

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Monday the 30th September, 2019 at 10.00 am at Ashish -1 Banquet, Land Mark Building, Link Road, Mid Chowky, Malad (West), Mumbai - 400 064 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopted
 - a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Kishan Kumar Kedia (DIN No. 00205146), who retires by rotation, and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139(2) and any other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with Companies (Audit and Auditors) Rules, 2014, M/s Poddar A. & Associates, Chartered Accountants (FRN-131521W) be and are hereby appointed as Statutory Auditors of the Company for a period of the 3 years from conclusion of 27th Annual General Meeting until the conclusion of 30th Annual General Meeting at such remuneration as may be decided by the Board of Directors from time to time, subject to ratification as to the said appointment at every Annual General Meeting"

"RESOLVED FURTHER THAT to give effect to above resolution, Board of Directors be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf".

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof), the consent, sanction, permission or approval as the case may be of the members of the company be and is hereby accorded to the board of directors to enter into any contract or arrangements with related parties Aditya Industrial Estate, Kishan Kumar Kedia and Callista Realty Ltd as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any

services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties.

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution."

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

"RESOLVED THAT Mr. Jitendra Maruti Jadhav holding DIN 08469921, who was appointed as an Additional Director of the Company, by the Board of Directors in their Meeting held on 1st June, 2019 under Section 161(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or reenactment thereof) and applicable provisions of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jitendra Maruti Jadhav (holding DIN 08469921), be and is hereby appointed as an Independent Director of the Company, who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also declared that he has not been debarred from holding the office of Director or continuing as a Director of Company by SEBI/ MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby reappointed as an Independent Director of the Company, for a term of five years to hold the office and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Act."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters or things as may be necessary, expedient or desirable to give effect to this resolution.

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in

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force and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Shiromani Singh (DIN : 02451817), an Independent Director of the Company, who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also declared that he has not been debarred from holding the office of Director or continuing as a Director of Company by SEBI/ MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby reappointed as an Independent Director of the Company, for a second term of five consecutive years to hold the office from 30th September, 2019 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Act."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any of the Companies Act, 2013, as amended from time to time, approval of the members of the Company be and is hereby accorded for continuation of Directorship of Shri Shiromani Singh (DIN : 02451817) as an Independent Director of the Company, who has crossed the age of 75 (Seventy Five) years."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Seema Arun Bhattar (DIN : 06617036), an Independent Director of the Company, who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also declared that he has not been debarred from holding the office of Director or continuing as a Director of Company by SEBI/ MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby reappointed as an Independent Director of the Company, for a second term of five consecutive years to hold the office from 30th September, 2019 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Act."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any of the Companies Act, 2013, as amended from time to time, approval of the members of the Company be and is hereby accorded for continuation of Directorship of Smt. Seema Arun Bhattar (DIN : 06617036) as an Independent Director of the Company."

Registered Office:

501/531, Laxmi Mall,
Laxmi Industrial Estate,
New Link Road,
Andheri (West),
Mumbai - 400 053

Mumbai, 6th September, 2019

By Order of the Board

Kishan Kumar Kedia
Managing Director
DIN : 00205146

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Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT PROXY TO ATTEND AND ON A POLL VOTE, INSTEAD OF HIMSELF/HERSELF. [A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES INORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING].

A Person shall not act as a Proxy for more than 50 Members and holding in the aggregate not more than Ten percent of the total voting share capital of the Company. However a single person may act as a Proxy for a member holding more than Ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

2. The Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 is annexed hereto.
3. Corporate Members are requested to send to the Company, at its Registered Office a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
4. Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2019 to Monday, 30th September, 2019 (both days inclusive).
5. In case of Joint Holders attending the meeting, only such joint holder whom is higher in the order of names will be entitled to vote.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Service (NECS), Electronic Clearing Service (ECS), Mandates, Nomination, Power of Attorney, Change of Address, Change of Name, Email Address, Contact Numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Transfer Agents to provide efficient and better services. Members holding shares in Physical Form are requested to intimate such changes to Transfer Agents M/s. Link Intime India Pvt. Ltd.
7. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
8. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.garnetconstructions.com for their download. All documents referred to in the notice and the Explanatory Statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 11:00 a.m. and 1:00 p.m. on all days except Saturdays, Sundays and Public holidays, from the date hereof up to the date of the Annual General Meeting.
9. Notice of the AGM along with Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by

permitted mode. To support the Green Initiative, Members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

10. Brief profile of the Directors retiring by rotation and being eligible for re-appointment and the Directors proposed to be re-appointed / appointed at this Annual General Meeting has been furnished in this Annual Report.
11. Members desirous of obtaining any information with regard to accounts are requested to write to the Company at the Registered Office of the Company, at least 10 days in advance, so as to compile the same.
12. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to fill up the Form SH-13 and send to the office of the Company's Transfer Agent.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Transfer Agent.
14. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April, 2019. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialize their holdings.

Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 27th Annual General Meeting of the Company.

The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through ballot paper. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The voting period begins on Thursday, 26th September, 2019 at 9:00 a.m. and ends on Saturday, 28th September, 2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 23rd September, 2019, may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Private Limited (LI IPL) for voting thereafter.

The instructions for shareholders voting electronically are as under :

- i Visit the e-Voting system of LI IPL. Open web browser by typing the following URL:
<https://instavote.linkintime.co.in>.

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- ii Click on "Login" tab, available under 'Shareholders' section.
- iii Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- iv Your User ID details are given below
 - a. **Shareholders holding shares in demat account with NSDL** : Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
 - b. **Shareholders holding shares in demat account with CDSL**: Your User ID is 16 Digit Beneficiary ID.
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate)**: Your User ID is Event No. + Folio Number registered with the Company.
- v. Your Password details are given below :

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

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

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with Depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with Depository Participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the Company records for the said demat account or folio number. • Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the Depository Participants or Company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

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

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

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

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The

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password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

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

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Cast your vote electronically

vi After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No." of the Company, you choose to vote.

vii On the Voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for Voting. Cast your vote by selecting appropriate option i.e. Favour / Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour / Against'.

viii If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

ix After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

x Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xi You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

xii Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

xiii During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

xiv Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account. xv In case the shareholders have any queries or issues regarding e-Voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

General Instructions :

- a. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Monday, 23rd Day of September, 2019.

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- b. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- c. In case of any other queries/grievances connected with voting by electronic means, you may also contact Company.
- d. Ms. Namrata G Vyas, (CP No. 17283), Practicing Company Secretaries from M/s Namrata Vyas & Associates, Company Secretaries have been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- e. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutiniser's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- f. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.garnetconstructions.com and on the website of CDSL within 48 hrs of conclusion of the General Meeting and communicated to the BSE Limited.

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

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013.

ITEM NO. 4

The provision of Section 188 of the Companies Act, 2013 that govern the related parties transaction require approval from members through special resolution.

Further as per the proviso to Section 188 provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than transaction which are not on arm's length basis.

In the light of said section the Board of Directors of your company has approved the proposed transaction along with annual limits that your company may enter into with its Related Parties for the Financial Year 2019-20 and beyond.

All prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (meetings of Board and its Power) Rules, 2014 are given below in a tabular format for kind perusal of the members.

Maximum Value of Contract / Transaction for the Financial Year 2019-20 (in Lakhs)					
Transaction defined u/s 188 (1) of the Companies Act, 2013					
	Sale or supply of any good materials	Purchase or otherwise buying materials / property of any kind	Loan (With Interest)	Technical Consultancy Fees	Leasing of Property
Name of Related Parties					
Aditya Industrial Estate	-	300.00	-	-	-
Kishan Kumar Kedia	-	-	500.00	-	-

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Jointly Controlled Entity					
Callista Realty Limited			50.00		
Associates					
NIL					
Subsidiaries					
NIL					

The Board of Directors of your Company has approved this in the Board Meeting held on 6th September, 2019 and recommended the Resolution as set out in the accompanying Notice for the approval of members of the Company as a special resolution.

Except Promoter Directors and Key Managerial Personnel of the Company and their relatives, no other director is concerned or interested in the resolution.

ITEM NO. 5 & 6

Mr. Jitendra Maruti Jadhav who has been appointed as an Additional Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 1st June, 2019 holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director. Mr. Jitendra Maruti Jadhav is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Jitendra Maruti Jadhav as Normal Independent Director, for the approval by the shareholders of the Company. Except Mr. Jitendra Maruti Jadhav, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

As per the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company has proposes to be appointed Shri Jitendra Maruti Jadhav as an Independent Directors at the ensuing AGM of the Company for a period of 5 years.

The above named Independent Directors have consented to their appointment and confirmed that he is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act.

The Company has also received the declarations from the said Directors stating that they meet all the criteria of independence, as prescribed under Section 149(6) of the Act and under Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have not been debarred from holding the office of Director or continuing as a Director of Company by SEBI/MCA or any other authority in India or abroad.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meeting held on 14th August, 2019 have recommended his appointment as an Independent Director for a term of five years effective from 30th September, 2019. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Brief resume of above Independent Directors, nature of their expertise in specific function areas and names of Companies in which they holds Directorship and Memberships / Chairmanships of the Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, are provided in the Annexure to this Notice.

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A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their reappointment is available for inspection by the Members at the Registered Office of the Company between 11:00 A.M. to 1:00 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

Except Shri Jitendra Maruti Jadhav being appointees and their relatives, none of the Directors or Key Managerial Personnel of the Company and their relatives are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5 and 6 of the Notice.

