D-2	(0.09)	-
Total adjustments to Equity		498.81	(1,406.20)
Total Equity under Ind AS		4,605.68	10,497.78

iii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. In Lakhs)

Particulars	Ref. No	For the year ended 31.03.2019 As per previous GAAP	Effect of transition to Ind AS	For the year ended 31.03.2019 (As per Ind AS)
Revenue from operations				
Interest Income		22.04	-	22.04
Dividend Income		22.57	-	22.57
Sale of Shares		6,811.61	-	6,811.61
Sale of Products		1,453.56	-	1,453.56
TOTAL INCOME		8,309.77	-	8,309.77
Expenses:				
Finance costs		9.06	-	9.06
Net loss on fair value changes	D-1	-	(3,262.33)	3,262.33
Cost of Material Consumed		599.95	-	599.95
Purchases of stock-in-trade		1,450.21	-	1,450.21
Changes in Inventories of finished goods, stock-in-trade and WIP		7,841.32	-	7,841.32
Employee benefits expense	D-2	126.81	0.13	126.69
Depreciation and amortisation expense		83.05	(0.00)	83.05
Other expenses	D-4	2,042.03	1,110.64	931.39
TOTAL EXPENSES		12,152.43	(2,151.57)	14,304.00
Profit/(loss) before exceptional items and tax		(3,842.66)	2,151.57	(5,994.23)
Exceptional items		-	-	-
Profit before tax		(3,842.66)	2,151.57	(5,994.23)
Tax expense:				
Current tax		-	-	-
Deferred tax	D-3	2.03	245.08	(243.05)
Tax adjustment for earlier years		15.16	-	15.16
Minimum alternate tax credit entitlement		8.24	-	8.24
Profit/(loss) for the period from continuing operations (A)		(3,868.09)	1,906.50	(5,774.59)
Profit/(loss) from discontinued operations		-	-	-
Tax Expense of discontinued operations		-	-	-
Profit/(loss) from discontinued operations (After tax) (B)		-	-	-
Profit/(loss) for the period [C=(A+B)]		(3,868.09)	1,906.50	(5,774.59)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit plans		-	0.04	(0.04)
Income tax on above		-	(0.01)	0.01
Other comprehensive income for the year (D)		-	0.04	(0.04)
Total comprehensive income for the year (C+D)		(3,868.09)	1,906.54	(5,774.63)

Notes to the Consolidated financial statements for the year ended 31st March 2020

iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2019: (Rs. In Lakhs)

Particulars	Ref. No	For the year ended 31.03.2019
Net profit under Previous GAAP		(3,868.09)
Fair valuation of investments measured at fair value through profit and loss	D-1	(2,151.70)
Remeasurement of Defined Benefit Plans	D-2	(0.04)
Deferred tax impact on above		(0.01)
Remeasurement of Defined Benefit Plans - Net Interest	D-2	0.13
Deferred tax due to Ind AS impact	D-3	245.08
Net Profit for the period under Ind AS		<u>(5,774.63)</u>

v) Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2019

There is no impact on the statement of Cash flows for the year ended March 31, 2019 due to adoption of Ind AS.

B. FIRST-TIME ADOPTION – Optional Exemptions

These Financial Statements are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards", as they are the Company's first Ind AS financial statements for the year ended March 31, 2020.

i) Overall Principle:

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2018 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of Assets or Liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance sheet may have differed from those that it used for its Previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind-AS has been recognized directly in retained earnings at the date of transition.

However, this principle is subject to certain optional exemptions availed by the Company as detailed below:

ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2018 (the transition date).

iii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

C. Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

i) **Estimates**

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

ii) **Classification and measurement of financial assets/liabilities**

The classification of financial assets to be measured at amortised cost or fair value through profit & loss is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

D. Explanatory notes to reconciliation between Previous GAAP and Ind AS1 Investments

Under Previous GAAP, the current investment were measured at lower of cost and fair value. Under Ind AS, the Company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and the carrying value under Previous GAAP has been recognised in retained earnings. Fair value changes are recognised in the Statement of Profit and Loss for the year ended 31st March, 2019.

2 Employee benefits & Other comprehensive Income

"Under previous GAAP and ind as, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under Previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of Statement of profit and loss."

3 Deferred Taxes

In accordance with Ind AS 12, "Income Taxes", the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences, i.e. profit and loss approach. The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes.

4 Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of these notes.

