

# **GARNET INTERNATIONAL LIMITED**

901, Raheja Chambers, Nariman Point, Mumbai – 400 021 (India)  
Tel.: 6636 9942 • Fax: 6636 9943 • E-mail: info@garnetint.com.  
CIN: L99999.MY1999PLC093448

October 18, 2016

**Corporate Relationship Department**

The Stock Exchange, Mumbai  
P.J. Towers, 1<sup>st</sup> Floor,  
Dalal Street, Mumbai – 400 001.

Dear Sir,

**Ref.: Filing of the Annual Report.**

With reference to above, you may kindly note that the 34<sup>th</sup> Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> September 2016.

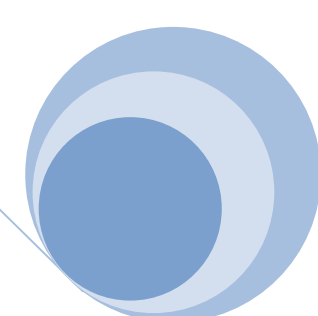
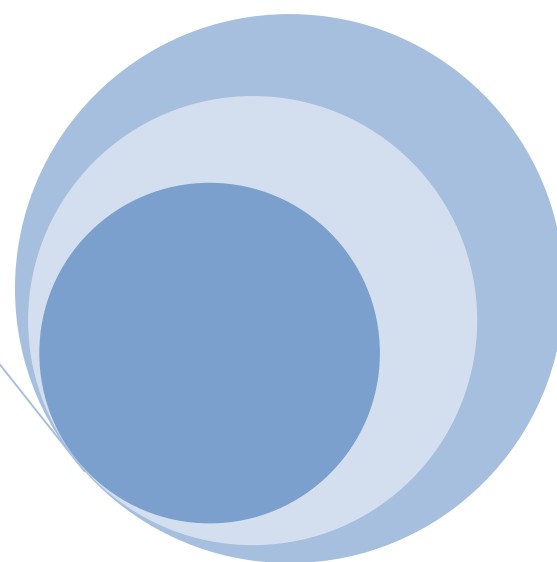
In this regard, we enclose herewith copy of the Annual Report for the year ended 31<sup>st</sup> March 2016.

Thanking you,

Yours faithfully,  
For **Garnet International Limited**

  
**Director**

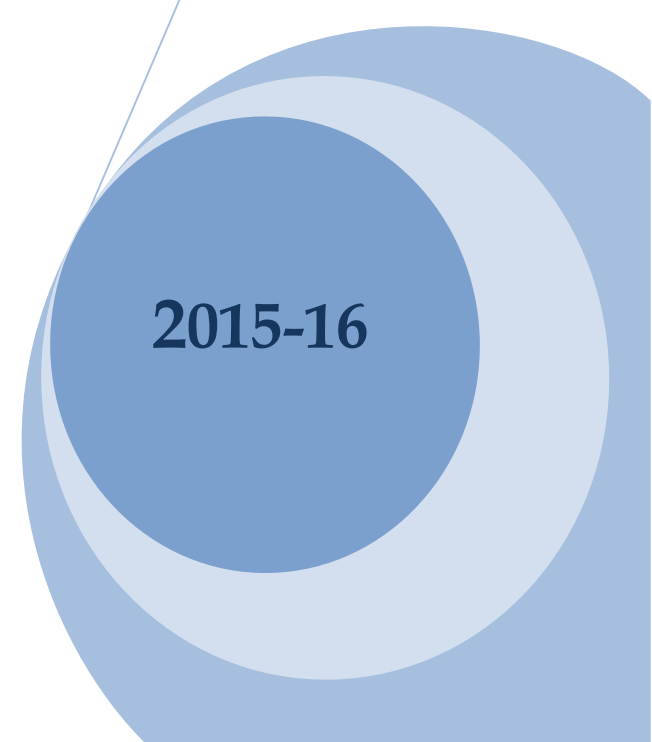
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**GARNET**  
**INTERNATIONAL LIMITED**

**34<sup>th</sup>**  
**Annual Report**

**2015-16**



# COMPANY INFORMATION

## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

Koshal Gupta

## CHIEF FINANCIAL OFFICER

Sanjay Ravindra Raut

### REGISTERED OFFICE

901, Raheja Chambers, Nariman Point  
Mumbai - 400 021

### BANKERS

HDFC Bank

### AUDITORS

M/s. M.V.K & Associates,  
Chartered Accountants  
800, Sangita Ellipse, Sahakar Road,  
Vile Parle (E), Mumbai - 400 057

### SECRETARIAL AUDITORS

M/s. Siddharth Sharma & Associates  
Company Secretaries  
501 A, Satyam, Thakur Complex, Kandivali (E)  
Mumbai - 400 101

### REGISTRAR & TRANSFERS AGENTS

Link Intime India Pvt Ltd  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup(W), Mumbai-400078

### INVESTOR CORRESPONDENCE

Company Secretary  
901, Raheja Chambers, Nariman Point, Mumbai - 400021

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## NOTICE

Notice is hereby given that the 34<sup>TH</sup> Annual General Meeting of the Members of GARNET INTERNATIONAL LIMITED will be held at registered office of the Company situated at 901, Raheja Chambers, Nariman Point, Mumbai – 400 021, on Friday, 30th September, 2016, at 11:00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - A) The Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
  - B) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Ramakant Gaggar (DIN: 01019838), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

By Order of the Board,  
FOR GARNET INTERNATIONAL LIMITED

PLACE: MUMBAI  
DATED: 30th May, 2016

Sd/-  
SURESH GAGGAR  
MANAGING DIRECTOR  
DIN No. : 00599561

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of Proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable
2. The Register of Members and Share Transfer books of the Company will remain closed from Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).
3. The Board of Directors at their meeting held on May 30<sup>th</sup>, 2016, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹ 0.70/- per share, on equity shares of the Company for the Financial Year 2015-16.
4. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 23, 2016 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 23, 2016 furnished by NSDL and CDSL for this purpose.
5. The Ex-dividend date shall be September 22, 2016. The dividend if declared at the Annual General Meeting shall be paid on or after October 1, 2016 and to be completed within the statutory time limit.
6. The members are requested to notify any change in their address to the registrar and share transfer agent namely M /S Link Intime India Pvt Ltd having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078.
7. Members/proxies are requested to bring their copies of the annual report and the admission slip duly filled in for attending the meeting.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
10. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
11. Members may also note that the Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.garnetint.com](http://www.garnetint.com) for their download.
12. In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details / documents to M/s Link Intime Private Limited. Those holding shares in De-mat form are requested to update their records with DPs in this respect.

13. Details of Dividend declared for the Financial Years 2010-11 onwards are given below :

Financial Year	Declared on	Dividend Yield (%)
2010-11	29 <sup>th</sup> September, 2011	10
2011-12	29 <sup>th</sup> September, 2012	1
2012-13	No Dividend Declared	-
2013-14	No Dividend Declared	-
2014-15	30 <sup>th</sup> September, 2015	5

14. For any communication, the shareholders may also send requests to the Company's investor e-mail IDs: Info@garnetint.com

15. Voting through Electronic Means

- a. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20, of the Companies (Management and Administration) Rules, 2014, as amended by Companies (Management and Administration) Amendment, 2015 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015. The Company is pleased to provide the facility to Members to exercise their right to vote by electronics means. The members whose names appear in the Register of Members/list of Beneficial owners as on September 23, 2016, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the Book Closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
- b. The Company has appointed M/s. Siddharth Sharma & Associates, Practising Company Secretaries, (Membership No. FCS 7890), Mumbai, as the Scrutinizer for conducting the e-voting process (including remote e-voting) in a fair and transparent manner.
- c. The results shall be declared forthwith upon receipt of the Scrutinizer's Report. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.garnetint.com, its Notice Board and on the website of CDSL and communicated to the stock exchanges where shares of the Company are listed.
- d. Procedure for Remote E-Voting:
  - (i) The voting period begins on Tuesday, September 27, 2016 at 9 A.M and ends on Thursday, September 29, 2016 at 5 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 24/09/2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Garnet International Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

By Order of the Board,  
FOR GARNET INTERNATIONAL LIMITED

PLACE: MUMBAI  
DATED: 30th May, 2016

Sd/-  
SURESH GAGGAR  
MANAGING DIRECTOR  
DIN No. : 00599561



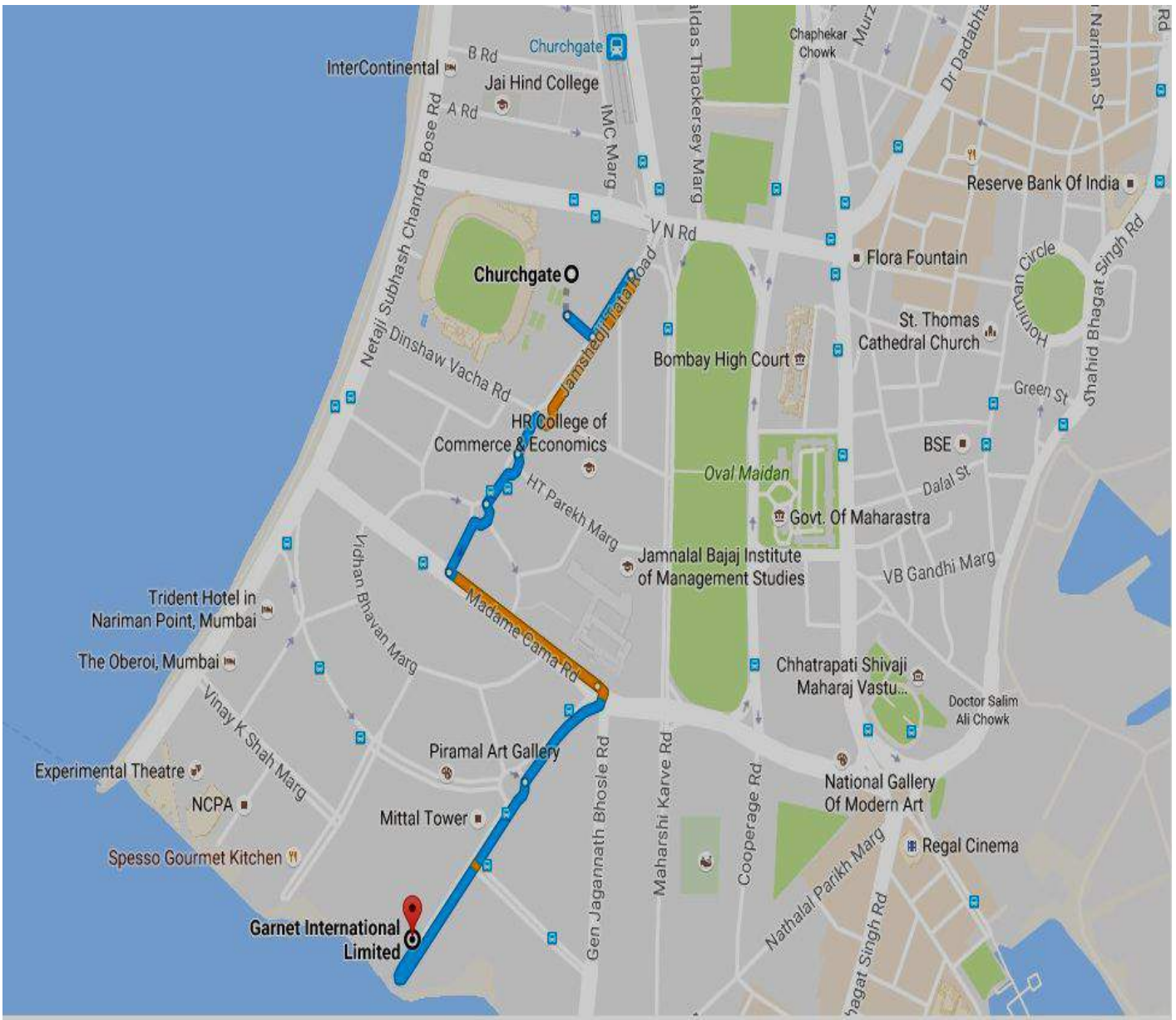
## ANNEXURE TO THE NOTICE

## Appointment / Re-appointment of Directors:

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

Name of Director	Ramakant Gaggar
Date of Birth	01/07/1973
Date of Appointment	24/09/2007
Qualifications	B.Com
Expertise in specific functional areas	He is having vast experience in fields of Finance and Marketing.
List of Other Directorship held	<ol style="list-style-type: none"> <li>1. Bhuta Investment Pvt. Ltd.</li> <li>2. Evergreen Infotech and Datacom Pvt. Ltd.</li> <li>3. Maxwell Management Services Pvt. Ltd.</li> <li>4. Minex Explore Pvt. Ltd.</li> <li>5. Alaukik Mines &amp; Power Pvt. Ltd.</li> <li>6. Gvs Chemical Pvt. Ltd.</li> <li>7. Sukartik Clothing Pvt. Ltd.</li> </ol>
Chairman/Member of the Audit Committee of the Board of Directors of the other Companies in which he/she is a Director	NIL
Chairman/Member of the Stakeholders Relationship Committee of the Board of Directors of the other Companies in which he/she is a Director	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Ramakant Gaggar and Suresh Gaggar are brothers.
Shareholding in the Company	12,02,442

Route Map to the 34th Annual General Meeting Venue



DIRECTORS' REPORT

To,  
The Members,  
GARNET INTERNATIONAL LIMITED

Your Directors have pleasure in presenting their Thirty Fourth Annual Report with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2016.