The Board recommends the Resolutions as set out in Item Nos. 5 and 6 of the Notice for approval of the Members.

Item No. 7 & 8

As per the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Shri Shriomani Singh and Smt. Seema Arun Bhattar as an Independent Directors at the 22nd AGM of the Company held on 30th September, 2014 for a term of 5 years and their term ends on 30th September, 2019.

As the above named Independent Directors shall be completing their first term of appointment for five year, they are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. All the above named Independent Directors have consented to their re-appointment and confirmed that they are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act. The Company has also received the declarations from the said Directors stating that they meet all the criteria of independence, as prescribed under Section 149(6) of the Act and under Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have not been debarred from holding the office of Director or continuing as a Director of Company by SEBI/MCA or any other authority in India or abroad.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meeting held on 30th May, 2019 have recommended their re-appointment as an Independent Director for a second term of five consecutive years effective from 30th September, 2019. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions for re-appointment as an Independent Directors and they are Independent of the Management. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as an Independent Director of the Company.

Brief resume of above Independent Directors, nature of their expertise in specific function areas and names of Companies in which they holds Directorship and Memberships / Chairmanships of the Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, are provided in the Annexure to this Notice.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their reappointment is available for inspection by the Members at the Registered Office of the Company between 11:00 A.M. to 1:00 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

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Shri Shiromani Singh, an Independent Director, who is eligible to be reappointed as an Independent Director, being recommended by Nomination and Remuneration Committee of Board and the Board of Directors of the Company for his appointment for a second term of consecutive 5 years, has completed 75 years of age. In compliance with Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of Members by Special Resolution is necessary to continue as Director of the Company after attaining age of 75 years. Members need to approve the appointment of Shri Shiromani Singh till the conclusion of 32nd AGM to be held during the year 2024.

Smt. Seema Arun Bhattar, an Independent Director, who is eligible to be reappointed as an Independent Director, being recommended by Nomination and Remuneration Committee of Board and the Board of Directors of the Company for his appointment for a second term of consecutive 5 years, wherein she is being reappointed till the AGM to be held during the year 2024. In compliance with Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of Members by Special Resolution. Members need to approve the appointment of Smt. Seema Arun Bhattar till the conclusion of AGM to be held during the year 2024.

Except Shri Shiromani Singh and Smt. Seema Arun Bhattar, being appointees and their relatives, none of the Directors or Key Managerial Personnel of the Company and their relatives are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 7 and 8 of the Notice.

The Board recommends the Special Resolutions as set out in Item Nos. 7 and 8 of the Notice for approval of the Members.

Registered Office:

501/531, Laxmi Mall,
Laxmi Industrial Estate,
New Link Road,
Andheri (West),
Mumbai – 400 053

(Mumbai)

6th September, 2019

By Order of the Board

Kishan Kumar Kedia
Managing Director
DIN : 00205146

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DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, ARE AS UNDER:

Name of the Director	Kishan Kumar Kedia	Shiromani Singh	Seema Arun Bhattar
Director Identification Number (DIN)	00205146	02451817	06617036
Aged	50 Years	85 Years	43 Years
Position Held	Managing Director	Independent Director	Independent Director
Nationality	Indian	Indian	Indian
Date of Appointment on Board	15/10/1992	10/03/2003	05/11/2012
Qualification	Under Graduate	Graduate	Graduate
Shareholding in Garnet Construction Ltd.	12.65%	Nil	Nil
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil	Nil	Nil
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Nil	Nil	Nil

GARNET CONSTRUCTION LIMITED | 2018-19

Directors Report

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the 27th Annual Report of Company Name together with the Audited Statement of Accounts for the year ended March 31, 2019.

Highlights of Financial Performance (Standalone)

The Company has recorded the following financial performance, for the year ended March 31, 2019:

Amount in Lacs

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Income	811.15	599.33	811.15	599.33
Total Expenditure	694.38	244.87	696.57	245.19
Profit / (loss) Before Interest, Depreciation & Tax (EBITDA)	206.10	354.45	207.78	354.14
Less : Finance Charges	42.71	153.97	42.72	153.96
Depreciation	46.62	54.17	48.49	56.19
Profit / (Loss) before Exceptional Item and Tax	116.77	146.32	117.66	143.99
Add : Exceptional Item	0.00	0.00	0.00	0.00
Minority Share of Profit / (Loss) (net)	0.00	0.00	(1.09)	(0.99)
Profit/(Loss) before Tax	116.77	146.32	116.57	144.98
Provision for Tax	34.60	24.92	34.60	24.58
Profit/(Loss) after Tax	82.17	121.40	81.97	120.40
Other Comprehensive Income / (Loss)	0.45	0.40	0.45	0.40
Total Comprehensive Income for the year net of tax	82.62	121.80	81.52	120.80

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the balance sheet relates and the date of this report.

Indian Accounting Standards (Ind AS) :

Pursuant to the notification of the IND AS-115 by the Ministry of Corporate Affairs, Government of India, Revenue shall be recognized when the Company transfers the control of goods or services to the costumer. In other words, entity shall satisfy its performance obligations to the customer to recognize the revenue. Satisfying the performance obligation in the context of real estate industry means, completion of all obligations by the developer and intimating the customer our readiness for handing over the unit.

Summary of Operations

During the year under review the total income of the company has increased and same is Rs.811.15 lacs as against previous year Rs. 599.33, the same is on account of better sales during the year. However, company has posted lower net profit of Rs. 82.62 Lacs as against previous year Profit of Rs. 121.80 due to operating cost of ongoing project.

CHANGE IN BUSINESS ACTIVITY

During The year under review there is no change among the business of the Company.

State of Affairs

The Company is engaged in the business of construction and its allied activity. There has been no change in the business of the Company during the financial year ended 31st March, 2019.

Dividends

Your directors regret to inform you that we do not recommend any dividend for the year to strengthen the position of the company

Reserve

The Board of Directors of your company does not propose to carry any amount to reserve.

Share Capital

There is no change in the share capital of the Company during the year.

Directors and Key Managerial Personnel

Shri Shiromani Singh and Smt. Seema Bhattar, were appointed as Independent Directors at the 22nd AGM of the Company held on 30th September, 2014 for a term of five years and their term ends on 30th September, 2019. They are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution.

They have consented to their re-appointment and confirmed that they are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on 30th May, 2019 have recommended their reappointment as an Independent Director for a second term of five consecutive years effective from 30th September, 2019. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

GARNET CONSTRUCTION LIMITED | 2018-19

Shri Kishan Kumar Kedia, Managing Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. Pursuant to the recommendation of Nomination and Remuneration Committee the Board of Directors of the Company in their meeting held on 5th September, 2019.

A separate meeting of Independent Director was held for the purpose of evolution of performance of non-independent directors, performance of board as a whole and of the chairman taking into account the views of the executive and non executive directors.

Statement on Declaration Given By Independent Directors Under Sub-Section (6) of Section 149:-

The company has received a declaration subject to Section 149 (7) of the Companies Act, 2013 from all the Independent Director confirming that they meet the criteria of Independent as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (b) of the Listing Regulations.

Particulars of Employees

In terms of the provisions of Section 197 (12) of the Act read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the details required therein forms part of this report. Having regard to the provisions of Section 136(1) read with the its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished without any fee and free of cost. In terms of the requirement of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided on request.

Number of Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 8 Board Meetings and Four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Details of Subsidiaries, Joint Ventures or Associate Companies

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as **Annexure-III**.

Auditors

M/s Poddar A. & Associates, appointed as statutory auditor during the year and board has decided to reappoint them as statutory auditor to hold office for 3 financial year upto 2021-22, subject to rectification of their appointment in every annual general meeting, the members are requested to appointment them as statutory auditor of the Company. The Audit Committee and Board of Directors have recommended to appoint them as Statutory Auditor.

Auditors Reports

The comments in the auditors report are self-explanatory and suitable explained in the Notes to Accounts

Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's packing and its allied business for the FY 2019-20.

Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, Ms. Namrata Vyas, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure III to this report. The report is self-explanatory and do not call for any further comments.

Risk Management policy

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enlarging shareholders value and providing an optimum risk reward trade off. The risk management approach is based on a clear understanding of the risks that the organization faces, disciplined risk monitoring and laid down procedure to inform the Board about risk assessment & minimization procedure. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk management and mitigation measures.

Internal Financial Control and Internal Audit

The Company has in place adequate internal financial control with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was noticed. The Company appoint Mr. Asim Santara as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the board of directors and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in over all operations of the company.

Vigil Mechanism & Whistle Blower Policy

The Purpose of the Whistleblower Policy is to allow employees to raise concern about unacceptable, improper or unethical practices being followed in the organization. They will be protected against any adverse action and / or discrimination, as a result of such reporting, provided it is justified and made in good faith. The Chairman of the Audit Committee has been designated for the purpose of receiving and recording any complaints under this policy. The Vigil Mechanism Policy has been uploaded on the website of the Company i.e. www.garnetconstructions.com

Extract of Annual Return

The extract of Annual Return in Form No.MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2019 is annexed and forms part of this report.

Particulars of loans, guarantees or investments under section 186

The particulars of loans, guarantees and investments give/made during the financial year under review and governed by the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the financial statements.

Related Party Transactions

All contracts/arrangements/transactions entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of material related party transaction are furnished in Annexure II and forms part of this report. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the company's website. Your Directors also draw attention of the members to Note 35 to the financial statement which sets out related party disclosures.