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 42 : Consequent to outbreak of COVID - 19 which has been declared a pandemic by the World Health Organisation (WHO), Government of India and state Governments have declared lockdown which have impacted business in general, earnings prospects causing erosion in value of companies. The resultant impact on the fair valuation of investment have been reflected in Profit or Loss and the other Comprehensive income statement of the Company. In case of one of the subsidiary involved in manufacturing of garments, the operations were affected due to loss of more than a month's production due to the suspension of the operations, disruptions in supply chain and non-availability of personnel during lock down. Though the production has started in the first week of May 2020, due to absenteeism, consequent to nationwide lockdown, the normal production is still affected. The stock exchanges were permitted to function uninterrupted during the lockdown and as such investment and related operations of the Company were not affected substantially. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of financial and non financial assets held by the Company. The eventual impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements. The Company will continue to monitor any material changes to the future economic conditions and the same will be considered on crystallisation.

Note 43 : The Holding Company has granted Interest free loans to its subsidiary company.

Note 44 : No amount is due to Micro, Small or Medium Enterprises.

Note 45 : Previous year's figures have been re-grouped/ re-classified, wherever necessary, to make them comparable with the current

Note 46 : Corporate social responsibility expenses: (Rs. In Lakhs)

Particulars	year ended	year
Gross amount to be spent by the Company during the year	-	14
Unspent amount of earlier years	23	9
Amount spent during the year in cash	-	-
Unspent amount upto current year	23	23

CSR not applicable during the current financial year since the Company does not fulfill the conditions laid down under Section

Note 47 : Additional information as required by Paragraph 2 of General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as on March 31, 2020:

Particulars	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
	Parent Garnet International Limited	91.54%	3,164.72	108.86%	(1,156.16)	100.00%	146.84	110.28%
Subsidiaries Indian Sukartik Clothing Private Limited	28.10%	971.43	-8.86%	94.09	0.00%	-	-10.28%	94.09
Elimination	-19.64%	(679.08)	-	-	-	-	-	-

Notes to the Consolidated financial statements for the year ended 31st March 2020

Note 48 : Segment information

Primary segment Disclosure - Business segment

(Rs. In Lakhs)

Particulars	Shares and Securities		Textile		Consolidated Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Segment Revenue						
Operating income	193	6,812	1,519	1,454	1,712	8,265
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	193	6,812	1,519	1,454	1,712	8,265
(ii) Result						
Segment Results	(1,243)	(6,033)	135	26	(1,108)	(6,008)
Less: Unallocated corporate expenses					-	-
Operating Profit					(1,108)	(6,008)
Less: Interest expense (Net)					(11)	(13)
Profit before Tax					(1,097)	(5,994)
Provision for Taxation (Net)						
Current Tax					23	-
Deferred Tax					(58)	(243)
Tax adjustment for earlier years					-	15
Minimum alternate tax credit entitlement					-	8
Profit for the year before Minority Interests					(35)	(220)
					(1,062)	(5,775)
(iii) Other Information						
Segment Assets	1,590	2,965	-	855	1,590	3,820
Unallocated Common Assets	-	-	-	-	-	-
Total Assets	1,590	2,965	-	855	1,590	3,820
Segment Liabilities	63	463	-	641	63	1,104
Unallocated Common Liabilities	-	-	-	-	-	-
Total Liabilities	63	463	-	641	63	1,104
Capital Expenditure	-	1	110	68	110	70
Depreciation and Amortisation	1	3	81	80	82	83

Secondary Segment Disclosure - Geographical segment

	Domestic		Overseas		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue from Customers	1,712	8,265	-	-	1,712	8,265

Foot notes:

1 Business Segment :

The group has considered business segments as the primary segment for disclosure.

The segments have been identified taking into account the organisational structure as well as the differing risks and returns of these segments.

Shares and Securities Segment comprises of income from share trading, intra-day transaction, investments and dividend.

Textile Segment comprises of sales of garments and dyeing done on job work basis.

2 Secondary Segment :

The geographical segments are considered for disclosure as secondary segment

Domestic segment includes sales to customers located in India and income accrued in India

Overseas segment includes sales to customers located outside India and income derived from outside India

3 Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

As per our attached report of even date

For B M Gattani & Co
Chartered Accountants
 Firm Registration No. : 113536W

Balmukund N Gattani
 Proprietor
Membership No. 047066

Mumbai, 31st July, 2020

For and on behalf of the board

Suresh Gaggar
 Chairman
DIN : 00599561

Sanjay Raut
 Chief Financial Officer

Ramakant Gaggar
 Managing Director
DIN : 01019838

Vishu Kant Bhangadia
 Director
DIN: 02405217