FINANCIAL HIGHLIGHTS

Amount in Rs

Particulars	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
Total Income	228776026	21536794
Profit/(Loss) before Depreciation and Tax	5713993	7186847
Less: Depreciation	720371	891267
Profit/(Loss) before Tax	4993622	6295580
Less: Provision for Tax	2189569	(900664)
Net Profit /(Loss) after Tax	2804053	7196244

DIVIDEND

Your directors are pleased to recommend a dividend of 7% i.e. Rs. 0.70 per Equity Share of Rs. 10/- each for the financial year ended 31<sup>st</sup> March, 2016 subject to approval of the shareholders at the ensuing Annual General Meeting

SHARE CAPITAL

The paid up equity share capital of the Company as on 31<sup>st</sup> March, 2016 was Rs.6,22,50,000/-.

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

As on 31<sup>st</sup> March, 2016 Mr. Ramakant Gaggar, Director of the Company acquired 1,47,014 shares of the Company and Mr. Suresh Gaggar Director of the Company sold 81,895 shares of the company.

DEPOSITS

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

SUBSIDIARY COMPANIES

The Company has One (1) Subsidiary as on March 31, 2016 and Two (2) Associate Companies within the meaning of Section 2(87) and 2(6), respectively of the Companies Act, 2013 ("Act") as on March 31, 2016. There has been no material change in the nature of the business of the subsidiary.

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

## DIRECTORS

Your Company has 5 (Five) Directors consisting of 3 (Three) Independent Non- Executive Directors and 2 (Two) Non Independent Executive Directors, as on 31<sup>st</sup> March, 2016

### Appointment/Resignations from the Board of Directors

Mrs. Manju Maheshwari is appointed as Women Director on the Board of Directors of the Company on 20<sup>th</sup> April, 2015. Mr. Devan Mehta tendered his resignation from Board of Directors of the Company on the same date i.e. 20<sup>th</sup> April, 2015 which was duly approved by Board.

### Independent and Non-Executive Directors

In terms of the definition of 'Independence' of Directors as prescribed under Regulation 16 (1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, and pursuant to Section 149(6) of the Companies Act, 2013 and based on the confirmation/disclosures received from the Directors, the following are the Independent Directors of the Company:

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

### Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, a company shall have atleast one Woman Director on the Board of the Company. Your company has appointed Mrs. Manju Maheshwari as Director on the Board of the Company since 20<sup>th</sup> April, 2015.

### Chairman & Managing Director (CMD)

Mr. Suresh Gaggar is Managing Director of the Company.

### Directors Retiring by Rotation

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

### Appointment/Resignation of the Key Managerial Personnel

Mr. Sanjay Ravindra Raut is appointed as Chief Financial Officer (CFO) of the Company with effect from 20<sup>th</sup> April, 2015.

### Number of Meetings of the Board

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

The Board met 10 (Ten) times during the FY 2015-16 viz, 20<sup>th</sup> April, 2015, 30<sup>th</sup> May, 2015, 13<sup>th</sup> July, 2015, 22<sup>nd</sup> July, 2015, 13<sup>th</sup> October, 2015, 04<sup>th</sup> November, 2015, 13<sup>th</sup> January, 2016, 05<sup>th</sup> February, 2016, 22<sup>nd</sup> February, 2016 and 29<sup>th</sup> February, 2016.

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

COMMITTEES OF THE BOARD

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

The company has following Committees namely:

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

RISK MANAGEMENT POLICY

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

REMUNERATION POLICY

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

LISTING AND DEMATERIALISATION

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

## VIGIL MECHANISM

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

## PERFORMANCE EVALUATION OF THE BOARD

In compliance with the provisions of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, a structured questionnaire was prepared after taking into consideration various aspects of Board's functioning, composition of Board and Committees, culture, execution and performance of specific duties, obligations and governance.

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## RELATED PARTY TRANSACTIONS

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

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

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

## CONSOLIDATED FINANCIAL STATEMENTS

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

## INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

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

**AUDITORS & AUDITORS REPORTS****a) Statutory Auditors**

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

Accordingly the Board of Directors have recommended the re-appointment of M/s. MVK Associates, Chartered Accountants to audit the accounts of the Company for the financial year 2016-17 on the remuneration to be decided by the Board in consultation with the Auditors, subject to approval of shareholders in the ensuing AGM of the Company.

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

**b) Secretarial Auditors and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Siddharth Sharma & Associates, Company Secretaries, Mumbai to conduct the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year 2015-16 is annexed to this report as Annexure-'B'

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

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

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

**EXTRACT OF ANNUAL RETURN**

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

**PARTICULARS OF EMPLOYEES**

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

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

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

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

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

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

### DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) that in preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards has been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the statement of affairs of the company as at 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going on concern basis;
- (e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were operating effectively;
- (f) That the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### STATUTORY DISCLOSURES

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

#### A. Conservation of Energy, Technology Absorption

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

#### B. Foreign Exchange Earnings and Outgo

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

#### C. Business Responsibility Reporting

The Business Responsibility Reporting, as required pursuant to Regulation 34 (2) f of SEBI (LODR) Regulation 2015, is not applicable to your Company for the financial year ended 31<sup>st</sup> March, 2016.



ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

sd/-

sd/-

Place: Mumbai  
Date: 30<sup>th</sup> May 2016

Suresh Gaggar  
Managing Director  
DIN No. 00599561

Ramakant Gaggar  
Director  
DIN No. 01019838

## ANNEXURES TO DIRECTORS REPORT 2015-2016

ANNEXURE 'A'

## Form AOC-1

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

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

Part "A": Subsidiaries

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

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	April 2015 to March 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4	Share capital	30,10,000
5	Reserves & surplus	8,06,92,794
6	Total assets	12,05,28,784
7	Total Liabilities	12,05,28,784
8	Investments	Nil
9	Turnover	14,45,74,206
10	Profit before taxation	1,59,31,289
11	Provision for taxation	50,12,570
12	Profit after taxation	1,09,18,719
13	Proposed Dividend	Nil
14	% of shareholding	60.13

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

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

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	Bhuta Investment Private Limited	Alaukik Mines & Power Private limited
Latest audited Balance Sheet Date	March,2016	March,2016
Shares of Associate/Joint Ventures held by the company on the year end		
No.	60,000	42,00,000
Amount of Investment in Associates/Joint Venture	1,20,00,000	11,05,00,000
Extend of Holding%	32.43%	85.08%
Description of how there is significant influence		
Reason why the associate/joint venture is not consolidated	NA	Audited figures not available for consolidation.
Net worth attributable to shareholding as per latest audited Balance Sheet		
Profit/Loss for the year		
Considered in Consolidation	(3489500.87)	
Not Considered in Consolidation	0.00	

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

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

ANNEXURE 'B'

Form No. MR-3

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Garnet International Limited (hereinafter called 'the Company' CIN: L99999MH1995PLC093448). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- A) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:
- i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company as neither any Foreign Direct Investment or Overseas Direct Investment came into the Company nor the Company has availed or taken any External Commercial Borrowings during the period under review i.e. Financial Year 2015-16)
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
    - c) The Securities and Exchange Board of India (Issue of Capital and

- Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Others laws applicable to the Company as per the representation made by the Management.
- B) We have also examined the compliance with the applicable clauses of the following :
- a. Secretarial Standards issued by the Institute of Company Secretaries of India.
  - b. The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

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

During the period under review and as per the explanations and clarifications given to us and the representation made by the management, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above except the following:

- a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, however company has not obtained such Registration Certificate as on date of Report.
- b) The Company has not followed AS – 21 (Consolidated Financial Statements) and AS – 23 (Accounting for Investments in Associates in Consolidated Financial Statements)

I 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; however, following Forms were filed with additional fees:

S.No	E-Forms	Purpose	SRN	Dt. of Filing
1	DIR - 11	Resignation of Mr. Deven Mehta from Directorship	S38758405	27.07.2015
2	MGT - 14	Approval of Financial Results of March 2015	C59770172	28.07.2015
3	DIR - 12	Appointment of Ms. Manju Maheshwari as Women Director, Mr. Sanjay Raut as CFO and Resignation of Mr. Deven Mehta from Directorship	C59735795	28.07.2015
4	MGT - 15	Annual General Meeting Report	S44314839	21.12.2015

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.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I 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.,

For SIDDHARTH SHARMA & ASSOCIATES  
Company Secretaries  
UCN : S2016MH368200

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

Date: 30<sup>th</sup> May, 2016  
Place: Mumbai

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

‘Annexure A’

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

The Secretarial Audit report of even date is to be read along with this letter.

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

For SIDDHARTH SHARMA & ASSOCIATES  
Company Secretaries  
UCN : S2016MH368200

Sd/-

Siddharth Sharma  
M.No. FCS 7890  
COP. 8872

Date: 30<sup>th</sup> May, 2016  
Place: Mumbai

ANNEXURE 'C'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

## I. REGISTRATION &amp; OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES

S. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Sukartik Clothing Private Limited, 28, Bombay Samachar Marg, 3rd Floor, Fort, Mumbai – 400023	U17122MH2004P TC149334	Subsidiary	60.13%	2(87)
2	Bhuta Investment Private limited 901, Raheja Chambers, Nariman Point ,Mumbai – 400021	U65990MH1984P TC032729	Associate	32.43%	2(6)
3	Alaukik Mines & Power Private Limited B-222, Durian Estate, Goregaon Mulund, Link Road, Goregaon E, Mumbai- 63	U14200MH2010P TC208239	Associate	85.09%	2(6)



## IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## (i) Category –wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (01.4.2015)				No. of Shares held at the end of the year (31.3.2016)				% Change during the year
		Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual / HUF	2829657	0	2829657	45.46	2859321	0	2859321	45.93	0.48
b)	Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	500778	0	500778	8.04	750149	0	750149	12.05	4.01
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A) (1)	3330435	0	3330435	53.50	3609470	0	3609470	57.98	4.48
(2)	Foreign									
a)	NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter (A) = (A) (1) + (A) (2)	3330435	0	3330435	53.50	3609470	0	3609470	57.98	4.48
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
b)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
c)	Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d)	Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
e)	Insurance companies	0	0	0	0.00	0	0	0	0.00	0.00
f)	FII's	0	0	0	0.00	0	0	0	0.00	0.00
g)	Foreign Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00

	fund									
h)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(B) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Non-Institutions									
a)	Bodies Corp.	1867183	200	1867383	30.00	1688246	200	1688446	27.12	-2.87
b)	Individual shareholders holding									
	i) upto Rs 1 lacs	428025	8445	436470	7.01	536563	8445	545008	8.76	1.74
	ii) Excess of 1 Lacs	579117	0	579117	9.30	251944	0	251944	4.05	-5.26
c)	Clearing Member	9088	0	9088	0.15	8501	0	8501	0.14	-0.01
d)	Hindu Undivided Family	0	0	0	0.00	121630	0	121630	1.95	1.95
e)	NRI	2507	0	2507	0.04	1	0	1	0.00	-0.04
	Sub Total(B) (2)	2885920	8645	2894565	46.50	2606885	8645	2615530	42.02	-4.48
	Total shareholding of Public Shareholding (B) = (B) (1) + (B) (2)	2885920	8645	2894565	46.50	2606885	8645	2615530	42.02	-4.48
C.	Shares held by Custodians for GDRs & ADRs									
(1)	Promoters	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding Shares held by Custodians for GDRs & ADRs (C) = (C) (1) + (C) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A + B + C)	6216355	8645	6225000	100.00	6216355	8645	6225000	100.00	0.00

## (ii) SHARE HOLDING OF PROMOTERS

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Ramakant Gaggar	1055428	16.95	0.00	1202442	19.32	0.00	2.36
2	Evergreen Infotech & Datacom P L	500778	8.04	0.00	750149	12.05	0.00	4.01
3	Indra Gaggar	454921	7.31	0.00	454921	7.31	0.00	0.00
4	Suresh Gaggar	549306	8.82	0.00	467411	7.51	0.00	-1.32
5	Savitri Devi Gaggar	219250	3.52	0.00	219250	3.52	0.00	0.00
6	Kartik Gaggar	199327	3.20	0.00	152808	2.45	0.00	-0.75
7	Suresh Gaggar – HUF	145000	2.33	0.00	145000	2.33	0.00	0.00
8	Deven J Mehta	100000	1.61	0.00	0	0.00	0.00	-1.61
9	Navratan Gaggar	85775	1.38	0.00	85775	1.38	0.00	0.00
10	Jitendra J Mehta	20650	0.33	0.00	120650	1.94	0.00	1.61
11	Sarika Gaggar	0	0.00	0.00	11064	0.18	0.00	0.18
TOTAL		3330435	53.50	0	3609470	57.98	0	4.48

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

Sl. No.	Name	Share holding at the beginning of the Year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ramakant Gaggar	1055428	16.95	1202442	19.32
2	Evergreen Infotech & Datacom P L	500778	8.04	750149	12.05
3	Suresh Gaggar	549306	8.82	467411	7.51
4	Kartik Gaggar	199327	3.20	152808	2.45
5	Deven J Mehta	100000	1.61	0	0.00
6	Jitendra J Mehta	20650	0.33	120650	1.94
7	Sarika Gaggar	0	0.00	11064	0.18
TOTAL		2425489	38.96	2704524	43.45