As per the requirement under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), approval of the Audit Committee was received for all the Related Party Transactions. As per the Regulation 23(8) of

the SEBI Regulations, the Company has sought approval of shareholders for passing necessary resolution.

Corporate Governance

As per Regulation 27 of the Listing Regulation, a report of the Corporate Governance and the Certificate of the Auditors of the Company in respect of the Compliance thereof are appended hereto and forming part of this report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached in the report on Corporate Governance. The Board of Directors of the Company adopted the Code of Conduct and the same is posted on the Company's website. The Directors and Senior Management personnel have affirmed their compliance with the said code.

Management Discussion and Analysis

The Management Discussion and Analysis of the financial condition and result of operation of the Company under review, is annexed and forms an integral part of the Directors' Report.

Conservation of Energy and Technology Absorption

During the year under review, the Company has not carried out any manufacturing activity and hence the Directors have nothing to report under Section 134 (3) (m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with reference to Conservation of Energy and Technology Absorption. Further, there is no foreign exchange earnings and outgo.

Foreign Exchange Earnings and Outgo

Earnings in Foreign Currency (on receipts basis) from sale of Residential units Rs. 20.33 Lakh
Expenditure on Foreign Currency - NIL

Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet or renewed any fixed deposits during the year.

Statement on Declaration Given By Independent Directors Under Sub-Section (6) of Section 149:-

The independent directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

Consolidated Financial Statements

The Consolidated Financial Statements, pursuant to Section 129 of the Companies Act, 2013 are attached to the Standalone Financial Statements of the Company Listing with Stock Exchange.

Significant and Material Orders Passed by Regulators, Courts and Tribunals

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

Corporate Social Responsibility (CSR)

The Disclosure as per Rule 9 of the Companies (Corporate Social responsibility Policy) Rules, 2014 are not applicable to the Company.

Safe & Conducive Workplace

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
2. The Company has no subsidiary and neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

Directors Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
2. The have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the loss of the Company for the year ended on that date.
3. The have taken proper and sufficient care for the 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 fraud and other irregularities.
4. The have prepared the annual accounts on a 'going concern' basis.
5. The have laid down internal finance control to be followed by the Company and such internal finance control are adequate and operating effectively;
6. The have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

Acknowledgement

The board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to lace on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers

For and on behalf of the Board

Date: 30th May, 2019
Place: Mumbai

Kishan Kumar Kedia
Managing Director
DIN : 00205146

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Annexure – I

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

There is no Company fall under this category.

Notes: There were no subsidiaries liquidated during the financial year 2018-19

"B": Associates and Joint Venture

Rs in Lacs		
S. No.	Particulars	Callista Realty Ltd.
1.	Reporting Period	April 18- March 19
2.	Reporting Currency	INR
3.	Share Capital	5.006
4.	Reserve & Surplus	13.43
5.	Total Asscts	1757.21
6.	Total Liabilities	1757.21
7.	Investments	-
8.	Turnover (Total Revenue)	-
9.	Profit / (Loss) Before Tax	(2.18)
10.	Provision for Tax	-
11.	Profit / (Loss) After Tax	(2.18)
12.	Proposed Dividend	-
13.	% of Shareholding	50

Date: 30th May, 2019
Place: Mumbai

For and on behalf of the Board

Kishan Kumar Kedia
Managing Director
DIN : 00205146

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Annexure – II

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS:

- i. CIN :- L25200MH1991PLC059943
- ii) Registration Date :- 15th October, 1992
- iii) Name of the Company :- Garnet Construction Limited
- iv) Category / Sub-Category of the Company :- Public Limited
- v) Address of the Registered office :- 501/531, Laxmi Mall, Laxmi Industrial Estate, Link Road, Andheri (West), Mumbai – 400 053
- vi) Whether listed company :- Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :- Link Intime India Pvt. Ltd.
C-13, Panalal Silk Mill Compound,
LBS Marg, Bhandup,
Mumbai – 400 078
Tel. : 022-25963838
Fax : 022-25946969
Email :accounts@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 and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction	45201 & 45202	100%
2			

III. PARTICULARS OF JOINTLY CONTROLLED ENTITY

S. No.	Name	% of Holding
1	Callista Realty Ltd.	50%

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7628023	100	7628123	54.87	7628023	100	7628123	54.87	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total share-holding of Promoter(A)	7628023	100	7628123	54.87	7628023	100	7628123	54.87	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	550919	1259700	1810619	13.02	588852	1257000	714552	5.14	-7.88
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	2363942	320005	2683947	19.31	2226492	287305	2513797	18.08	-1.23

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ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1055347	190300	1245647	8.96	1289264	1349300	2638564	18.98	+10.02
c) Others (specify)									
Non Resident Indians	154365	33700	188065	1.35	154160	342020	187860	1.35	-
HUF	195865	0	195865	1.41	203028	0	203028	1.46	+0.05
Foreign Nationals									
Clearing Members	149934	0	149934	1.08	16276	0	16276	0.12	-0.96
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	4470372	1803705	6274077	45.13	4478072	1796005	6274077	45.13	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	4470372	1803705	6274077	45.13	4478072	1796005	6274077	45.13	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	12098395	1803805	13902200	100	12106095	1796105	13902200	100	0

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Kishan Kumar Kedia	1759100	12.65	Nil	1759100	12.65	Nil	Nil
2	Kusumdevi Kedia	1928380	13.87	Nil	1928380	13.87	Nil	Nil
3	Arun Kedia	1864117	13.41	Nil	1864117	13.41	Nil	Nil
4	Sanjay Kedia	2076426	14.94	Nil	2076426	14.94	Nil	Nil
5	Narendra Kedia	100	0.00	Nil	100	0.00	Nil	Nil
	TOTAL	7628123	54.87	Nil	7628123	54.87	Nil	Nil

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D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Manju M Singhania	0	0	377000	2.71
2.	Manoj B Singhania HUF	0	0	377000	2.71
3.	Manoj Basesarlal Singhania	0	0	255000	1.83
4.	Alpha Chemetrade Agency	675000	4.86	0	-4.86
5.	Krishna Mingranite Ltd	459000	3.30	0	-3.30
6.	Garnet Capital Finance Ltd.	414846	2.98	414846	2.98
7.	Natasha Kewal Lohia	161000	1.16	311000	2.24
8.	Mihir Manoj Singhania	130360	0.94	130360	0.94
9.	K S Aghoram	83000	0.60	83000	0.60
10.	Ramana Reddy Venna	80000	0.58	81880	0.59
11.	Atlantis Developers & Infrastructure Pvt Ltd	79250	0.57	79250	0.57
12.	Buniyad Chemicals Ltd	75000	0.54	0	-0.54
13.	Vakil Ahemd Siddiqui	70514	0.51	70514	0.51

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		At the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanjay Kedia	2076426	14.94	2076426	14.94	2076426	14.94
2.	Arun Kedia	1864117	13.41	1864117	13.41	1864117	13.41
3.	Kishan Kumar Kedia	1759100	12.65	1759100	12.65	1759100	12.65
4.	Shiromani Chauhan	3900	0.03	3900	0.03	3900	0.03
5.	Santosh Ginoria	Nil	Nil	Nil	Nil	Nil	Nil
6.	Seema Bhattar	Nil	Nil	Nil	Nil	Nil	Nil
7.	Falguni Padiya	Nil	Nil	Nil	Nil	Nil	Nil
8.	Pawan Gupta	Nil	Nil	Nil	Nil	Nil	Nil

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F) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	3635.46	50.00		3685.46
ii) Interest due but not paid				
iii) Interest accrued but not due	0.00	2.70		2.70
Total (i+ii+iii)	3635.46	52.70		3688.16
Change in Indebtedness during the year				
* Addition	1040.69	286.00		1326.69
* Reduction	301.08	39.00		340.08
Net Change	739.61	247.00		986.61
Indebtedness at the end of the financial year				
i) Principal Amount	4375.07	297.00		4672.07
ii) Interest due but not paid				
iii) Interest accrued but not due	0.00	22.79		22.79
Total (i+ii+iii)	4375.07	319.79		4694.86

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Rs in Lacs

Sr No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Kishan Kedia	Arun Kedia	Sanjay Kedia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.00	40.00	40.00	120.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	40.00	40.00	40.00	120.00
	Ceiling as per the Act				120.00

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B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total
		Shiromani Chauhan	Santosh Ginoria	Seema Bhattar	
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	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 / WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.59	1.44	15.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify...			
5	Others, please specify			
	Total	13.59	1.44	15.03

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

For and on behalf of the Board

Place : Mumbai
Date : 30th May, 2019

Kishan Kumar Kedia
Managing Director
DIN : 00205146

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Annexure – III

SECRETARIAL AUDIT REPORT FORM NO. MR – 3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

**To,
The Members,
Garnet Construction Limited**

I have conducted the secretarial audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by Garnet Construction Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/Statutory compliances and expressing my opinion thereon.

Based on my verification of Garnet Construction Limited's books, papers, minute books, form 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 March 31, 2019, 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.

I have examined the books, papers, minute books, form and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:-

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (3) The Depository Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act') :-
 - 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
 - f. The Securities and Exchange Board of India (Registration to an Issue and Share Transfer Agents) Regulation, 1993, regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period)

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h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period)

I have also examined Compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange Limited (BSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

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.

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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with 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, there were no instances of:-

- (i) Public/Right/ preferential issue of shares/ debentures/ sweat equity.
- (ii) Redemption/ buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

For Namrata Vyas & Associates

Place: Mumbai

Date: September 6, 2019

Namrata Vyas
Proprietor

ACS No. - 46184

CP No.- 17283

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

'Annexure A'

**To,
The Members,
Garnet Construction Limited**

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

1. Maintenance of Secretarial record is 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 process 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 process 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 procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Namrata Vyas & Associates

Place: Mumbai
Date: September 6, 2019

**Namrata Vyas
Proprietor**
ACS No. – 46184
CP No.– 17283

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ANNEXURE – V

PARTICULARS OF EMPLOYEE AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE (5)(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i. **The ratio of the remuneration of each director to the median remuneration of employee for financial year :-**

Executive Directors	Ratio to median remuneration
Kishan Kumar Kedia, Managing Director	40.00
Arun Kedia, Director Marketing	40.00
Sanjay Kedia, Finance Director	40.00

- ii. **The percentage increase in remuneration in the financial year of following :-**

Executive Directors & KMP	% increase
Kishan Kumar Kedia, Chairman & Managing Director	132%
Arun Kedia, Director Marketing	132%
Sanjay Kedia, Finance Director	132%
Flaguni Padiya, Chief Financial Officer	Nil
Pavan Gupta, Company Secretary	Nil

Percentage increase in median remuneration of employees in the financial year :- Nil.

- iii. **Number of permanent employee on the roll of company :- 26**

- iv. **Explanation on the relationship between average increase in remuneration and company expenditure :-**

The Profit before Tax for the financial year ended March 31, 2019 decreased by 20% whereas the increase in median remuneration was 44%.

- v. **Comparison of the remuneration of the KMP against the performance of the Company :-**

Average increase in remuneration of key managerial personnel is 132% based upon individual performance, company's performance and as measure to motivate them for better future performance.

- vi. **Variation in the market capitalisation of the company, prices earnings ratio as at the closing date of the current financial year and previous financial year :-**

Particulars	31.03.2019	31.03.2018	% Change
Market Capitalization (Rs in Lacs)	1779.48	3023.73	-41%
Price Earnings Ratio	0.59	0.88	-29%

- vii. **Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies :-**

Name of Exchange	Closing Market Price as of 31.03.2019	Public Offer in 1993	Growth by
BSE	12.80	10	28%

- viii. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there**

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are any exceptional circumstances for increase in the managerial remuneration :- Increase in Salaries is as per industry standards.

ix. Affirmation that the remuneration is as per the remuneration policy of the Company.

It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board

Place : Mumbai
Date : 30th May, 2019

Kishan Kumar Kedla
Managing Director
DIN : 00205146

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

Corporate Governance is a value-based framework for managing the affairs of the Company in a fair and transparent manner. As a responsible Company, Garnet Construction Limited ('GCL') uses this framework to maintain accountability in all its affairs, and employ democratic and open processes, which in turn leads to adoption of best governance practices and its adherence in true spirit, at all times. The Company's philosophy is primarily based on the principles of integrity, transparency, fairness, accountability, full disclosure and independent monitoring of the state of affairs. The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

This governance protects and balances the interests of all the stakeholders thereby enhancing the shareholder value.

2. Board of Directors

A. Board Composition

Present strength of the Board is 6 (Six) Directors. The Board comprises of three (3) Executive and 3 (three) Non-Executive Director. The board is headed by Mr. Kishan Kumar Kedla, Executive Chairman.

Category	Name of Director
Executive and Non-Independent Director	Mr. Kishan Kumar Kedla Mr. Arun Kedla Mr. Sanjay Kedla
Non Executive and Independent Director	Mr. Shiromani Chauhan Mr. Santosh Ginoria Mrs. Seema Bhattar

B. Board Meetings

Eight Board Meetings were held during the financial year 2018 - 19 on 30th May, 2018, 14th August, 2018, 31st August, 2018, 1st October, 2018, 14th November, 2018, 7th January, 2019 30th January, 2019 and 14th February, 2019.

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Details of Composition, Status, Attendance at the Board Meetings and the last Annual General Meeting, Number of other Directorship and other committee position held :-

Name	Category	Attendance		No. of Other Directorship \$	Committee (as on March 31, 2019)	
		Board Meeting	Last AGM		Member Ship	Chairman Ship
Mr. Kishan Kumar Kedia	Executive Non Independent	8	Yes	2	-	-
Mr. Arun Kedia	Executive Non Independent	8	Yes	1	-	-
Mr. Sanjay Kedia	Executive Non Independent	6	Yes	2	-	-
Mr. Shriromani Chauhan	Non Executive Independent	6	Yes	-	3	2
Mr. Santosh Ginoria	Non Executive Independent	5	Yes	1	3	1
Mrs. Seema Bhattar	Non Executive Independent	4	No	-	3	-

\$ Directorship included in Private Limited Company.

Shri Arun Kedia and Shri Sanjay Kedia and Shri Kishan Kumar Kedia are Promoters and are relatives.

None of the Directors on board is a member of more than nine committee and a Chairman of more than 5 committee across all the committees in which they are directors and the necessary disclosures in this regard have been made by them.

3. Audit Committee :

Brief description of terms of reference

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Overseeing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are accurate, complete and reliable;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review with management the annual financial statements and auditors reports thereon before submission to the board for their approval;
- Review with management quarterly financial statement ensuring compliances with regulatory guidelines before submission to the Board;
- Preparation of various financial statement for better fund planning purpose and based upon the requirement of fund for the Company;

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- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval of any subsequent modification of transaction of the company with related parties;
- Valuation of company's projects or assets of the company wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management performance of statutory and internal auditors, their adequacy of the internal control systems;
- Formulate the scope, functioning, periodicity and methodology for conducting the internal audit on consultation with the internal auditor and discuss with them regarding any significant findings and follows up thereon;
- Discussion with statutory auditors before the audit commence, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the function of the Whistle Blower mechanism;

Committee Composition

The Committee comprises of three members and all are independent Directors, to exercise powers and discharge their function as stipulated under Companies Act, 2013. During the year four meetings were held on 30.05.2018, 14.08.2018, 14.11.2018 & 14.02.2019 and all the members attended the meeting. Quorum of the committee is two Independent Directors as Members.

The Composition of Audit Committee is as under:

Sr. No.	Name of the members	Status	Director Status	Meeting Attended
1	Shiromani Chauhan	Chairman	Non-Executive & Independent	4
2	Santosh Ginoria	Member	Non-Executive & Independent	4
3	Seema Bhattar	Member	Non-Executive & Independent	4

4. Nomination & Remuneration Committee

The brief description of terms of reference

The Committee's terms of reference includes :

1. Identifying person who are qualified to become and who may be appointed in senior management in accordance with the criteria laid down and recommended to the board their appointment and removal;
2. Carry on the evaluation of directors performance;
3. Formulation of the criteria for evaluation of independent director and the Board;
4. Recommended to the board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

The members of the Nomination and Remuneration Committee met two times on 14th August, 2018 and 14th February, 2019. All the members were attended the said meetings.

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The Composition of Committee is as under:

Sr. No.	Name of the members	Status	Director Status	Meeting Attended
1	Shiromani Chauhan	Chairman	Non-Executive & Independent	2
2	Santosh Ginoria	Member	Non-Executive & Independent	2
3	Seema Bhattar	Member	Non-Executive & Independent	2

Remuneration Policy

Remuneration for the Whole-time Director, KMP and Senior Management Personnel

Managing Directors and Whole-time Director

The remuneration to be paid to the Managing and Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and/or as per the provisions of the Companies Act, 2013 and the rules made thereunder. The Managing Directors and Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, and other medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and /or Central Government, wherever required.

Minimum and Excess Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Directors and Whole-time Director in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

If any Managing Director and Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company.

Independent Non- Executive Directors:

There is no provision of remuneration has been made to Independent director. However, committee is proposes to recommended the board for payment of Sitting Fees to Independent Directors from current year onwards.

KMP and Senior Management Personnel:

The KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, and same shall be decided and approved by the Board on the recommendation of the Committee.

Approval of the Remuneration Policy & Amendment in the Policy:

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors. The Remuneration Policy is binding for the Board of Directors including its provisions on stock options. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Board's minutes. The Nomination & Remuneration Committee shall review the policy from time to time and make necessary recommendations to the Board. Any amendment to this Policy can be made only with the approval of the Board of Directors of the Company.

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Disclosure of Information & Dissemination:

Information on the total remuneration of Board of Directors, Key Managerial Personnel and Senior Management may be disclosed in the Company's annual financial statements. The Company's Remuneration Policy shall be published on its website.

5. Stakeholder Relationship Committee

The Committee looks into various issues relating to shareholders / investors including transfer and transmission of shares held by shareholders in physical forms as well as non receipt of annual reports etc. the committee also looks into issue including status of dematerialization / re-materialization of shares and issue of duplicate shares.

The members of the Stakeholders Relationship Committee met two times on 14th August, 2018, and 14th February, 2019. All the members were attended the said meetings.

The Composition of Committee is as under:

Sr. No.	Name of the members	Status	Director Status	Meeting Attended
1	Santosh Ginoria	Chairman	Non-Executive & Independent	2
2	Shiromani Chauhan	Member	Non-Executive & Independent	2
3	Arun Kedia	Member	Executive & Non - Independent	2

During the financial year 2018-2019 the Company did not receive any complaints from the shareholders.