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

Sl. No	Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ashtvakra Properties Private Limited	548948	8.82	386948	6.22
2	Hetanshi Properties Private Limited	0	0.00	341451	5.49
3	Religare Finvest Ltd	307000	4.93	228000	3.66
4	Telelink Commerce Pvt. Ltd.	0	0.00	136551	2.19
5	Amar Packagings (Pvt) Ltd	0	0.00	106750	1.71
6	Nishu Finlease Private Limited	0	0.00	99250	1.59
7	Blue Square Corporate Services Private Limited	92811	1.49	92811	1.49
8	Camelot Enterprises Pvt Ltd	86911	1.40	63445	1.02
9	R. B. K. Share Broking Ltd.	0	0.00	59500	0.96
10	Vishwanath Harlalka	100000	1.61	100000	1.61
11	Vishwanath Harlalka	100000	1.61	100000	1.61

## (v) SHAREHOLDING OF DIRECTORS &amp; KMP

Sl. No	Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ramakant Gaggar	1055428	16.95	1202442	19.32
2	Suresh Gaggar	549306	8.82	467411	7.51
3	Dinesh Nandwana	0	0.00	0	0
4	Sharad Rathi	0	0.00	0	0
5	Manju Maheshwari	0	0.00	0	0
TOTAL		1604734	25.78	1669853	26.82

## V. INDEBTEDNESS

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

## B. REMUNERATION TO OTHER DIRECTORS:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	Company Secretary	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	3,00,000	3,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
3	Sweat Equity			
4	Commission as % of profit others, specify			
5	Others, please specify			
	Total	-	3,00,000	3,00,000

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

ANNEXURE 'D'

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014				
1) The Ratio of Remuneration of each director to the median Remuneration of the employees of the company for the Financial Year 2015-16.				
Director Name		Ratio to Median Remuneration		
None of the Directors take remuneration from the Company.				
2) The Percentage increase in the remuneration of each Director, CFO, CEO, Company Secretary or Manager if any in the Financial Year 2015-16 compared to 2014-15 means part of the Year.				
Director/ CFO/ CEO/ CS/ Mgr. Name		% age increase in remuneration		
a) Sanjay Raut ( From April,2015)		Not applicable		
b) Kamlesh Gangvani ( till February, 2016)		Nil		
c) Koshal Gupta ( From March, 2016)		Not applicable		
3) Percentage increase in the median remuneration of employees in the Financial Year 2015-16 as compared to 2014-15: 29.11%				
4) Number of permanent employees on the rolls of the company : 6 employees as on 31.03.2016				
5) Explanation on the relationship between average increase in remuneration and the company performance: - The profit before Tax for the Financial Year ended March 31, 2016 decreased by 20.68% where as the increase in median remuneration was 29.11% in the line with industry standards and the performance of the Company.				
6) Comparison of the remuneration of KMP against the performance of the company: - The total remuneration of the KMP increased due to the appointment of CFO from April, 2015 .The profit before tax decreased by 20.68% to 4993621 in 2015-16 to 6295580 in 2014-15.				
7) Variation in				
Details		31.03.2016	31.03.2015	
a) Market Capitalization 191.40 / 74.40 (in Rs)		1191465000	463140000	
b) Price Earnings Ratio		424.91	64.36	
c) Percentage increase/decrease of Market Quotations		157.26 Increase	19.91 Decrease	
d) Networth of Company		421219648	423644336	
8) Average percentile increase in salaries of Employees other than managerial personnel : 11%				
9) Comparison of each remuneration of KMP against the performance of the Company				
Name of the Key Managerial Personnel	Remuneration of the Year Ended			Reason against performance of the Company
	31.03.2016	31.03.2015	% age change	
a) Kamlesh Gangvani (till Feb,16)	275000	105833		Profit before tax decreased by 20.68% and profit after tax decreased by 61.03% in Financial Year 2015-16.
b) Sanjay Raut( From Apr,15)	347898	0	NA	
c) Koushal Gupta ( From Mar,16)	10000	0	NA	
10) Key parameter for any variable component of remuneration availed by the Director: - Considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.				
11) Ratio of the Remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year – NOT APPLICABLE				

ANNEXURE 'E'MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**Forward-Looking Statements**

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

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

**Opportunities and Threats**

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

**Outlook**

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

**Internal control systems and their adequacy**

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

**Environment and Safety**

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

**Human Resources**

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



ANNEXURE 'F'VOLUNTARY REPORT ON CORPORATE GOVERNANCE

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

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

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. Corporate Governance assumes a great deal of importance in the business life of the Company through adoption of best governance practices and its adherence in the true spirit at all times. The Company believes that proper Corporate Governance facilitates effective management and control of business. The Company's goal is to find creative and productive ways of delighting its stakeholders, while fulfilling the role of a responsible corporate representative committed to best practices. The Company has implemented the mandatory requirements of the 'Code of Corporate Governance' as mentioned in the clause 49 of the Listing Agreement. On the company's website [www.garnetint.com](http://www.garnetint.com) information useful to investors are available. The code of conduct is available at registered office of the company for inspection of shareholders.

### 2. Board of Directors

#### a) Composition of the Board

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

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

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

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

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

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

i) Ramakant Gaggar

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

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

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

Mr. Ramakant Gaggar does not hold any Chairmanship/Membership in committees of other companies. Mr. Ramakant Gaggar holds 1202442 equity shares in the Company as on 31<sup>st</sup> March 2016

- c) Board Meetings and Annual General Meeting:

During the financial year 2015-2016, 10 Board Meetings were held on 20th April, 2015, 30th May, 2015, 13th July, 2015, 22nd July, 2015, 13th October, 2015, 04<sup>th</sup> November, 2015, 13th January, 2016, 05<sup>th</sup> February, 2016, 22nd February, 2016 and 29<sup>th</sup> February, 2016. The last Annual General Meeting of the Company was held on 30th September 2015. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows.

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Suresh Gaggar	10	Yes
Mr. Deven Mehta	10	Yes
Mr. Dinesh Nandwana	10	Yes
Mr. Sharad Rathi	10	Yes
Mr. Ramakant Gaggar	10	Yes

- d) Code of Conduct

The Board has laid down a code of conduct for all Board members and senior management of the company. The Company has obtained the confirmation of the Compliance with the Code from all its Board members and senior management personnel. The Code with revision made in accordance with the requirements of Listing Regulations has been posted on the Company's website [www.garnetint.com](http://www.garnetint.com)

## 3. Audit Committee

## a) Constitution of Audit Committee:

Due to the Resignation of Mr. Deven Mehta from Board of Directors on 20<sup>th</sup> April 2015, the Audit Committee was reconstituted on 30<sup>th</sup> May, 2015. Mrs. Manju Maheshwari is appointed as new member of Audit Committee on from 30<sup>th</sup> May, 2015. The Committee comprises three Non-executive Directors and all of them are independent directors. All members of the Committee are financially literate.

b) Composition of Audit Committee and Number of Meetings Attended:  
During the Financial year 2015-2016, Four Audit Committee Meetings were held on 30<sup>th</sup> May 2015, 22<sup>th</sup> July 2015, 4<sup>th</sup> November 2015, and 05<sup>th</sup> February 2016. The composition of the Audit Committee and the number of meeting attended were as under:

Committee Members Attending the Meeting	Designation	No. of Meetings Attended
Mr. Sharad Rathi	Chairman	4
Mr. Dinesh Nandwana	Member	4
Mr. Manju Maheshwari	Member	4

## c) Attendees:

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

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

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

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of section 134 of the Companies Act, 2013.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management.

- (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
  - vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  - vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  - viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - ix) Discussion with internal auditors on any significant findings and follow up there on.
  - x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  - xiii) Review of information as prescribed under PART C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.
- e) Powers of the Audit Committee:

The Board has delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 177 of the Companies Act, 2013, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary

#### 4. Subsidiary company:

- a) The company has one subsidiary company namely Sukartik Clothing Private Limited. Mr. Navratan Gaggar and Mr. Ramakant Gaggar are on the Board of the subsidiary company as on 31<sup>ST</sup> March, 2016.
- b) The audit committee of the company reviews the financial statements of and investments made by the subsidiary company.
- c) The minutes of subsidiary company are placed before the board of directors of the company.
- d) Significant transactions and arrangements entered into by the subsidiary company are, periodically, also brought to the attention of the board of the company.

## 5. Nomination &amp; Remuneration Committee

- a) Composition of Remuneration Committee and Number of Meetings Attended:  
Due to the Resignation of Mr. Deven Mehta from Board of Directors on 20<sup>th</sup> April 2015, the Remuneration Committee was reconstituted on 30<sup>th</sup> May, 2015. Mr. Sharad Rathi is appointed as New Member and Chairman of the Committee on from 30<sup>th</sup> May, 2015.

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

The Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board the policy relating to the remuneration for the directors, Key Managerial Personnel and other employees and evaluation of Independent Directors and the Board. It identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carry out evaluation of every director's performance. The Nomination and Remuneration Committee held a meeting on 05 February, 2016 and all the committee members were present at the meeting.

The composition of the Remuneration Committee and the number of meeting attended were as under:

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

- b) Terms of reference:  
The committee has the mandate to review and recommend compensation payable to the executive directors and senior management of the company. It shall also administer the company's stock option plans, if any, including the review and grant of the stock options to eligible employees under plans. The committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the executive directors at the beginning of the year.
- c) Remuneration Policy:
- i) Management Staff :  
Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performance, etc.
  - ii) Non-Executive Directors :  
The Company does not pay any sitting fees to the Non-executive Directors.

## 6. Shareholders' / Investors' Grievance Committee

- a) Constitution and Composition of Shareholders' Grievance Committee: Due to the Resignation of Mr. Deven Mehta from Board of Directors on 20<sup>th</sup> April 2015, the Shareholder' s/ Investors Grievance Committee was reconstituted on 30<sup>th</sup> May, 2015. Mr. Sharad Rathi was appointed as New Member and Chairman of the Committee on from 30<sup>th</sup> May, 2015.

The Shareholders' / Investors' Grievance Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Sharad Rathi, a Non-Executive Director. Two Meetings of Shareholders' / Investors' Grievance Committee held on 22<sup>th</sup> July 2015 and 13<sup>th</sup> January 2016, during the financial year 2015-2016. The Composition of the Shareholders/Investors' Grievance Committee and the number of meeting attended were as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Sharad Rathi	Chairman	2
Mr. Ramakant Gaggar	Member	2
Mr. Suresh Gaggar	Member	2

- b) Mr. Koshal Gupta is the Compliance officer of the Company.
- c) During the year 2015-2016, the Company has not received any complaints from shareholders / investors. There were no complaints pending as at end of the year.
- d) Share Transfers in Physical Mode  
Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee of the Company meets as often as required

## 7. General Body Meetings

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

Financial Year	Date	Time	Location of the Meeting
2012-13	06/07/13	11.00 A.M	Raheja Chambers, Nariman Point Mumbai – 400 021
2013-14	30/09/14	11.00 A.M	Raheja Chambers, Nariman Point Mumbai – 400 021
2014-15	30/09/15	11.00 A.M	Raheja Chambers, Nariman Point Mumbai – 400 021

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

Financial Year	Particulars of Special Resolutions Passed
2012-13	Fill the Casual Vacancy of Auditor
2013-14	Resolution u/s 180(1)(C) and 180(1) (a)
2014-15	Appointment of Women Director u/s 152

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

## 8. Disclosures

## a) Related Party Transactions:

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

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

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

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

## b) Statutory Compliance, Penalties and Strictures:

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

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. No employee of the Company has been denied access to the Audit Committee of the Company.