6. General Body Meeting

The details of last three Annual general Meeting

Year	Date	Venue	Time
2018	September 29, 2018	Ashish Banquet, Malad (West), Mumbai – 64	10.00 am
2017	September 29, 2017	Ashish Banquet, Malad (West), Mumbai – 64	10.00 am
2016	September 29, 2016	Ashish Banquet, Malad (West), Mumbai – 64	10.00 am

All special resolution as set out in the notice of Annual General Meeting were passed by the shareholders at respective meeting with requisite majority. Neither any resolution was passed through postal ballot last year nor is any resolution proposed to be passed through postal ballot this year.

7. Means of Communication

- The quarterly / half yearly financial results are published in English & Marathi newspaper.
- Quarterly, Half Yearly and Annual Financial Results of the Company are sent to the stock exchange immediately after they have been approved by the board. Quarterly and Annual Results are published in the newspaper and also uploaded on company's website.
- Management Discussion and Analysis Report form the part of the Annual Report.

8. General Shareholder Information

Annual General Meeting :

Day & Date& Time : Monday, 30th September, 2019 at 10.00 am.
Venue : Ashish-1 Banquet, Landmark Building, Malad (West), Mumbai-64

Date of Book closure : Monday 23rd September, 19 to Monday 30th September, 19.
(both days inclusive.)

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Dividend payment date : Not applicable since no dividends is recommended by the Board.

Listing on Stock Exchanges: Bombay Stock Exchanges, and Annual Listing fees for the Financial Year 2018-19 has been paid to the stock exchange.

Reporting of Audited / Un-audited Financial Result : In respect of Financial Year 2019-20

- | | |
|---|--|
| a) First quarter | : on or before 14 th August, 19 |
| b) Second quarter | : on or before 14 th November, 19 |
| c) Third quarter | : on or before 14 th February, 20 |
| d) Fourth quarter | : with in 60 days from the end of the Financial Year |
| e) Annual General Meeting (For 19 – 20) | : Within statutory time limit |

Stock Code : The Stock Exchange, Mumbai - 526727

Market Price Data – High/Low price of the Equity Shares of the Company during the financial year 2018 – 19 on BSE :-

Month	Bombay Stock Exchange Ltd.	
	High	Low
April	25.20	20.50
May	23.00	15.00
June	19.80	12.10
July	20.00	13.70
August	21.90	15.00
September	20.50	14.40
October	15.75	11.20
November	15.30	12.00
December	15.40	12.20
January	15.15	12.00
February	15.05	11.30
March	15.10	11.70

Share Transfer System : The company's equity shares which are in dematerialized form are dealt through the depositories in electronic mode. Transfer of shares in physical form is processed by the Company's Registrar and Transfer Agent (RTA) within fifteen days from the date of receipt, provided the documents are complete in all respect. All requests for transfer / transmission in physical mode are processed by the RTA.

Distribution of shareholding as on 31.03.2019

<u>Number of Equity Shares</u>		<u>Share Holders</u>		<u>Share Total</u>	
		<u>No.</u>	<u>% to Total</u>	<u>In Rs.</u>	<u>% to Total</u>
0	500	4714	82.75	7,93,398	5.71
501	1000	423	7.43	3,61,540	2.60
1001	2000	240	4.21	3,77,521	2.72
2001	3000	93	1.63	2,40,821	1.73
3001	4000	46	0.81	1,66,048	1.19
4001	5000	51	0.90	2,38,049	1.71
5001	10000	57	1.00	4,38,765	3.16
100001 and Above		73	1.28	1,12,86,058	81.18
Total		5697	100.00	13,90,22,000	100.00

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Shareholding pattern as on 31.03.2019

Category	No. of Shares	% of Shares
Promoters	76,28,123	54.87
Private Corporate Bodies	7,14,552	5.14
Indian Public	51,52,361	37.06
NRI/OCBs	1,87,860	1.35
Clearing Member / HUF	2,19,304	1.58
Grand Total	1,39,02,200	100.00

Reconciliation of Share Capital Audit Report :

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report there on is submitted to the Stock Exchanges. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in physical mode.

Dematerialization of Shares and Liquidity as on March 31, 2019

Mode of Holding	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Physical	1324	23.24	1796105	12.92
Electronic	4373	76.76	12106095	87.08
TOTAL	5697	100.00	13902200	100.00

Details of shares held by Non-executive Director are given in extract of Annual return in Form MGT - 9.

Dematerialization of Shares : As on 31st March, 2018 Appx. 87 % of the total issued, subscribed and paid-up equity share capital of the company were in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, its date of conversion and likely impact on Equity : There are no outstanding instruments and hence there will be no dilution of the equity.

9. OTHER DISCLOSURES

a. CEO/CFO Certification : The Managing Director and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 certifying that the Financial Statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this Report.

b. Compliance with Corporate Governance Requirements : The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c. Disclosures regarding Materially Significant Related Party Transactions : All transactions with related parties were in the ordinary course of business and at arm's length. The Company has not entered into any transaction of a material nature with any of the related parties. Particulars of the Related Party Transactions have been disclosed in Note No. 35 of the accounts.

d. Familiarisation Programme for Independent Directors : The Company has a detailed familiarization programme for Independent Directors the details of which are available on company website.

e. Policy on Material Subsidiary : The Company has formulated a policy on determination of Material subsidiary and the same is available on Company website.

f. Disclosure regarding certain Non-Compliances related to Capital Markets : There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities. There were no instances of noncompliance of any matter related to the capital market during the last three (3) years.

g. Whistle Blower Policy : The Board of Directors have framed Whistle Blower Policy for the Directors and employees. The policy has been disclosed on the website of the Company at Coampny website.

h. Compliance of mandatory and non-mandatory requirements : Certificate from the auditors of the Company confirming compliance with the mandatory requirements under Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.

i. A certificate from a Company Secretary In practice that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority : The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

- i. **Details of shares held by Non-Executive Directors :** Details of shares held by Non-Executive Directors are given in Extract of Annual Return in form MGT-9.
- j. **Accounting treatment in preparation of Financial Statements :** The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act. m. Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees : In terms of the amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.
- k. **Fees paid to Statutory Auditor :** Details of fees paid by the Company for all services to M/s. Poddar A. Associates, Statutory Auditors are disclosed in note no. 38 to the Financial Statements.
- l. **Details of use of Public Funds obtained in last three years :** No funds have been raised from public in last three years.
- m. **Dematerialization of Shares :** 87.08 % of the equity shares of the Company have been dematerialized as on 31st March, 2019. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.
- n. **Outstanding GDRs/ADRs/Warrants or any Convertible :** There are no outstanding instruments and hence Instruments, its date of conversion and likely impact are not applicable.

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- o. **Commodity price risk or foreign exchange risk and hedging activities :** The same is not applicable to the company. Since the Company does not have any exposure hedged through Commodity derivatives.
- p. **Foreign exchange risk and hedging activities :** During the year, the Company has not engaged in any foreign exchange risk and hedged to the extent considered necessary.
- q. **Prevention, Prohibition And Redressal Of Sexual Harassment At Workplace :** During the year, no complaint were lodged with the Company.
- r. **Unclaimed Suspense Account :** There were no shares in the demat suspense account or unclaimed suspense account during the Financial Year 2018-19.
- s. **Transfer of Shares to Investor Education and Protection Fund (IEPF):** During the year under review, the Company has not transferred any requisite equity shares as well as Dividend for a period of consecutive 7 years or more beginning from the Financial Year 2010-11 since company has not declared any dividend.

Address for Correspondence :

Shareholders holding in physical mode are requested to lodge share transfer, transmission and intimate change of address, if any in their registered address quoting their folio no. to the company Share Transfer Agent at :-

M/s Link Intime India Pvt. Ltd.
C-13, Panalal Silk Mill Compound,
LBS Marg, Bhandup, Mumbai – 400 078.

Query on Annual Report be addressed to Company's registered office.

Designated email id : investors@garnetconstructions.com.

Declaration on Compliance of the Company's Code of Conduct

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management of the Company pursuant to Regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the members of the board of directors and senior management have affirmed compliance with said code of conduct for the financial year 2018-19.

For and on behalf of the Board

Place : Mumbai
Dated : 30th May, 2019

Kishan Kumar Kedia
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Garnet Construction Limited
501/531, Laxmi Mall, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai – 400 053

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Garnet Construction Limited having CIN : L45200MH1992PLC069044 and having Registered Office at 501/531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Namrata Vyas & Associates
Company Secretaries

Namrata Vyas

Proprietor

ACS No. – 46184

CP No.– 17283

Place : Mumbai

Date : 6th September, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The construction sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of corporate environment and demand. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

The Indian real estate market is expected to touch US \$ 180 billion by the year 2020. Housing sector is expected to contribute around 11 percent to India GDP by 2020, in the period 2008-2020 the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, Hospitality and commercial real estate sector are also growing significantly, providing the much needed infrastructure for India's growing needs.

OPPORTUNITIES

To improve the country's infrastructure and to boost the economy, the Government has taken several steps and your Company is optimistic about capturing the upcoming opportunities. Some of the exciting opportunities that could be addressed include:

- i. Housing for all coupled with the government's credit linked subsidy schemes and a rising middle class will drive demand for affordable houses thus leading to increase in demand of tower cranes.
- ii. The GST reform should help in streamlining the manufacturing sector and boost investments and growth.
- iii. Central government's Smart City Mission for developing smart cities across India.
- iv. With both government and private bodies heavily investing to boost infrastructure development across the country, the construction equipment industry stands to benefit immensely. This will positively impact the business for construction equipment manufacturers, rental companies and the resale market for these machines.
- v. We believe that our proactive steps in providing innovative solutions to our customers and implementation of our strategies have prepared us for next leg of growth.
- vi. Your company continues to focus on various strategies and initiatives to overcome the existing challenges.

THREATS

- i. Any change in the government policy or its budgetary allocation towards the infrastructure sector will have an impact on the Company's business.
- ii. Increasing trade protectionism globally poses the risk of trade war which can curb the economic momentum.
- iii. There is no consistency in the demand owing to the fluctuations in the market thereby achieving targeted sales figures challenging for the Company.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company is engaged in construction and sale of industrial as well residential plots only, hence the segment wise reporting is not applicable. Financial Performance of the Company for the year under review has already covered under the Directors' Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances. The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the Management and the Audit Committee and necessary improvements are undertaken, if required. The Company has a proper and adequate system of internal controls, commensurate with its size and business operations to ensure the following:

- i. Timely and accurate financial reporting in accordance with applicable accounting standards;
- ii. Optimum utilization and safety of assets;
- iii. Compliance with applicable laws, regulations, listing applications and management policies; and
- iv. An effective management information system and reviews of other systems.

MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS

The company believes that its policies should be dynamic and therefore takes adequate steps to review and realign them to ensure that they address changing workforce trends, best practices, and legislative requirements to help your organization achieve its evolving objectives. The company is focused on its people strategy to create a high performing work culture and fosters a culture that is performance oriented, promotes rewards for results and helps its people grow. Your company recognizes that its workforce is one of the most critical resources and it is working tirelessly to foster a growth driven culture. The focus is on development of employees at professional and personal levels using a pioneering, integrated approach to all its employees. Industrial relations were harmonious and cordial throughout the year.

RISK MANAGEMENT AND GOVERNANCE

The company recognizes that effective risk management is crucial to its continued profitability and long-term sustainability of its business. The company is committed to adopt good corporate governance, which promotes the long-term interests of all stakeholders, creates self-accountability across its management and helps built trust in the Company. A robust internal financial control system forms the backbone of our risk management and governance. In line with our commitment to provide sustainable returns to our stakeholders, your company has formalized clearly defined systems to manage its risks within acceptable limits by using risk mitigating techniques and have framed policies for timely addressing key business challenges and leveraging of business opportunities.

CAUTIONARY STATEMENT

Management Discussion and Analysis detailing the Company's objectives, outlook and expectations have "forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied depending upon global and Indian demand supply conditions, changes in Government regulations, tax regimes and economic developments within India and overseas.

For and on behalf of the Board

Kishan Kumar Kedia
Managing Director
DIN: 00205146

Place: Mumbai

Date: May 30, 2019

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**To
The Members of
Garnet Construction Limited**

We have examined the compliances of Corporate Governance by **Garnet Construction Limited** for the year ended 31st March, 2019 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) of the said Company with Stock Exchange.

The Compliance of condition of Corporate Governance Is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance stipulated in the above mentioned Listing Regulations.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Company and presented to the Stakeholders Relationship Committee of the Company.

We further state that such compliances 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.

Place : Mumbai
Date : 30th May, 2019

For Poddar A. & Associates
Chartered Accountants
Firm Regn No: . 131521W

Atul Poddar
Proprietor
Membership No. 10725

GARNET CONSTRUCTION LIMITED

STANDALONE FINANCIAL STATEMENTS

FINANCIAL YEAR – 2018-2019

Independent Auditor's Report

To
The Members of
GARNET CONSTRUCTION LIMITED
MUMBAI

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GARNET CONSTRUCTION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

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

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect

<p>periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>The Company adopted Ind AS 115 and applied the available exemptions provided therein, to not restate the comparative periods.</p>	<p>of operation of these controls.</p> <ul style="list-style-type: none"> • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. <p>Conclusion Our procedures did not identify any material exceptions.</p>
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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises of the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or appears to be material misstatement.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the 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 A"; and
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations of its financial position in its standalone financial statements as of March 31, 2019.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- C. With respect to the matter to be included in the Auditors' Report under section 197(16):

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

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Poddar A. & Associates
Chartered Accountants
Firm Registration No. 131521W

Atul Poddar
Proprietor
Membership No. 10725

Mumbai, 30th May 2019

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **GARNET CONSTRUCTION LIMITED** ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 Poddar A. & Associates
Chartered Accountants
Firm Registration No. 131521W

Atul Poddar
Proprietor
Membership No. 10725

Mumbai, 30th May 2019

GARNET CONSTRUCTION LIMITED | 2018-19

M/s. GARNET CONSTRUCTION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019

Annexure - B to the Independent Auditors' Report

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
- c) The title deeds of immovable properties held as fixed assets are in the name of the company.
- 2 The stocks of goods have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable in relation to the size of the company and nature of its business. The discrepancies noticed on verification between the physical and book records were not material.
3. As per the information and explanations given to us, the company has not granted unsecured loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. Hence relevant clause is not applicable.
4. As per the information and explanations given to us, the company has not granted loans, or given guarantee or security for any person specified under section 185 and section 186 of the Companies Act, 2013. The company has not invested in any company in contravention of section 186 of the Companies Act, 2013.
5. As per the information and explanations given to us, the company has not accepted deposits from the public within the meanings of Sections 73 to 76 of the Companies Act and the rules framed there under.
6. In our opinion and according to information and explanations given to us, the Central Government has not prescribed the maintenance of costs records under section 148 of the Companies Act, 2013.
7. a) According to the information and explanation given to us and based on the books and records examined by us, Investor Education and Protection Fund, Income Tax, Goods and Services Tax, Cess and other statutory dues, wherever applicable, have been generally deposited regularly during the year with appropriate authorities except tax deducted at source. As on 31st March, 2019 there is an amount of Rs. 19,84,971/- towards tax deducted at source outstanding for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us and based on the books and records examined by us, there are no dues of Income Tax, Goods & Services Tax, Cess and other statutory dues, wherever applicable, which have not been deposited on account of any dispute.
8. In our opinion the company has not defaulted in repayment of dues to a financial institution or Bank during the year.

GARNET CONSTRUCTION LIMITED | 2018-19

9. As per the information and explanation given to us the company has not raised money by way of public offer. The company has utilized the term loan for the purpose for which it was taken by the company and has not committed any default
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. As per the information and explanation given to us the company is not a nidhi company hence provisions of Nidhi Rules, 2014 are not applicable.
13. All the transactions entered into with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Poddar A. & Associates
Chartered Accountants
Firm Registration No. 131521W

Atul Poddar
Proprietor
Membership No. 10725

Mumbai, 30th May 2019

GARNET CONSTRUCTION LIMITED | 2018-19

GARNET CONSTRUCTION LIMITED			
Balance Sheet as at 31st March, 2019			
Particulars	Notes	INR	
		As at	
		31st March, 2019	31st March, 2018
ASSETS			
I) <u>Non - Current Assets</u>			
a. Property, Plant and Equipment	3	5,12,35,457	5,56,04,011
b. Financial Assets			
Investments	4	2,50,300	3,02,50,300
Non-current loans	5	44,34,069	44,34,069
Other Non - Current Financial Assets	6	4,37,997	4,07,246
c. Deferred tax assets (net)	7	7,17,492	14,20,841
d. Other non-current assets	8	1,43,28,001	1,24,25,515
		7,14,03,316	10,45,41,982
II) <u>Current Assets</u>			
a. Inventories	9	1,11,85,40,862	96,70,69,450
b. Financial Assets			
Trade Receivables	10	34,02,57,025	30,31,56,663
Cash and Cash Equivalents	11	78,00,275	13,25,160
Current Loans	12	64,51,796	38,99,841
Other Current Financial Assets	13	1,417	1,417
c. Other Current assets	14	17,70,56,378	17,01,07,451
		1,65,01,07,753	1,44,55,59,982
TOTAL ASSETS (I + II)		1,72,15,11,069	1,55,01,01,964
EQUITY AND LIABILITIES			
I) <u>Equity</u>			
a. Equity Share Capital	15	13,90,22,000	13,90,22,000
b. Other Equity	16	58,26,81,965	57,44,20,318
		72,17,03,965	71,34,42,318
II) <u>Liabilities</u>			
i) <u>Non - Current Liabilities</u>			
a. Financial Liabilities			
Borrowings	17	24,26,26,758	27,30,07,164
Other financial liabilities	18	2,50,000	1,00,000
b. Provisions	19	7,58,457	6,34,133
		24,36,35,215	27,37,41,297
ii) <u>Current Liabilities</u>			
a. Financial Liabilities			
Borrowings	20	2,97,00,000	50,00,000
Trade Payables	21	4,01,60,955	5,04,34,666
Other financial Liabilities	22	25,09,48,013	15,35,29,763
b. Other current liabilities	23	43,12,37,079	35,01,16,256
c. Provisions	24	41,25,842	38,37,664
		75,61,71,889	56,29,18,349
TOTAL EQUITY AND LIABILITIES (I+II)		1,72,15,11,069	1,55,01,01,964
Significant Accounting Policies		1 and 2	
The accompanying notes form an integral part of the financial statements			
As per our attached report of even date			
For M/s Poddar A & Associates		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Reg. No.131521W			
		Kishan Kumar Kedia	
		Chairman & Managing Director	
Atul Poddar		Arun Kedia	
Proprietor		Marketing Director	
M. No. 107258		Sanjay Kumar Kedia	
Place : Mumbai		Finance Director	
Date : 30th May, 2019		Falguni Padiya	
		Chief Financial Officer	
		Pavan Gupta	
		Company Secretary	