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

## 9. General Shareholder Information

## a) Means of Communication:

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

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

## b) Annual General Meeting:

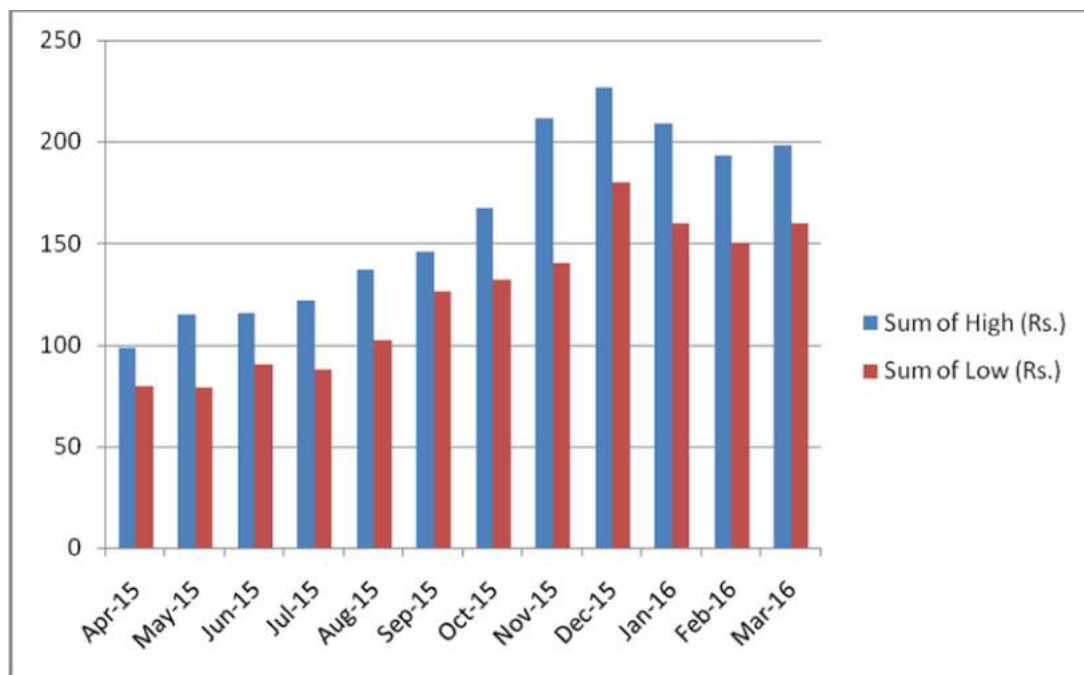
Day, Date and Time	Friday, 30 <sup>th</sup> September, 2016 at 11.00 a.m.
Venue	901, Raheja Chambers, Nariman Point, Mumbai – 400 021
Financial Year	2015-2016 The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.
Date of Book Closure	24 <sup>th</sup> September, 2016 to 30 <sup>th</sup> September, 2016 (Both days inclusive)
Dividend Payment date	On or after October 1, 2016
Ex-Dividend Date	22 <sup>nd</sup> September, 2016
E-Voting Period	27 <sup>th</sup> September, 2016 to 29 <sup>th</sup> September, 2016
Cut Off Date for E-Voting	24 <sup>th</sup> September, 2016

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

d) Stock Code / Symbol:  
BSE - 512493  
CSE – 35007  
ISIN No: – INE590B01010  
(Fully paid up shares having face value of Rs. 10)

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

Month	BSE	
	High (₹)	Low (₹)
Apr-15	98.60	79.80
May-15	115.00	79.00
Jun-15	115.75	90.00
Jul-15	121.80	88.00
Aug-15	137.00	102.35
Sep-15	146.00	126.50
Oct-15	167.60	132.20
Nov-15	211.70	140.20
Dec-15	226.90	180.00
Jan-16	208.90	160.00
Feb-16	193.00	150.00
Mar-16	198.00	160.00





## f) Share Transfer System:

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

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

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

## g) Category wise Shareholding as at March 31, 2016:

Sr. No.	Category	No. of Shares held	%
1	Promoter Group	3609470	57.98345%
2	Non-Resident Indians	1	0.00002%
3	Private Bodies Corporate	1688446	27.12363%
4	Indian Public	796952	12.80244%
5	Market Maker	8501	0.13656%
6	HUF	121630	1.95390%
	<b>Total</b>	<b>6225000</b>	<b>100.00%</b>

## h) Distribution of Shareholding as at March 31, 2016:

Shareholding of Nominal Value (Rs.)	No. of Share holders	% of Total	Share Capital Amount (Rs.)	% of Total
1 - 5,000	564	71.6645	694270	1.1153
5,001 - 10,000	66	8.3863	512550	0.8234
10,001 - 20,000	55	6.9886	776730	1.2478
20,001 - 30,000	19	2.4142	487160	0.7826
30,001 - 40,000	9	1.1436	304340	0.4889
40,001 - 50,000	8	1.0165	394500	0.6337
50,001 - 100,000	19	2.4142	1308020	2.1012
100,001 and above	47	5.9720	57772430	92.8071
<b>TOTAL</b>	<b>787</b>	<b>100.000</b>	<b>62250000</b>	<b>100.000</b>

## i) Dematerialisation of Shares and Liquidity:

About 99.86% of the shares have been dematerialized as on March 31, 2016. The equity shares of the Company are traded at Bombay Stock Exchange Ltd. (BSE) and Calcutta Stock Exchange Association Limited (CSE).

- j) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity:  
The Company has not issued any GDRs / ADRs. There were no outstanding convertible warrants as on March 31, 2016.
- k) Registrar and Share Transfer Agents:  
Link Intime India Pvt Ltd.  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup, Mumbai-400078.
- l) Plant Locations: The Company does not have any manufacturing activities.
- m) Address for Correspondence:  
For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

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

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

## COMPLIANCE CERTIFICATE OF THE AUDITORS:

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

## DECLARATION

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Garnet International Limited Code of Business Conduct and Ethics for the year ended March 31, 2016.

For Garnet International Limited

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

Mumbai, 30<sup>th</sup> May 2016

## 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, 2016 and that to the best of our knowledge and belief, we state that:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

i. significant changes, if any, in internal control over financial reporting during the year;

ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting

For Garnet International Limited

sd/-  
Suresh Gaggar  
Managing Director

sd/-  
Sanjay Raut  
Chief Financial Officer

Mumbai, 30<sup>th</sup> May 2016

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

To the Members of Garnet International Limited

We have examined the compliance of conditions of Corporate Governance by Garnet International Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

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

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

For MVK Associates  
Chartered Accountants  
Registration No. 120222W

Sd/-  
CA Vishnu Garg  
Partner  
Membership No.: 045560  
Mumbai: May 30, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of

GARNET INTERNATIONAL LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Garnet International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, and its Profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion , proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
  - f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. There has not been an occasion in case of the Company during the year under report to transfer any Sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For MVK Associates  
Chartered Accountants  
Firm Registration No. 120222W

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

Place: Mumbai  
Date: May 30, 2016



Annexure A referred to in Paragraph 7 of our Report of even date to the members of GARNET INTERNATIONAL LIMITED on the accounts of the company for the year ended March 31, 2016

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

- i.
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) As explained to us, these fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
  - c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventory of the company i.e., Shares has been kept in dematerialized form. Hence, question of physically verification by the Management would not arise. Hence this clause is not applicable.
- iii. The company has granted unsecured loans to three (3) companies covered in the register maintained under section 189 of the Companies Act during the year.
  - a) In our opinion the terms and conditions on which loans have been granted to companies listed in the registers maintained under section 189 of the Companies Act, 2013 are not prejudicial to the interest of the company.
  - b) The parties have repaid the principle amounts as stipulated and have been regular in the payment of the company.
  - c) There is no overdue amount of loans granted to companies listed in the registers maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to information and explanation given to us, the company has complied with the relevant provisions in respect of loans given and/or investments made, as per the provisions of section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and under Section 73 to 76 of the Companies Act, 2013.
- vi. The company is not engaged in the productions of any goods and provision of any services. Hence, the provisions of section 148(1) of the Act do not apply.
- vii.
  - a) According to the information and explanations given to us and based on the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- viii. According to the records of the Company, the company has not borrowed from financial institutions or banks or Government issues debentures till 31<sup>st</sup> March, 2016. Hence this clause is not applicable.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer and term loans during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/provided any Managerial remuneration during the year. Therefore, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of Clause 3(xiv) of the Order are not applicable to the company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. But the company has not obtained the registration.

For MVK Associates  
Chartered Accountants  
Firm Registration No. 120222W

Sd/-

CA. Vishnu Garg  
Partner  
M. No. 045560

Place: Mumbai  
Date: May 30, 2016

## Annexure B to Independent Auditors' Report

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of GARNET INTERNATIONAL LIMITED on the financial statements as of and for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of Garnet International Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

### Meaning of Internal Financial Controls over Financial Reporting

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

- company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

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

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

#### Opinion

In our opinion, the company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For MVK Associates  
Chartered Accountants  
Firm Registration Number: 120222W

Sd/-

CA. Vishnu Garg  
Partner  
Membership No. : 045560

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

GARNET INTERNATIONAL LIMITED  
Balance Sheet as at 31st March 2016

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	62,250,000	62,250,000
Reserves and Surplus	3	358,969,648	361,394,336
Money Received against Share Warrents		-	-
		421,219,648	423,644,336
<b>Share Application Money Pending Allotment</b>			
		-	-
<b>Non-Current Liabilities</b>			
Long Term Borrowing		-	-
Deferred Tax Liabilities (Net)		-	-
Other Non Current Assets		-	-
Long Term Provision		-	-
<b>Current Liabilities</b>			
Short Term Borrowings	5	8,732,500	8,350,000
Trade Payables	6	68,562,058	313,515
Other Current Liabilities	7	348,576	197,794
Short Term Provisions	8	6,319,392	3,817,027
		83,962,526	12,678,336
<b>TOTAL</b>		<b>505,182,174</b>	<b>436,322,672</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets			
Tangible Assets	9	1,577,275	2,262,471
Intangible Assets		-	-
Capital Work in Progress		-	-
Intangible Assets Under Development		-	-
		1,577,275	2,262,471
Non Current Investments	10	297,685,681	278,215,499
Deferred Tax Assets (Net)	4	187,395	20,664
Long Term Loans and Advances	11	9,393,801	30,000
Other Non-Current Assets	12	17,268,749	15,661,335
		326,112,901	296,189,969
<b>Current Assets</b>			
Current Investment		-	-
Inventories	13	133,244,449	22,263,578
Trade Receivables	14	-	-
Cash and Cash Equivalents	15	13,426,832	11,978,874
Short-Term Loans and Advances	16	32,381,915	104,870,470
Other Current Assets	17	16,077	1,019,781
		179,069,273	140,132,703
<b>TOTAL</b>		<b>505,182,174</b>	<b>436,322,672</b>
Significant accounting policies	1		
See accompanying notes to financial statements	2-31		

As per our attached report of even date

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

For and on behalf of the board

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

sd/-  
Ramakant Gaggar  
Director  
DIN : 01019838

sd/-  
Suresh Gaggar  
Director  
DIN : 00599561

Place : Mumbai  
Dated :30th May, 2016

**GARNET INTERNATIONAL LIMITED**  
**Statement of Profit and Loss for the year ended 31st March 2016**

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue from Operations	18	219,402,999	17,776,496
Other Income	19	9,373,027	3,760,298
<b>Total Revenue</b>		<b>228,776,026</b>	<b>21,536,794</b>
<b>Expenses:</b>			
Purchases of Stock-in-Trade	20	325,145,385	15,197,633
Changes in inventories	21	(110,980,871)	(4,509,318)
Employee benefit expenses	22	1,400,083	1,043,967
Finance cost	23	1,802,936	-
Depreciation and Amortisation expenses	9	720,371	891,267
Other expenses	24	5,694,500	2,617,665
<b>Total Expenses</b>		<b>223,782,404</b>	<b>15,241,214</b>
<b>Profit / (Loss) before Exceptional and Extraordinary items and tax</b>		<b>4,993,622</b>	<b>6,295,580</b>
Exceptional items		-	-
<b>Profit / (Loss) before Extraordinary items and tax</b>		<b>4,993,622</b>	<b>6,295,580</b>
Extraordinary Items		-	-
Profit / (Loss) before Tax		<b>4,993,622</b>	<b>6,295,580</b>
Current tax		1,762,870	1,555,700
Deferred tax		(166,731)	(305,102)
Tax adjustment for earlier years		2,200,844	(595,562)
MAT credit entitlement		(1,607,414)	(1,555,700)
<b>Profit / (Loss) after tax for the period from continuing operations</b>		<b>2,804,053</b>	<b>7,196,244</b>
Profit / (Loss) for the period from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit / (Loss) after tax for the period from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) after tax for the period</b>		<b>2,804,053</b>	<b>7,196,244</b>
Earning per Equity Share			
Basic and Diluted	25	0.45	1.16
Significant accounting policies	1		
See accompanying notes to financial statements	2-31		

As per our attached report of even date

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

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

Place : Mumbai  
Dated :30th May, 2016

For and on behalf of the board

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

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

**GARNET INTERNATIONAL LIMITED**  
Cash Flow Statement for the year ended 31st March, 2016

(Amount in Rs.)

Particulars	For the Year Ended 2015-16	For the Year Ended 2014-15
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	4,993,622	6,295,580
Adjustment for:		
Depreciation	720,371	891,267
Loss / (Profit) on sale of Investments	(31,148)	(1,061)
Interest Income	(9,341,509)	(3,760,298)
Dividend Income	(692,869)	(219,358)
Interest Expense	1,802,936	-
Operating Profit before Working Capital changes	<u>(2,548,597)</u>	<u>3,206,131</u>
Adjustment for:		
- Trade and other Receivables	-	664,048
- Inventories	(110,980,871)	(4,509,318)
- Loans & Advances & Other Current Assets	64,128,457	-
- Trade Payables	68,248,543	(5,598,072)
- Other Current Liabilities & Short Term Provisions	219,608	-
Cash generated from operations	<u>19,067,140</u>	<u>(6,237,211)</u>
Direct taxes paid	<u>(3,166,911)</u>	<u>(609,345)</u>
Cash flow before extraordinary Items	<u>15,900,229</u>	<u>(6,846,556)</u>
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES	<u>15,900,229</u>	<u>(6,846,556)</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Investments (Net)	(19,470,181)	86,980,000
Loan (Given) / Refund	-	(71,099,394)
Purchase of Fixed Assets	(35,175)	-
Interest income	9,341,509	3,760,298
Profit / (Loss) on sale of Investments	31,148	1,061
Dividend received	692,869	219,358
Proceeds from / Payment for Deposits	-	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(9,439,830)</u>	<u>19,861,323</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings Taken	382,500	-
Repayment of Short Term Borrowings	-	(1,304,870)
Interest Expenses	(1,802,936)	-
Dividend & DDT paid	(3,592,005)	-
NET CASH FROM FINANCING ACTIVITIES	<u>(5,012,441)</u>	<u>(1,304,870)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>1,447,958</u>	<u>11,709,896</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	<u>11,978,874</u>	<u>268,977</u>
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	(Note No. 15) <u>13,426,832</u>	<u>11,978,874</u>

## Notes to Cash Flow Statement :

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

As per our attached report of even date

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

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

Place : Mumbai  
Dated :30th May, 2016

For and on behalf of the board

sd/-  
Ramakant Gaggar  
Director  
DIN : 01019838

sd/-  
Suresh Gaggar  
Director  
DIN : 00599561

## GARNET INTERNATIONAL LIMITED

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

## 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

## 2. USE OF ESTIMATES

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

## 3. FIXED ASSETS

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

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

## 4. DEPRECIATION / AMORTISATION

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

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

## 5. INVENTORIES

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

## 6. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

## 7. REVENUE RECOGNITION

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

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

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



## 8. TAXES ON INCOME

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

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

## 9. BORROWING COSTS

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

## 10. EMPLOYEE BENEFITS

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

## 11. IMPAIRMENT OF ASSETS

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

GARNET INTERNATIONAL LIMITED  
Notes on Financial Statements as at 31st March 2016

(Amount in Rs.)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>Note 2 : Share Capital</b>				
	Numbers	Amount	Numbers	Amount
<b>Authorised :</b>				
Equity Shares of Rs. 10/- each	7,500,000	75,000,000	7,500,000	75,000,000
<b>Total</b>	<b>7,500,000</b>	<b>75,000,000</b>	<b>7,500,000</b>	<b>75,000,000</b>
<b>Issued, Subscribed and Paid-Up :</b>				
Equity Shares of Rs. 10/- each fully paid	6,225,000	62,250,000	6,225,000	62,250,000
<b>Total</b>	<b>6,225,000</b>	<b>62,250,000</b>	<b>6,225,000</b>	<b>62,250,000</b>

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

Particulars	Numbers	Amount	Numbers	Amount
Outstanding at the beginning of the year	6,225,000	62,250,000	6,225,000	62,250,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>6,225,000</b>	<b>62,250,000</b>	<b>6,225,000</b>	<b>62,250,000</b>

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

i.

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

ii.

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

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

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Shri Ramakant Gaggar	1,202,442	19.32%	1,055,428	16.95%
Evergreen Infotech & Datacom Private Limited	750,149	12.05%	500,778	8.04%
Smt. Indra Gaggar	454,921	7.31%	454,921	7.31%
Shri Suresh Gaggar	467,411	7.51%	549,306	8.82%
Hitanshi Properties Private Limited	341,451	5.49%	NA	NA
Navkar Corporation Limited	NA	NA	674,500	10.84%
Ashtvakra Properties Private Limited	386,948	6.22%	548,948	8.82%

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

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

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

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

**Note 3 : Reserves and Surplus**

**Securities Premium**

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

**Surplus in Statement of Profit and Loss :**

Balance at the beginning of the year	35,045,147		32,055,128	
Add / (Less): Profit (Loss) after tax for the year	<u>2,804,053</u>	37,849,200	<u>7,196,244</u>	39,251,372

Less : Appropriations

Additional Depreciation Charged from Retained Earnings	-		471,410	
Proposed Dividend	4,357,500		3,112,500	
Tax on Proposed Dividend	<u>871,241</u>	5,228,741	<u>622,315</u>	4,206,225

**Total** 358,969,648 361,394,336

**Note 4 : Deferred Tax Liabilities / (Assets) (Net)**

Depreciation	(115,320)	4,740
Business Losses *	-	-
Gratuity	(72,075)	(25,404)
<b>Total</b>	<b><u>(187,395)</u></b>	<b><u>(20,664)</u></b>

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

**Note 5 : Short Term Borrowings****Unsecured Loans: \***

Loans repayable on demand		
- From Related party	-	-
- From others	8,732,500	8,350,000
<b>Total</b>	<b><u>8,732,500</u></b>	<b><u>8,350,000</u></b>

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

**Note 6 : Trade Payables**

Micro and small enterprises*	-	-
Others	68,562,058	313,515
<b>Total</b>	<b><u>68,562,058</u></b>	<b><u>313,515</u></b>

\* As per the information available with the Company in response to the enquiries from all existing suppliers with whom Company deals, none of the suppliers are registered as micro and small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2016.

**Note 7 : Other Current Liabilities**

Unpaid dividends*	162,816	162,816
Statutory liabilities	181,966	31,215
Accrued Expenses	3,794	3,763
<b>Total</b>	<b><u>348,576</u></b>	<b><u>197,794</u></b>

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

**Note 8 : Short Term Provisions**

Provision for employees benefits (Gratuity) (refer note 28)	151,038	82,212
Provision for taxation (net of taxes paid)	796,803	-
Proposed Dividend for F.Y. 2014-15	142,810	3,112,500
Proposed Dividend for F.Y. 2015-16	4,357,500	-
Provision for Tax on Proposed dividend	871,241	622,315
<b>Total</b>	<b><u>6,319,392</u></b>	<b><u>3,817,027</u></b>

GARNET INTERNATIONAL LIMITED  
Notes on Financial Statements as at 31st March 2016

Note 9 : Fixed assets

(Amount in Rs.)

PARTICULARS	GROSS BLOCK (At Cost)				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2015	Additions during the year		Total As at 31.03.2016	Sold / Transfer during the Year	Provided upto 01.04.2016	Adjustments during the Year	Written Back during the Year	Total upto 31.03.2016	Total as at 31.03.2016	Total as at 01.04.2015
		Before 01.10.2015	On & After 01.10.2015								
<b>Tangible Assets</b>											
Land	78,090	-	-	-	-	-	-	-	-	78,090	78,090
Vehicle	5,160,200	-	2,977,455	-	2,977,455	708,448	-	-	3,685,903	1,474,297	2,182,745
Office Equipments	1,210,810	-	-	-	1,210,810	-	-	-	1,210,810	-	-
Computers	558,750	35,175	-	-	557,114	11,923	-	-	569,037	24,888	1,636
Electric Equipment	192,500	-	-	-	192,500	-	-	-	192,500	-	-
<b>Total</b>	<b>7,200,350</b>	<b>35,175</b>	<b>-</b>	<b>-</b>	<b>4,937,879</b>	<b>720,371</b>	<b>-</b>	<b>-</b>	<b>5,658,250</b>	<b>1,577,275</b>	<b>2,262,471</b>
<b>Intangible Asset</b>											
Computer Software	3,481,275	-	-	-	3,481,275	-	-	-	3,481,275	-	-
<b>Total</b>	<b>3,481,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,481,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,481,275</b>	<b>-</b>	<b>-</b>
<b>Total as at 31.03.2016</b>	<b>10,681,625</b>	<b>35,175</b>	<b>-</b>	<b>-</b>	<b>8,419,154</b>	<b>720,371</b>	<b>-</b>	<b>-</b>	<b>9,139,525</b>	<b>1,577,275</b>	<b>2,262,471</b>
Total as at 31.03.2015	10,681,625	-	-	-	7,056,477	891,267	471,410	-	8,419,154	-	-

**Note 10 : Non-Current Investments**

	Numbers	Amount	Numbers	Amount
<b>Other than trade (at cost):</b>				
<b>Quoted: Investments in fully paid equity instruments:</b>				
Vakrangee Software Limited having face value of Rs. 1/-	-	-	220	1,819
<b>Unquoted: Investments in fully paid equity instruments:</b>				
a) Investment in a Subsidiary Company:				
Sukartik Clothing Pvt. Ltd (Face value Rs. 10)	181,000	28,700,000	181,000	28,700,000
b) Investment in an Associate Company:				
Bhuta Investment Pvt Ltd (Face value Rs. 100)	60,000	12,000,000	60,000	12,000,000
Alaukik Mines & Power Pvt. Ltd. (Face value Rs. 10)	4,200,000	110,500,000	4,200,000	110,500,000
c) Investment in Shares of other Companies:				
T.N.R Infrastructures Limited (Face value Rs. 10)	1,435,000	107,625,000	1,435,000	107,625,000
Reliable SmartCity Limited (Face value Rs. 10)	400,000	4,740,898	400,000	4,740,898
Swastik Express Pvt Ltd (Face value Rs. 10)	119,166	14,300,000	119,166	14,300,000
<b>Share Application Money</b>				
Shree Narayan Silk House Pvt. Ltd.		19,492,000	-	-
<b>Investments in Government securities</b>				
National Saving Certificates*		23,000		43,000
<b>Other non-current investment</b>				
Silver bar	16.445Kg	304,783	16.445Kg	304,783
<b>Total</b>		<b>297,685,681</b>		<b>278,215,499</b>
<b>Particulars</b>	<b>Book value</b>	<b>Market value**</b>	<b>Book value</b>	<b>Market value**</b>
Aggregate value of:				
Quoted investments	-	-	1,819	197,339
Unquoted investments	277,865,898	N.A.	277,865,898	N.A.

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

(\*\*) The market value of quoted investments is based on the Bombay Stock Exchange quotations as on 31.03.2016 or nearest traded date, wherever available. The market value of shares, for which the quotations of the Bombay Stock Exchange were not available, has been considered as nil.

**Note 11 : Long Term Loans and Advances**

<b>Unsecured, considered good</b>				
Security deposit		80,000		30,000
Intercompany Loans		9,313,801		-
<b>Total</b>		<b>9,393,801</b>		<b>30,000</b>

**Note 12 : Other-Non Current Assets**

Minimum alternate tax credit entitlement		17,268,749		15,661,335
<b>Total</b>		<b>17,268,749</b>		<b>15,661,335</b>

**Note 13 : Inventories**

Stock-in-Trade - Shares*		133,244,449		22,263,578
<b>Total</b>		<b>133,244,449</b>		<b>22,263,578</b>

\* Details of Stock -in- trade- Shares (Face value of Rs. 10/- each):

732868 (P.Y 438555 ) equity shares of Gini Silk Mills Ltd	70,157,968	19,753,444
80841 (P.Y 841) equity shares of Pankaj Polypack Limited	1,275,461	9,714
114143 (P.Y 197143) equity shares of Pankaj Polymers Limited	850,365	2,493,717
143150 (P.Y 100 ) equity shares of Vakrangee Limited	28,322,228	6,704
312 (P.Y NIL ) equity shares of JCT Limited	1,519	-
300000 (P.Y NIL ) equity shares of Bodal Chemical Ltd.	21,871,908	-
100000 (P.Y NIL ) equity shares of Balrampur Chemical Ltd.	10,765,000	-
<b>Total</b>	<b>133,244,449</b>	<b>22,263,578</b>

**Note 14 : Trade Receivables**

<b>Unsecured, considered good</b>				
Debts outstanding for a period exceeding six months from the date they are due for payments				
Due from a director	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 15 : Cash and Cash Equivalents**

Cash and Bank Balances		
Balances with banks		
In a Current account	12,939,633	11,477,138
In a Unpaid dividend account*	305,626	162,816
Cash in hand	136,817	233,272
Other bank balances		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	44,756	105,647
<b>Total</b>	<b>13,426,832</b>	<b>11,978,874</b>

\* Earmarked against the corresponding provision.

**Note 16 : Short Term Loans and Advances****Unsecured, considered good****Loans and advances to related parties (Refer Note 27)**

Loan to Associate companies	2,364,659	3,075,000
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**Others****Intercorporate loans**

To the companies in which director(s) is(are) member(s) and director(s)

Others	163,291	23,100,000
Other non corporate parties	29,805,471	78,676,881
	32,548	-
Prepaid expenses	30,001,310	101,776,881
Other receivables	15,946	18,569
	-	20

<b>Total</b>	<b>32,381,915</b>	<b>104,870,470</b>
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**Note 17 : Other Current Assets**

Interest Accrued on deposits	16,077	26,612
<b>Balance with Government authorities</b>		
Provision for taxation (Net of taxes paid)	-	993,170
<b>Total</b>	<b>16,077</b>	<b>1,019,781</b>

**Note 18 : Revenue from Operations**

Sale of Shares	229,869,712	12,560,395
Profit on sale of Shares transaction - Intra-day	1,681,576	1,061
Profit on Shares transactions - F & O	(12,841,158)	4,995,683
Other operating revenues-		
Dividend	692,869	219,358
<b>Total</b>	<b>219,402,999</b>	<b>17,776,496</b>

**Note 19 : Other Income**

Interest on :		
Fixed Deposits	36,688	291,808
National Saving Certificate	3,307	3,838
Loans	9,301,514	3,464,652
Income Tax Refund	370	-
Profit on Sale of Investment	31,148	
<b>Total</b>	<b>9,373,027</b>	<b>3,760,298</b>

**Note 20 : Purchases of Stock-in-trade**

Shares & Securities	325,145,385	15,197,633
<b>Total</b>	<b>325,145,385</b>	<b>15,197,633</b>

**Note 21 : Changes in Inventories**

Stock in Trade - Shares		
Opening stocks	22,263,578	17,754,261
Less: Closing stocks	(133,244,449)	(22,263,578)
<b>Total</b>	<b>(110,980,871)</b>	<b>(4,509,318)</b>

**Note 22 : Employee benefit expenses**

Salaries and Wages	1,314,040	959,358
Contribution to Provident Fund and other funds	49,942	48,682
Staff Welfare Expenses	36,101	35,927
<b>Total</b>	<b>1,400,083</b>	<b>1,043,967</b>