GARNET CONSTRUCTION LIMITED | 2018-19

GARNET CONSTRUCTION LIMITED			
Statement of Profit and Loss for the year ended 31st March, 2019			
Particulars	Notes	INR	INR
		Year Ended	Year Ended
		31st March, 2019	31st March, 2018
REVENUE:			
Revenue from operations	25	7,30,31,589	5,82,35,881
Other income	26	80,83,242	16,97,320
Total Revenue (I)		8,11,14,831	5,99,33,201
EXPENSES			
Operating Costs	27	17,99,76,983	10,52,76,987
Changes in Inventories	28	(15,14,71,413)	(10,41,52,353)
Employee benefits expense	29	2,05,33,631	1,03,18,787
Finance cost	30	42,71,722	1,53,96,665
Depreciation and amortisation	3	46,61,724	54,16,818
Other expenses	31	1,14,65,550	1,30,44,133
Total Expenses (II)		6,94,38,197	4,53,01,036
Profit for the year before tax (I - II)		1,16,76,633	1,46,32,165
Tax Expenses :	33		
Current tax		25,25,000	33,00,000
Short/ (Excess) provision of tax in earlier years		2,49,127	(30,848)
MAT Utilisation		13,61,737	15,71,640
Deferred tax		(6,75,773)	(23,48,246)
		34,60,091	24,92,546
Profit for the year		82,16,542	1,21,39,619
OTHER COMPREHENSIVE INCOME:	32		
Re - measurement gains / (losses) on defined benefit plans		62,490	56,469
Income tax effect		(17,385)	(15,995)
Other Comprehensive Income for the year, net of tax		45,105	40,474
Total Comprehensive Income for the year net of tax		82,61,647	1,21,80,093
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	34	0.59	0.88

Significant Accounting Policies

1 and 2

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For M/s Poddar A & Associates

Chartered Accountants

Firm Reg. No.131521W

For and on behalf of the Board of Directors

Kishan Kumar Kedia

Chairman & Managing Director

Atul Poddar

Proprietor

M. No. 107258

Place : Mumbai

Date : 30th May, 2019

Arun Kedia

Marketing Director

Falguni Padiya

Chief Financial Officer

Sanjay Kumar Kedia

Finance Director

Pavan Gupta

Company Secretary

GARNET CONSTRUCTION LIMITED | 2018-19

GARNET CONSTRUCTION LIMITED				
Statement of Change in Equity for the year ended 31st March, 2019				
A. Equity Share Capital:				
	Note		No. of Shares	INR
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up	15			
Balance as at 1st April, 2017			1,39,02,200	13,90,22,000
Change in equity share capital during FY 2017-18			-	-
Balance as at 31st March, 2018			1,39,02,200	13,90,22,000
Change in equity share capital during FY 2018-19			-	-
Balance as at 31st March, 2019			1,39,02,200	13,90,22,000
B. Other Equity:				
Particulars	Note	INR		
		Reserves and Surplus		Total
		Securities Premium Reserve	Retained Earnings	
Balance as at 1st April, 2017	16	43,30,00,000	12,92,40,225	56,22,40,225
Changes during the year				
Profit for the year		-	1,21,39,619	1,21,39,619
Other Comprehensive income				
Remeasurement of the net defined benefit liabilities/ assets , net of taxes		-	40,474	40,474
Balance as at 31st March, 2018	16	43,30,00,000	14,14,20,318	57,44,20,318
Particulars	Note	INR		
		Reserves and Surplus		Total
		Securities premium reserve	Retained Earnings	
Balance as at 1st April, 2018	16	43,30,00,000	14,14,20,318	57,44,20,318
Changes during the year				
Profit for the year		-	82,16,542	82,16,542
Other Comprehensive income				
Remeasurement of the net defined benefit liabilities/ assets , net of taxes		-	45,105	45,105
Balance as at 31st March, 2019	16	43,30,00,000	14,96,81,965	58,26,81,965
As per our attached report of even date				
For M/s Poddar A & Associates		For and on behalf of the Board of Directors		
Chartered Accountants				
Firm Reg. No.131521W				
		Kishan Kumar Kedia		
		Chairman & Managing Director		
Atul Poddar		Arun Kedia	Sanjay Kumar Kedia	
Proprietor		Marketing Director	Finance Director	
M. No. 107258				
Place : Mumbai				
Date : 30th May, 2019		Falguni Padiya	Pavan Gupta	
		Chief Financial Officer	Company Secretary	

GARNET CONSTRUCTION LIMITED | 2018-19

GARNET CONSTRUCTION LIMITED		
Cash Flow Statement for the year ended 31st March, 2019		
Particulars	INR	INR
	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
A Cash flows from operating activities:		
Profit before tax	1,16,76,633	1,46,32,165
Adjustments for:		
Depreciation, Impairment and Amortisation expenses	46,61,724	54,16,818
Profit on sale of assets [Net]	-	(1,54,185)
Interest income	(37,615)	(15,27,704)
Interest expenses	5,51,73,183	4,83,63,847
Relassification of actuarial gain/loss to OCI	62,490	56,469
Provisions for employee benefits	2,16,948	2,20,857
Total	6,00,76,730	5,23,76,102
Operating profit before working capital changes	7,17,53,363	6,70,08,266
Adjustments for:		
Increase/ [Decrease] in trade Payables	(1,02,73,711)	(47,30,188)
Increase/ [Decrease] in provision	1,95,554	7,73,154
Increase/ [Decrease] in other current liabilities	8,25,39,027	(21,32,14,213)
Increase/ [Decrease] in other non current liabilities	1,50,000	-
[Increase]/ Decrease in Inventories	(15,14,71,412)	(10,41,52,353)
[Increase]/ Decrease in loans	(25,51,955)	1,10,84,554
[Increase]/ Decrease in trade receivable	(3,71,00,362)	27,81,65,613
[Increase]/ Decrease in other current assets	(69,48,927)	(84,03,752)
[Increase]/ Decrease in other non current assets	(19,33,237)	(71,29,574)
Total	(12,73,95,023)	(4,76,06,759)
Cash generated from operations	(5,56,41,660)	1,94,01,507
Direct taxes paid [Net of refunds]	(27,74,127)	(32,69,152)
Net cash from operating activities	(5,84,15,787)	1,61,32,355
B Cash flows from investing activities:		
Purchase of fixed assets	(2,93,170)	(60,273)
Proceeds from sale of fixed assets	-	1,54,185
Proceeds from sale of Investment	3,00,00,000	-
Interest received	37,615	15,27,704
Net cash used in investing activities	2,97,44,445	16,21,616
C Cash flows from financing activities:		
Proceeds from Long Term Borrowings	4,66,25,647	4,84,16,214
Proceeds / (repayment) of working capital loans	16,43,93,065	6,03,23,482
Repayment of Long Term Borrowings	(11,23,57,067)	(8,93,78,067)
Interest paid	(5,51,73,183)	(4,83,63,847)

GARNET CONSTRUCTION LIMITED | 2018-19

Particulars	INR	INR
	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
Net cash used in financing activities	4,34,88,463	(2,90,02,219)
Net increase in cash and cash equivalents	1,48,17,121	(1,12,48,248)
Cash and cash equivalents at the beginning of the year	(70,16,846)	42,31,402
Cash and cash equivalents at the end of the year	78,00,275	(70,16,846)

Notes to the Cash Flow Statement

- 1 Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7.
- 2 Figures in bracket indicates outflows.
- 3 The accompanying notes (1 to 42) are an integral part of the financial statements.
- 4 Cash and cash equivalents comprise of:

	31st March, 2019	As at 31st March, 2018
a Cash on Hand	1,96,109	2,92,043
b Balances with Banks	/6,04,166	10,33,117
c Book Overdraft	-	(83,42,006)
Total	78,00,275	(70,16,846)

5 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

<u>31st March, 2019</u>	Opening Balance	Cash Flows	Non cash changes	Closing Balance
Long Term Secured Borrowings	36,35,45,758	7,39,61,645	-	43,75,07,404
Short Term Unsecured Borrowings	50,00,000	2,47,00,000	-	2,97,00,000
Total Liabilities from Financing Activities	36,85,45,758	9,86,61,645	-	46,72,07,404
<u>31st March, 2018</u>	Opening Balance	Cash Flows	Non cash changes	Closing Balance
Long Term Secured Borrowings	34,21,84,130	2,13,61,628	-	36,35,45,758
Short Term Unsecured Borrowings	70,00,000	(20,00,000)	-	50,00,000
Total Liabilities from Financing Activities	34,91,84,130	1,93,61,628	-	36,85,45,758

As per our attached report of even date
For M/s Poddar A & Associates
Chartered Accountants
Firm Reg. No.131521W

For and on behalf of the Board of Directors

Kishan Kumar Kedia
Chairman & Managing Director

Arun Kedia

Marketing Director

Sanjay Kumar Kedia

Finance Director

Atul Poddar
Proprietor
M. No. 107258

Place : Mumbai

Date : 30th May, 2019

Falguni Padiya

Chief Financial Officer

Pavan Gupta

Company Secretary

Garnet Construction Limited

Notes to the Standalone Financial Statements for the year ended 31st March 2019

Note 1: COMPANY BACKGROUND:

Garnet Construction Limited (the "Company") is public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The Company was incorporated in October 15, 1992 and thereafter listed with National Stock Exchange and Bombay Stock Exchange on December 15, 1994. The addresses of the Registered Office and principal place of business are disclosed in the of the Annual Report.