**Note 23 : Finance Cost**

Interest Paid On Loan	1,802,936	-
<b>Total</b>	<b>1,802,936</b>	<b>-</b>

**Note 24 : Other Expenses**

Advertisement and Publicity	71,247	67,854
Auditors' remuneration (refer note 26)	290,054	286,518
Bank charges	6,026	5,706
Communication expenses	67,188	36,945
Demat charges	48,103	6,919
Donation	356,000	100,000
General expenses	229,322	69,623
Insurance	12,986	13,366
Legal and professional charges	1,814,530	175,098
Internal Audit Fees	58,750	-
Margin Money Charges	-	1,500,000
Bad debts	271	-
Printing and stationery	11,469	16,268
Prior Period Expenses	220	-
Rates and taxes	298,386	166,418
Repairs and maintenance	12,404	10,629
Securities Transaction Tax	876,771	31,650
Share Trading Expenses	1,008,796	79,642
Travelling and conveyance	531,977	51,029
<b>Total</b>	<b>5,694,500</b>	<b>2,617,665</b>

**Note 25 : Earning per equity share**

Net Profit / (Loss) after tax	UNIT		
	Rs.	2,804,053	7,196,244
Weighted average number of shares used in computing basic earnings per share	Numbers	6,225,000	6,225,000
Face value of equity shares	Rs.	10	10
Basic earnings per share	Rs.	0.45	1.16
Diluted earnings per share	Rs.	0.45	1.16

**Note 26 : Payment to Auditors (Including Service Tax)**

Statutory audit under the Companies Act 2013	203,245	196,630
Tax Audit under the Income Tax Act 1961	34,842	33,708
Taxation matters	34,842	5,618
Certifications	17,125	50,562
	<b>290,054</b>	<b>286,518</b>

**Note 27 : Related Party Disclosures**

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

## I) Names of related parties and description of relationships

a) Key Managerial Personnel (KMP)

Ramakant Gaggar	Director
Suresh Gaggar	Director
Kamlesh Gagavani	Company Secretary

## b)

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

Indra Gaggar	Relative of Director
Bhuta Investment Private Limited	Associate Company
Alaukik Mines & Power Private Limited	Associate Company
GVS Chemical Private Limited	Entity controlled by Director
Evergreen Infotech & Datacom Pvt.Ltd.	Entity controlled by Director

c) Holding / Subsidiary Company

Sukartik Clothing Private Limited	Subsidiary Company
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## II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:

Particulars	Volume of Transactions		Balances as on	
	2015-16	2014-15	31.03.2016	31.03.2015
<b>Current liabilities</b>				
Short term borrowings				
Unsecured Loans:				
Ramakant Gaggar	-	42,810	-	-
<b>Non current assets</b>				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Sukartik Clothing Private Limited	-	-	28,700,000	28,700,000
Bhuta Investment Private Limited	-	-	12,000,000	12,000,000
Alaukik Mines & Power Private Limited	-	-	110,500,000	110,500,000
<b>Current assets</b>				
Short term loans and advances				
Office Deposit				
Bhuta Investment Private Limited	-	(10,000,000)	-	-
Intercompany loans				
Sukartik Clothing Private Limited	-	-	-	-
Bhuta Investment Private Limited	215,391	(2,500,000)	2,268,852	3,075,000
Alaukik Mines & Power Private Limited	2,912,260	94,722,500	95,807	18,200,000
GVS Chemical Private Limited	181,434	9,900,000	163,291	4,900,000
<b>Purchases</b>				
Ramakant Gaggar	24,831,000	-	NA	NA
Evergreen Infotech & Datacom Pvt.Ltd.	40,400,000	-	NA	NA
<b>Interest Received on Loan &amp; Advances</b>				
Bhuta Investment Private Limited	215,391	-	NA	NA
Alaukik Mines & Power Private Limited	2,912,260	-	NA	NA
<b>Interest Paid on Loan &amp; Advances</b>				
Alaukik Mines & Power Private Limited	1,377,936	-	NA	NA

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

**Note 28 :** The company has provided gratuity payable to its employees at full value without ascertaining the present value of future payment of gratuity as the Payment of Gratuity Act, 1972 is, in view of number of employees, not applicable to the company. The company has recognised as an expense, the short term benefits to its employees such as bonus, leave encashment etc.

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



**Note 30:** The Company had NIL contingent Liability at the end of Financial Year 2015-16.

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

As per our attached report of even date

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

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

Place : Mumbai  
Dated :30th May, 2016

**For and on behalf of the board**

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

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To the Members of  
GARNET INTERNATIONAL LIMITED

## Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of Garnet International Limited, the parent (hereinafter referred to as 'the Holding Company'), its subsidiary (collectively referred to as 'the Group'), which comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which we have signed under reference to this report.

## Management's Responsibility for the Financial Statements

2. The Holding Company's Board of Directors of the Company are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### Basis for Qualified Opinion

7. Figures of an associate company, i.e., Alaukik Mines and Power Private Limited was not consolidated in the consolidated financial statement.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the Basis for Qualified Opinion Paragraph, the accompanying consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2016, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

9. We did not audit the financial statements / financial information of one associate whose financial statements are considered in the consolidated financial statements. These financial statements / financial information are audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on the reports of the other auditors.
10. As stated in Note 30 to the consolidated financial statements, the subsidiary has not made provisions for gratuity as per Accounting Standard 15 "Employee Benefits", the financial impact of the same as given in said note, is not ascertainable and therefore cannot be commented upon
11. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements/ financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

12. As required by section 143(3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion , proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the accompanying consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;

- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in AnnexureA.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Company doesn't have any long-term contracts or derivative contracts as at March 31,2016 for which there were no material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2016 and there were no amounts which were required to be transferred by the subsidiary company.

For MVK Associates  
Chartered Accountants  
Firm Registration No. 120222W

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

Place: Mumbai  
Date: May 30, 2016

## Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of GARNET INTERNATIONAL LIMITED on the consolidated financial statements as of and for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of Garnet International Limited ("the Holding Company"), its subsidiary company as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :
  - i. Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;

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

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

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

#### Opinion

In our opinion, the holding company, its subsidiary company, have, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding Company and the representation received from the management for the entities unaudited.

For MVK Associates  
Chartered Accountants  
Firm Registration Number: 120222W

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

GARNET INTERNATIONAL LIMITED  
Consolidated Balance Sheet as at 31st March 2016

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	62,250,000	62,250,000
Reserves and surplus	3	<u>376,148,207</u>	<u>374,222,612</u>
		438,398,207	436,472,612
<b>Minority Interest</b>			
		35,292,332	29,855,625
<b>Non-current liabilities</b>			
Long Term Borrowing	4	2,365,595	459,335
Deferred tax liabilities (net)	5	<u>2,796,715</u>	<u>2,339,676</u>
		5,162,310	2,799,011
<b>Current liabilities</b>			
Short term borrowings	6	8,732,500	8,350,000
Trade payables	7	91,119,712	20,993,854
Other current liabilities	8	6,497,908	4,105,593
Short term provisions	9	<u>9,088,691</u>	<u>5,456,779</u>
		115,438,811	38,906,226
TOTAL		<u><b>594,291,660</b></u>	<u><b>508,033,474</b></u>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets			
Tangible assets	10	65,459,477	47,911,849
Intangible assets	10	<u>3,517,689</u>	<u>3,517,689</u>
		68,977,166	51,429,538
Non-current investments	11	262,936,089	244,597,637
Deffered Tax Assets (Net)	5		
Long term loans and advances	12	10,298,512	763,183
Other non current assets	13	<u>17,968,749</u>	<u>16,414,115</u>
		360,180,516	313,204,473
<b>Current assets</b>			
Inventories	14	137,591,932	25,879,592
Trade receivables	15	31,515,838	33,223,087
Cash and bank balances	16	29,139,362	25,240,496
Short term loans and advances	17	35,467,875	109,130,999
Other current assets	18	<u>396,137</u>	<u>1,354,827</u>
		234,111,144	194,829,001
TOTAL		<u><b>594,291,660</b></u>	<u><b>508,033,474</b></u>
Contingent Liabilities and Commitments (To the extent not provided for)	27	<b>1</b>	<b>1</b>
Significant accounting policies See accompanying notes to financial statements	1 2-36		

As per our attached report of even date

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

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

Place: Mumbai  
Dated: 30th May, 2016

For and on behalf of the board

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

Place: Mumbai  
Dated: 30th May, 2016

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

## GARNET INTERNATIONAL LIMITED

## Consolidated Statement of Profit and Loss for the year ended 31st March 2016

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
Gross revenue from operations	19	363,020,887	141,337,598
Less: Excise Duty		-	-
Net revenue from operations		363,020,887	141,337,598
Other income	20	10,329,346	4,500,488
<b>Total Revenue</b>		<b>373,350,233</b>	<b>145,838,086</b>
Expenses:			
Cost of materials consumed	21	58,913,038	53,387,015
Purchases of stock-in-Trade	22	334,536,660	24,608,636
Changes in inventories	23	(112,431,939)	(3,494,365)
Employee benefit expenses	24	8,159,566	5,123,063
Finance cost	25	1,941,347	32,477
Depreciation and amortisation expenses	10	5,044,364	4,386,741
Other expenses	26	56,262,285	44,325,451
<b>Total expenses</b>		<b>352,425,321</b>	<b>128,369,018</b>
Profit before Tax		20,924,912	17,469,068
Tax expenses			
Current tax		6,151,670	4,688,300
Deferred tax		457,039	78,548
MAT credit entitlement		(1,607,414)	(1,555,700)
Tax adjustment for earlier years		2,200,844	(1,388,532)
		7,202,139	1,822,616
Profit after tax before share of result of Associates and minority interest		13,722,773	15,646,452
Add/(Less): Minority Interest		(5,436,707)	(4,207,573)
Add/(Less): Share in Profit (Loss) of an Associate		(1,131,730)	(213,534)
		(6,568,437)	(4,421,107)
Profit after tax for the year		<b>7,154,336</b>	<b>11,225,345</b>
Earning per equity share	27		
Basic and Diluted		1.15	1.80
Significant accounting policies	1		
See accompanying notes to financial statements			

As per our attached report of even date

For MVK Associates

**Chartered Accountants**

Firm registration No. 120222W

sd/-

CA. Vishnu Garg

**Partner**

Membership no. 045560

Place: Mumbai

Dated: 30th May, 2016

For and on behalf of the board

sd/-

Ramakant Gaggar

**Director**

DIN: 01019838

Place: Mumbai

Dated: 30th May, 2016

sd/-

Suresh Gaggar

**Director**

DIN: 00599561



## GARNET INTERNATIONAL LIMITED

Consolidated Cash Flow Statement For The Year Ended 31st March, 2016

(Amount in Rs.)

(A) CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31.03.2016	For the year ended 31.03.2015
Net Profit before Tax and Extraordinary Items	20,924,912	17,469,068
Adjustment for		
Depreciation	5,044,364	4,386,741
Loss / (Profit) on sale of Fixed Assets	143,574	153,320
Loss / (Profit) on sale of Investments	(31,148)	(1,061)
Investment Income		
- Interest	(10,280,183)	(4,484,779)
- Dividend	(692,869)	(219,358)
Interest Expenses	1,941,347	32,477
Operating Profit before Working Capital changes	17,049,998	17,336,409
Adjustment for		
- Trade and other Receivables	2,889,583	(5,363,132)
- Inventories	(111,712,340)	(1,472,496)
- Loans & Advances & Other Current Assets	64,128,458	-
- Trade Payables	72,367,391	3,002,032
- Trade Payables	219,608	-
Cash generated from operations	44,942,698	13,502,814
Direct taxes paid	(6,426,163)	(2,809,863)
Cash flow before Extraordinary Items	38,516,535	10,692,951
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES	38,516,535	10,692,951
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Investments (Net)	(19,470,181)	86,980,000
Purchase of Fixed Assets	(22,735,567)	(8,603,787)
Loan ( given ) / Refund	-	(71,099,394)
Sale of Fixed Assets		
Interest / Other income	10,280,183	4,484,779
Profit / (Loss) on sale of Investments	31,148	1,061
Dividend received	692,869	219,358
NET CASH USED IN INVESTING ACTIVITIES	(31,201,548)	11,982,017
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	1,906,260	459,335
Increase (decrease) in unsecured loans	(171,528)	(342,566)
Proceeds from Short Term Borrowings	382,500	-
Repayment of Short Term Borrowings	-	(1,539,870)
Interest Paid	(1,941,347)	(32,477)
Dividend paid	(3,592,006)	-
NET CASH FROM FINANCING ACTIVITIES	(3,416,121)	(1,455,578)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3,898,865	21,219,390
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	25,240,496	4,021,106
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	29,139,362	25,240,496

Notes to cash flow statement:

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

As per our attached report of even date

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

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

Place : Mumbai  
 Dated: 30th May, 2016

For and on behalf of the Board

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

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

Place : Mumbai  
 Dated: 30th May, 2016

## GARNET INTERNATIONAL LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March 2016

Note 1: Significant Accounting Policies on consolidated accounts:

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

(vi) Finished stocks are being valued at direct cost or net realisable values whichever is lower.

c) REVENUE RECOGNITION

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

d) PRIOR PERIOD EXPENSES/INCOME

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

e) MISCELLANEOUS EXPENDITURE

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

f) EMPLOYEE BENEFITS

- (i) Employees' benefit under defined contribution plan such as contribution to provident fund and employees' benefits under defined benefit plan for leave encashment are charged off at the undiscounted amount in the year in which the related service provided.
- (ii) Post employment benefits under defined benefit plan such as gratuity are charged off in the year in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and/or losses in respect of post employment benefits are charged to profit and loss account or capitalised in case of new projects are taken up by the company.

g) BORROWING COSTS

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

h) SEGMENT REPORTING

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

i) EXCISE DUTY

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

- (ii) Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the Excise Rules.
- (iii) CENVAT credit available as per the provisions of the Excise Rules on capital goods is accounted for by reducing the cost of capital goods.

j) TRANSACTION IN FOREIGN CURRENCIES

- (i) Initial Recognition: Transactions denominated in foreign currencies are recorded by applying the exchange rates prevailing at the date of the transactions.
- (ii) Conversion: Monetary items denominated in foreign currencies remaining unsettled at the end of the year, are restated using the closing rates.
- (iii) Exchange Difference: The exchange difference arising on the settlement of monetary items or on reporting unsettled monetary items at the rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or as expenses in the year in which they arise. In case the monetary items are covered by the forward exchange contracts, the difference between the yearend exchange rate and the exchange rate at the date of the inception of the forward exchange contract is recognized as exchange difference.
- (iv) Forward Exchange Contracts: In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

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

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

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

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

k) IMPAIRMENT LOSS

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

(Amount in Rs.)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>Note 2: Share capital</b>				
	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
<b>Authorised:</b>				
Equity Shares of Rs.10/- each	7,500,000	75,000,000	7,500,000	75,000,000
Total		<u>75,000,000</u>		<u>75,000,000</u>
<b>Issued, subscribed and paid-up :</b>				
Equity Shares of Rs.10/- each fully paid	6,225,000	62,250,000	6,225,000	62,250,000
Total		<u>62,250,000</u>		<u>62,250,000</u>
2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period :-				
Particulars	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Outstanding at the beginning of the year	6,225,000	62,250,000	6,225,000	62,250,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	6,225,000	62,250,000	6,225,000	62,250,000
2.b The equity shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act,				
2.c Shareholders holding more than 5% of the share capital at the end of the year:				
Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Shri Ramakant Gaggar	1,202,442	19.32	1,055,428	16.95
Evergreen Infotech & Datacom Private limited	750,149	12.05	500,778	8.04
Smt. Indra Gaggar	454,921	7.31	454,921	7.31
Shri Suresh Gaggar	467,411	7.51	549,306	8.82
Navkar Corporation Limited	NA	NA	674,500	10.84
Ashtvakra Properties Private Limited	386,948	6.22	548,948	8.82
Hitanshi Properties Private Limited	341,451	5.49	NA	NA
<b>Note 3: Reserves and surplus</b>				
Securities premium				
Balance at the beginning of the year	326,349,189		326,349,189	
Add: Received during the year on issue of shar	-		-	
	<u>326,349,189</u>		<u>326,349,189</u>	
Less : Share Issue expenses	-	326,349,189	-	326,349,189
Capital Reserve on consolidation				
At the beginning of the year and at the end of year		4,948,063		4,948,063
Surplus in Statement of Profit and loss :				
Balance at the beginning of the year	42,925,360		35,906,240	
Add (less): Profit (loss) after tax for the year	7,154,336		11,225,345	
Add (less): Excess DDT Provided in earlier Yea	-		-	
Less: Appropriations				
Proposed dividend for the year (Rs. 0.7 Dividend per share)	4,357,500		3,112,500	
Provision for tax on proposed dividend	871,241		622,315	
Less: Additional Depreciation Charged from	-		471,410	
		44,850,955		42,925,360
Total		<u>376,148,207</u>		<u>374,222,612</u>

**Note 4: Long term borrowings**

Secured Loan		
Vehicle loan from State Bank Of Patiala	2,365,595	459,335
Total	<u>2,365,595</u>	<u>459,335</u>

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

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

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

**Note 5: Deferred tax liabilities (Net)**

Deferred Tax Liabilities on account of :		
Depreciation	2,868,790	2,365,080
Deferred Tax Assets on account of :		
Business Losses *	-	-
Gratuity	(72,075)	(25,404)
Total	<u>2,796,715</u>	<u>2,339,676</u>

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

**Note 6: Short term borrowings**

Unsecured Loans:		
Loans repayable on demand from:		
Others Companies	8,732,500	8,350,000
Related parties	-	-
Total	<u>8,732,500</u>	<u>8,350,000</u>
Total	<u>8,732,500</u>	<u>8,350,000</u>

**Note 7: Trade payables**

Micro and small enterprises*	-	-
Others	91,119,712	20,993,854
Total	<u>91,119,712</u>	<u>20,993,854</u>

\* As per the information available with the Company in response to the enquiries from all existing suppliers with whom Company deals, none of the suppliers are registered as micro and small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2016.

**Note 8: Other current liabilities**

Current maturities of a long-term debt	518,662	104,300
Unpaid dividends*	162,816	162,816
Overdrawn Bank balance	-	-
Creditors for capital expenditure	-	-
Payables to Employees	3,250,608	2,284,916
Advance from Customers	355,737	317,810
Statutory liabilities	316,444	118,322
Accrued expenses	963,623	722,556
Other payables	228,089	-
Salary payable to Directors and their relatives	701,929	394,873
Total	<u>6,497,908</u>	<u>4,105,593</u>

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

**Note 9: Short term provisions**

Provision for employees benefits (Gratuity) (refer note 30)	151,038	82,212
Provision for taxation (net of taxes paid)	3,566,102	1,639,752
Provision for proposed dividend F.Y. 2014-15	142,810	3,112,500
Provision for proposed dividend F.Y. 2015-16	4,357,500	-
Provision for tax on proposed dividend	871,241	622,315
Total	<u>9,088,691</u>	<u>5,456,779</u>

GARNET INTERNATIONAL LIMITED														
Notes on Financial Statements for the Year ended 31st March 2016														
Note 10: Fixed assets														
PARTICULARS	GROSS BLOCK (At Cost)						DEPRECIATION						NET BLOCK	
	As at 31.03.2015	Addition during the year	Sold / Transfer during the year *	As at 31.03.2016	Total up to 31.03.2015	Provided for the year	Adjustments During the Year	Written back during the year	Total up to 31.03.2016	Total as at 31.03.2016	Total as at 31.03.2015			
<b>Tangible assets</b>														
Land	4,428,690	-	-	4,428,690	-	-	-	-	-	4,428,690	4,428,690			
Office Premises	1,042,601	-	-	1,042,601	189,895	35,529	-	-	225,425	817,176	852,706			
Office Equipments	2,274,890	365,429	-	2,640,319	1,932,877	246,783	-	-	2,179,661	460,658	342,013			
Factory Building	9,888,541	2,130,424	-	12,018,965	1,295,635	355,576	-	-	1,651,211	10,367,754	8,592,906			
Plant And Machinery	41,694,502	16,562,255	-	58,256,757	12,909,579	2,955,620	-	-	15,865,199	42,391,557	28,784,923			
Furniture And Fixtures	1,153,395	512,422	-	1,665,817	227,986	161,775	-	-	389,762	1,276,056	925,409			
Electric Equipment	192,500	-	-	192,500	192,500	-	-	-	192,500	-	(0)			
Computers	890,241	79,367	-	969,608	828,612	70,598	-	-	899,210	70,398	61,629			
Vehicles	7,765,323	3,685,669	899,500	10,551,492	3,841,751	1,218,481	-	155,926	4,904,305	5,647,187	3,923,572			
<b>Intangible assets</b>														
Computer Software	3,531,275	-	-	3,531,275	3,531,275	-	-	-	3,531,275	-	(0)			
Goodwill arise on consolidation	3,517,689	-	-	3,517,689	-	-	-	-	-	3,517,689	3,517,689			
<b>Total as at 31.03.2016</b>	<b>76,379,647</b>	<b>23,335,566</b>	<b>899,500</b>	<b>98,815,713</b>	<b>24,950,109</b>	<b>5,044,364</b>	<b>-</b>	<b>155,926</b>	<b>29,838,547</b>	<b>68,977,166</b>	<b>51,429,537</b>			
<b>Total as at 31.03.2015</b>	<b>68,100,183</b>	<b>8,913,787</b>	<b>634,323</b>	<b>76,379,647</b>	<b>20,262,963</b>	<b>4,386,740</b>	<b>-</b>	<b>-</b>	<b>24,950,109</b>	<b>-</b>	<b>-</b>			

**Note 11: Non-current investments**

Other than trade (at cost):	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Quoted: Investments in fully paid equity instruments:				
Vakrangee Software Limited having	-	-	220	1,819
Unquoted: Investments in fully paid equity instruments:				
a) Investment in an Associate				
Company: (refer note 34)				
Bhuta Investment Private Ltd having	60,000	5,950,408	60,000	7,082,138
Alaukik Mines & Power Pvt.	4,200,000	110,500,000	4,200,000	110,500,000
b) Investment in other Companies:				
T.N.R Infrastructures Ltd having face	1,435,000	107,625,000	1,435,000	107,625,000
Reliable SmartCity Limited having fac	400,000	4,740,898	400,000	4,740,898
Swastik Express Pvt Ltd having face v	119,166	14,300,000	119,166	14,300,000
Share Application money				
Shree Narayan Silk House Pvt. Ltd.		19,492,000		-
Investments in Government securities				
National Saving Certificates*	-	23,000	-	43,000
Other non-current investment				
Investment in Silver bar	16.445Kg	304,783	16.445Kg	304,783
<b>Total</b>		<b>262,936,089</b>		<b>244,597,637</b>

Particulars	Book value (Rs.)	Market value (Rs.)**	Book value (Rs.)	Market value (Rs.)**
Aggregate value of:				
Quoted investments	-	-	1,819	197,339
Unquoted investments	243,116,305	N.A.	244,248,036	N.A.

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

\*\* The market value of quoted investments is based on the Bombay Stock Exchange quotations as on 31.03.2016 or nearest traded date, wherever available. The market value of shares, for which the quotations of the Bombay Stock Exchange were not available, has been considered as nil.

@Particulars of investment in Associate

Name of the Associate :	Bhuta Investment Private limited	
Particulars	As at 31.03.2016	As at 31.03.2015
No.of Equity Shares held :	60,000	60,000
% of holding :	32%	32%
Original cost of Investment :	12,000,000	12,000,000
Amount of Goodwill in original cost :	3,380,433	3,380,433
Share in accumulated Profit/ (Loss) /	(1,537,428)	(1,323,894)
Share in current year Profit/(Loss) :	(1,131,730)	(213,534)
Carrying amount of Investment :	5,950,409	7,082,139

**Note 12: Long term loans and advances**

Unsecured, considered good		
Security deposits	984,711	763,183
Intercorporate Loans	9,313,801	-
<b>Total</b>	<b>10,298,512</b>	<b>763,183</b>

**Note 13: Other non current assets**

Deposits / Investment for various projects		
20,000 shares of Punjab dyers association	40,000	40,000
Investment in CETP Project	660,000	660,000
Minimum alternate tax credit entitlement	17,268,749	15,714,115
<b>Total</b>	<b>17,968,749</b>	<b>16,414,115</b>



**Note 14: Inventories**

Raw Materials		1,917,676		2,613,897
Work in progress		-		-
Finished goods		329,040		487,906
Stock-in trade:				
Shares and securities	133,244,449		22,263,578	
Fabrics	1,796,850		186,916	
		135,041,299		22,450,494
Consumables		303,917		327,295
<b>Total</b>		<b>137,591,932</b>		<b>25,879,592</b>
Details of Raw Materials:				
Yarn		1,074,951		659,431
Dyes & Cemicsals		842,725		1,954,466
		<u>1,917,676</u>		<u>2,613,897</u>
Details of work in progress:				
Garments		-		-
Details of Finished goods:				
Garments		1,796,850		487,906
Details of Stock-in trade:				
Shares and securities ( Face value of Rs. 10/- each):				
732868 (P.Y 438555 ) equity shares of Gini Silk Mills Ltd		70,157,968		19,753,444
114143 (P.Y 197143) equity shares of Pankaj Polymers		850,365		2,493,717
143150 (P.Y 100 ) equity shares of Vakrangee Limited		28,322,228		6,704
80841 (P.Y 841) equity shares of Pankaj Polypack		1,275,461		9,714
312 (P.Y NIL ) equity shares of JCT Limited		1,519		
300000 (P.Y NIL ) equity shares of Bodal Chemical Ltd.		21,871,908		
100000 (P.Y NIL ) equity shares of Balrampur Chemical l		10,765,000		
Fabric		1,796,850		186,916

**Note 15: Trade receivables**

Unsecured, considered good				
Debts outstanding for a period exceeding six months from the date they are due for		2,017,427		2,797,742
Others		-		-
Other debts				
Due from a director	-		-	
Others	29,498,411		30,425,345	
		29,498,411		30,425,345
<b>Total</b>		<b>31,515,838</b>		<b>33,223,087</b>

**Note 16: Cash and bank balances**

Cash and cash equivalents:				
Balances with banks				
In Current accounts		16,638,028		13,636,992
Unpaid dividends*		305,626		162,816
Cash in hand		674,111		525,915
Other bank balances:				
Fixed deposits with banks with maturity period more than 3 months but upto 12		11,521,597		10,914,773
Fixed deposits with banks with maturity period more than 12 months.		-		-
<b>Total</b>		<b>29,139,362</b>		<b>25,240,496</b>

**Note 17: Short term loans and advances**

Unsecured, considered good

Loans and advances to related parties (refer note 29)

Office Deposits to Associate company

Loan to Associate company

-

-

Others

Intercorporate loans

To related parties

Others

Other Non corporate parties

163,291

30,185,471

32,548

25,625,753

78,676,881

-

30,381,310

104,302,634

Advance to suppliers

Prepaid expenses

Advance to employees

Vat credit receivable

Duty Drawback receivable

Other receivables

390,078

314,608

54,000

1,963,220

-

-

99,172

293,041

52,578

1,308,554

-

20

Total

35,467,875

109,130,999

**Note 18: Other current assets**

Interest Accrued on fixed deposits

Interest Accrued on National saving certificate

Interest Accrued on security deposit

Minimum alternate tax credit entitlement

Interest Others

Provision for taxation (net of taxes paid)

362,955

-

33,182

-

-

-

314,524

-

39,450

-

7,683

993,170

396,137

1,354,827

**Note 19: Revenue from operations**

Sales :

Shares and securities

Garments

Local

Export

229,869,712

12,560,395

94,390,346

188,963

76,615,061

274,032

76,889,093

Dyes &amp; Chemicals

-

-

-

-

Profit (loss) on sale of Shares transaction - intra-day

Profit (loss) on Shares transactions- F &amp; O

1,681,576

(12,841,158)

1,061

4,995,683

Services:

Job work charges

Other Operating revenues

Dividend

Commission

49,038,579

692,869

-

219,358

-

692,869

46,672,009

219,358

Less: Excise duty

-

-

-

-

Total

363,020,887

141,337,598

**Note 20: Other income**

Interest			
on fixed deposits	942,180	837,113	
on National saving certificate	3,307	3,838	
on Loans	9,301,514	3,604,378	
on security deposits	33,182	39,450	
on profit on sale of investment	31,148	-	
on Income tax refund	370	-	
	10,311,701		4,484,779
Net gain on sale of Non-current investments	-		-
Miscellaneous income	11		22
Export Incentive	17,634		15,687
<b>Total</b>	<b>10,329,346</b>		<b>4,500,488</b>

**Note 21: Cost of materials consumed**

Opening stocks:				
Raw material				
Yarn	659,431	1,890,218		
Stock in Trade	-	-		
Dyes & Cemicsals	1,954,466	2,770,685		
		2,613,897		4,660,903
Add : Cost of purchases				
Raw materials				
Yarn	23,655,119	17,054,591		
Dyes & Cemicsals	34,561,698	34,285,418		
		58,216,817		51,340,009
Less: Closing stock				
Raw material				
Yarn	1,074,951	659,431		
Dyes & Cemicsals	842,725	1,954,466		
		1,917,676		2,613,897
<b>Total</b>		<b>58,913,038</b>		<b>53,387,015</b>
	Consumption	% of total	Consumption	% of total
Imported and Indigenous Raw materials	in Rs.	consumption	in Rs.	consumption
Imported	-	-	-	-
Indigenous	58,913,038	100%	53,387,015	100%
	58,913,038	1	53,387,015	1

**Note 22: Purchases of stock-in-Trade**

Fabric	9,391,275	9,411,003
Shares and securities	325,145,385	15,197,633
	<b>334,536,660</b>	<b>24,608,636</b>

**Note 23: Changes in inventories**

Opening stocks:			
Finished goods		487,906	1,277,800
Stock in Trade :			
Shares and Securities	22,263,578		17,754,261
Fabrics	186,916		411,974
		<u>22,450,494</u>	<u>18,166,235</u>
Less:Closing stocks:			
Finished goods		329,040	487,906
Stock in Trade :			
Shares and Securities	133,244,449		22,263,578
Fabrics	1,796,850		186,916
Work in progress		-	-
Add/(Less): Variation in excise duty on opening and closing stock of finished goods		-	-
<b>Total</b>		<u><u>(112,431,939)</u></u>	<u><u>(3,494,365)</u></u>

**Note 24: Employee benefit expenses**

Salaries and Wages		7,035,411	4,461,099
Contribution to Provident Fund and other funds		474,234	356,889
Staff Welfare Expenses		649,921	305,075
<b>Total</b>		<u><u>8,159,566</u></u>	<u><u>5,123,063</u></u>

**Note 25: Finance cost**

Interest on loan		1,940,936	29,998
Interest on late payment of taxes		411	2,480
<b>Total</b>		<u><u>1,941,347</u></u>	<u><u>32,477</u></u>

**Note 26: Other expenses****Manufacturing Expenses**

Job Charges	15,805,234	11,335,072	
Power and Fuel	11,740,640	9,943,859	
Freight Inward	250,617	151,277	
Dyeing Charges	72,718	51,703	
Packing Expenses	562,495	56,816	
Fabrication Charges	567,649	320,815	
Husk and Ash Lifting Charges	233,105	248,765	
Stores and Spares Consumed*	14,157,663	13,649,297	
Insurance	210,811	149,010	
Repairs & Maintenance(Machinery)	2,350,865	1,495,778	
		<u>45,951,797</u>	<u>37,402,392</u>



**Note 29 : Related party disclosures**

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

## I) Names of related parties and description of relationships

a) Key Managerial Personnel (KMP)

Ramakant Gaggar	Director
Suresh Gaggar	Director

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

Indra Gaggar	Relative of Director
Bhuta Investment Private Limited	Associate Company
Alaukik Mines & Power Private Ltd	Associate Company
GVS Chemical Private Limited	Entity controlled by Director
Evergreen Infotech & Datacom Pvt.Ltd.	Entity controlled by Director

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

Particulars	Volume of Transactions		Balances as on	
	2015-16	2014-15	31.03.2016	31.03.2015
<b>Current liabilities</b>				
Short term borrowings				
Unsecured Loans:				
Ramakant Gaggar	-	42,810	-	-
<b>Non current assets</b>				
Non-current investments				
Unquoted: Investments in fully paid equity instruments:				
Bhuta Investment Private Limited	-	-	12,000,000	12,000,000
Alaukik Mines & Power Private Limited	-	-	110,500,000	110,500,000
<b>Current assets</b>				
Short term loans and advances				
Office Deposit				
Bhuta Investment Private Limited	-	(10,000,000)	-	-
Intercorporate loans				
Bhuta Investment Private Limited	215,391	(2,500,000)	2,268,852	3,075,000
Alaukik Mines & Power Private Limited	2,912,260	94,722,500	95,807	18,200,000
GVS Chemical Private Limited	181,434	9,900,000	163,291	4,900,000
<b>Purchases</b>				
Ramakant Gaggar	24,831,000	-	NA	NA
	-	-		
Evergreen Infotech & Datacom Pvt.Ltd.	40,400,000	-	NA	NA
		-		
<b>Sales</b>				
Ramakant Gaggar	-	-	NA	NA
<b>Interest Received on Loan &amp; Advances</b>				
Bhuta Investment Private Limited	215,391	-	NA	NA
Alaukik Mines & Power Private Limited	2,912,260	-	NA	NA
<b>Interest Paid on Loan &amp; Advances</b>				
Alaukik Mines & Power Private Limited	1,377,936	-	NA	NA

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

**Note 30 :**

- (a) In case of Subsidiary Company: No provision has been made for accrued liability in respect of gratuity payable to employees, as the company is in the process of taking actuarial valuation certificate for present value of future liabilities.
- (b) The company has provided gratuity payable to its employees at full value without ascertaining the present value of future payment of gratuity as the Payment of Gratuity Act, 1972 is, in view of number of employees, not applicable to the company. The company has recognised as an expense, the short term benefits to its employees such as bonus, leave encashment etc.

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

(Amount in Rs.)

	As at 31.03.2016	As at 31.03.2015
Undertakings given by the subsidiary company under EPCG Scheme, pending fulfillment of export obligation	1,143,839	1,143,839

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

(Amount in Rs.)

	For the year ended	
	2015-2016	2014-2015
Repairs & Maintainance	772,415	45,274
Plant & Machinery	9,040,200	-

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

(Amount in Rs.)

	For the year ended	
	2015-2016	2014-2015
FOB value of Exports	188,963	274,032

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

Sukartik Clothing Private Limited ("the subsidiary")

Country of incorporation: India

Proportion of ownership interest as at 31<sup>st</sup> March 2016 is 60.13% (P.Y. 60.13%).Financial statement is drawn up to 31<sup>st</sup> March 2016b) Associate Company

Bhuta Investment Private Limited ("the associate")

Country of incorporation - India

Percentage of ownership interest as at 31<sup>st</sup> March 2016 is 32.43% (PY 32.43%)Financial statement is drawn up to 31<sup>st</sup> March 2016.**Note 35:** Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary.

**Note 36 : Segment information**

Primary segment Disclosure - Business segment

Particulars	Shares and Securities		Textile		Consolidated Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
(i) Segment Revenue						
Operating income	219,403,000	17,776,496	143,617,888	123,561,102	363,020,888	141,337,598
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	219,403,000	17,776,496	143,617,888	123,561,102	363,020,888	141,337,598
(ii) Result						
Segment Results	(2,576,469)	2,535,282	15,131,017	10,481,463	12,554,548	13,016,745
Less: Unallocated corporate expenses					-	-
Operating Profit					12,554,548	13,016,745
Less: Interest expense (Net)					(8,370,364)	(4,452,324)
Profit before Tax					20,924,912	17,469,069
Provision for Taxation (Net)						
Current Tax					6,151,670	4,688,300
MAT Credit Entitlement					(1,607,414)	(1,555,700)
Deferred Tax					457,039	78,548
Adjustment for earlier years					2,200,844	(1,388,532)
					7,202,139	1,822,616
Profit for the year before Minority Interests					13,722,773	15,646,453
(iii) Other Information						
Segment Assets	476,449,625	407,622,673	120,528,784	101,831,638	596,978,410	509,454,310
Unallocated Common Assets					-	-
Total Assets					596,978,410	509,454,310
Segment Liabilities	83,962,527	12,678,336	33,841,880	26,687,224	117,804,407	39,365,560
Unallocated Common Liabilities					-	-
Total Liabilities					117,804,407	39,365,560
Capital Expenditure	35,175	-	23,300,391	8,913,787	23,335,566	8,913,787
Depreciation and Amortisation	720,371	891,267	4,323,993	3,495,474	5,044,364	4,386,741
Non-cash expenses other than depreciation	-	-	-	-	-	-

Secondary Segment Disclosure - Geographical segment

	Domestic		Overseas		Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Revenue from Customers	363,020,888	141,337,598	-	-	363,020,888	141,337,598

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

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

Place: Mumbai  
Dated: 30th May, 2016

For and on behalf of the board

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

Place: Mumbai  
Dated: 30th May, 2016

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



# GARNET INTERNATIONAL LIMITED

Regd. Office: 901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400021  
Tel: (91) (22) 66369942, Fax: (91) (22) 66369943, Email: info@garnetint.com, Website: www.garnetint.com  
(CIN: L99999MH1995PLC093448)

34th Annual General Meeting to be held on Friday, 30th September, 2016 at 11:00 A.M.  
at 901, Raheja Chambers, Nariman Point, Mumbai – 400 021

## ATTENDANCE SLIP

DP ID\*

Register Folio  
No.

Client ID\*

No.of Share(s)

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

I/We hereby record my / our presence at the 34th Annual General Meeting at 901, Raheja Chambers, Nariman Point, Mumbai – 400 021 on Friday, 30<sup>th</sup> September, 2016 at 11:00 A.M.

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

\* Applicable for investors holdings shares in electronic form.

.....

Form no.MGT-11

PROXY FORM

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

CIN: L99999MH1995PLC093448

Name of the Company: GARNET INTERNATIONAL LIMITED  
Registered Office: 901, Raheja Chambers, Nariman Point, Mumbai – 400 021

Name of the Member(s):

\_\_\_\_\_

Registered Address:

\_\_\_\_\_

E-Mail Id:

\_\_\_\_\_

Folio No. / Client id: \_\_\_\_\_

DP ID: \_\_\_\_\_

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

1. Name: \_\_\_\_\_ Emailid: \_\_\_\_\_

Address: \_\_\_\_\_

or failing him

2. Name: \_\_\_\_\_ Emailid: \_\_\_\_\_

Address: \_\_\_\_\_

or failing him

3. Name: \_\_\_\_\_ Emailid: \_\_\_\_\_

Address: \_\_\_\_\_

or failing him and whose signature(s) are appended below as my/our proxy to attend and vote

(on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company,

to be held on Friday, 30th September, 2016 at 11:00 A.M. at 901, Raheja Chambers, Nariman

Point, Mumbai 400021, and at any adjournment thereof in respect of such resolution as are

indicated below.

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

Resolution No.	Particulars	For	Against
Ordinary Business:			
1	To approve and adopt Standalone and Consolidate Audited Financial Statement, for the year ended 31st March, 2016 and reports of the Board of Directors and Auditors thereon.		
2	To declare dividend on equity shares		
3	Re-appointment of Mr. Ramakant Gaggar, who retires by rotation.		
4	Ratification of Appointment of M/s.MVK Associates, Chartered Accountants as Auditors and fixing their remuneration.		

Signed this..... day of .....2016.

Affix  
Revenue  
Stamp of  
Re1/-

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

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

Notes: -

(1) This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of Annual General Meeting of the Company.

(2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 34th Annual General Meeting.

\*\* (3) This is only optional. Please put a 'X' in the appropriate column against a resolutions indicated in the box.

(4) Please complete all details including details of Members (S) in above box before Submission.

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The background is a solid red color. It features several overlapping circles of varying shades of red, creating a layered effect. On the right side, there is a series of approximately 15 parallel white lines that curve slightly, creating a sense of motion or a stylized graphic element.

*Garnet International Limited*