The Company is a Real Estate Development Company that is focused on residential, commercial, retail and other projects, such as mass housing and cluster redevelopment. Information on related party relationships of the Company is provided in Note 35.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 30th May 2019, in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

Note 2: Significant Accounting Policies on Standalone Financial Statements**a) Basis of preparation:**

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, ("The Act") the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial statement are prepared in Indian Rupee ("INR") and all values are rounded to nearest INR, except when otherwise indicated.

b) Current and Non-Current Classification of Assets and Liabilities:

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle as indicated in (c) below,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is considered as current when:

- It is expected to be settled in normal operating cycle as indicated in (c) below,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Operating Cycle:

The normal operating cycle in respect of operations relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalents. Accordingly Assets and Liabilities have been classified into current and non-current based on the operating cycle of the respective projects.

d) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind As requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to

contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Revenue and Cost estimates:** The estimates relating to percentage of completion, costs to completion, area available for sale etc., being of a technical nature are reviewed and revised periodically by the management and are considered as change in estimates and accordingly, the effect of such change in estimates is recognised prospectively in the period in which such changes are determined.
- **Useful lives of property plant and equipment:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews useful life of property, plant and equipment as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value – in –use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment, If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- **Fair value measurement of financial instruments:** The fair value of financial instruments that are traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of which being always subject to many uncertainties inherent in litigation. A

provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigations provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance sheet date

e) Property, Plant and Equipment

i) Tangible Assets:

Property, Plant and Equipment are recorded at their cost of acquisition, net of modvat/cenvat, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1st April, 2016 measured as per previous GAAP as its deemed cost on the date of transition.

ii) Capital Work in Progress and Capital Advances:

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

iii) Depreciation:

Depreciation on Property, Plant and Equipment is provided on a Straight Line basis in accordance with the provisions of Schedule II to the Companies Act, 2013 except depreciation on new sales office, which is considered as a temporary structure and has been amortized over a period of four years on a straight line basis. Structures constructed for purpose of demonstration to prospective buyers (to be demolished before the project completion) are capitalised as buildings and depreciated over the period by which the respective project is expected to be completed.

The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Impairment of Tangible Assets:

Carrying amount of tangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g) Inventories:

a) Construction work in progress

The construction work in progress is valued at lower of cost and net realizable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses. Land cost includes the cost of land, land related development rights and premium.

b) Finished stock of completed projects (ready units)

Finished stock of completed projects and stock in trade of units is valued at lower of cost and net realizable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

c) Inventory includes certain land purchased in the name of directors and employees who holds the same in trust for the Company.

h) Revenue Recognition:

(i) Revenue from contract with customer:

Revenue from contract with customer is recognised, when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from real estate projects

The Company recognises revenue, on execution of agreement or letter of allotment and when control of the goods or services are transferred to the customer, at an amount that reflects the consideration (i.e. the transaction price) to which the Company is expected to be entitled in exchange for those goods or services excluding any amount received on behalf of third party (such as indirect taxes). An asset created by the Company's performance does not have an alternate use and as per the terms of the contract, the Company has an enforceable right to payment for performance completed till date. Hence the Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time. The Company recognises revenue at the transaction price which is determined on the basis of agreement or letter of allotment entered into with the customer. The Company recognises revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards

complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognises revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation. The Company uses cost based input method for measuring progress for performance obligation satisfied over time. Under this method, the Company recognises revenue in proportion to the actual project cost incurred (excluding land cost) as against the total estimated project cost (excluding land cost). The management reviews and revises its measure of progress periodically and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) **Revenue from lease rentals and related income**

Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rentals is disclosed net of indirect taxes, if any.

(iii) **Interest Income:**

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

(iv) **Dividend Income:**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(v) **Other income:**

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Company's claim.

i) **Financial Instruments:**

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

(i) **Financial Assets:**

Initial Recognition and Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Financial Assets at Amortised Cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the Company may transfer the cumulative gain or loss within equity.

Investments in associates, subsidiaries and joint ventures:

These are carried at cost subject to provision for impairment, if any.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets:

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Financial guarantee contracts.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The

said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

ii) Financial Liabilities:

Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition

of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(iii) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis.

(iv) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received net of any Issue/ transaction costs.

j) Employee Benefits:

Short term employee benefits are those which are payable wholly within twelve months of rendering service are recognised as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

Company 's Contribution paid/ payable for the year/ period to Defined Contribution Retirement Benefit Plans is charged to Statement of Profit and Loss or Project Work in Progress, if it is directly related to a project.

Company 's liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. compensated absences are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the SOCI. Past service cost is recognised immediately in the Statement of Profit and Loss.

k) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

l) Taxes on Income:

Current Income Taxes:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

m) Provisions and Contingent Liabilities:

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.

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes.

n) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted retrospectively for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earning per share.

o) Cash and Cash Equivalent:

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

Revenue is recognised only when the Company can measure its progress towards complete satisfaction of the performance obligation. The measurement of progress is estimated by reference to the stage of the projects determined based on the proportion of costs incurred to date (excluding land cost) and the total estimated costs to complete (excluding land cost).

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company has adopted with effect from April 1, 2018 Ind AS 115 Revenue from contracts with customers

The Company till March 31, 2018 recognised project revenue in accordance with the Guidance Note on "Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" issued by the Institute of Chartered Accountants of India ("ICAI").

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue alongwith Guidance Note on "Accounting for Real Estate Transactions" and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The company elected to apply the standard to all contracts that are not completed as at April 1, 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information is not restated and continues to be reported under Ind AS 11 and Ind AS 18 and the requirement of Guidance Note as mentioned above referred to as previous Ind AS. The company did not have any adjustments to retained earnings as at April 1, 2018 and also there were no impact on recognition and measurement of revenue on adoption of Ind AS 115.

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Notes to the Financial Statements									
3-Property, Plant & Equipment									
	Office Premises	Plant and Machinery	Computers	Office Equipments	Furniture and Fixtures	Vehicles	INR		
									Total
Gross Block:									
As at 01st April, 2017	4,07,42,064	66,13,265	3,46,198	12,33,696	1,09,61,142	70,70,558		6,69,66,923	
Additions	-	-	60,273	-	-	-		60,273	
Disposals	-	-	-	-	-	13,46,280		13,46,280	
As at 31st March, 2018	4,07,42,064	66,13,265	4,06,471	12,33,696	1,09,61,142	57,24,278		6,56,80,916	
Additions	-	-	1,02,289	93,736	-	97,145		2,93,170	
Disposals	-	-	-	-	-	-		-	
As at 31st March, 2019	4,07,42,064	66,13,265	5,08,760	13,27,432	1,09,61,142	58,21,423		6,59,74,086	
Depreciation and Impairment:									
As at 01st April, 2017	7,31,008	5,23,465	2,81,161	3,91,130	17,49,555	23,30,048		60,06,367	
Depreciation for the year	7,31,008	5,23,465	72,039	5,14,005	17,17,968	18,58,332		54,16,818	
Disposals	-	-	-	-	-	13,46,280		13,46,280	
As at 31st March, 2018	14,62,016	10,46,930	3,53,200	9,05,135	34,67,523	28,42,100		1,00,76,905	
Depreciation for the year	7,31,008	5,23,465	44,251	2,70,839	17,17,968	13,74,193		46,61,724	
Disposals	-	-	-	-	-	-		-	
As at 31st March, 2019	21,93,024	15,70,395	3,97,451	11,75,974	51,85,491	42,16,293		1,47,38,629	
Net Block:									
As at 31st March, 2018	3,92,80,048	55,66,335	53,271	3,28,561	74,93,619	28,82,178		5,56,04,011	
As at 31st March, 2019	3,85,49,040	50,42,870	1,11,309	1,51,458	57,75,651	16,05,130		5,12,35,457	

Note: Refer to Note 17 in respect of certain fixed assets which are mortgaged against borrowings

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Particulars	INR		
	As at		
	31st March, 2019	31st March, 2018	
4- Investments			
Investment in Equity Instruments [Valued at cost] Face Value			
a. Jointly controlled entity [Unquoted]:			
In fully paid-up equity shares of:			
Callista Realty Limited Rs. 10	2,50,300	2,50,300	
(Number of shares as on 31.03.2019 - 25,030, 31.03.2018 - 25,030)			
b. Other [Unquoted]:			
In Equity Instruments [at FVTOCI]: Face Value			
In fully paid-up equity shares of:			
Varaha Infrastructure Limited Rs. 1,000	-	3,00,00,000	
(Number of shares as on 31.03.2019 - NIL, 31.03.2018 - 30,000)			
Total	2,50,300	3,02,50,300	
Aggregate Value of unquoted investment	2,50,300	3,02,50,300	
5- Non-current loans			
Unsecured, considered good unless otherwise stated			
Security Deposits			
With Others	44,34,069	44,34,069	
Total	44,34,069	44,34,069	
6- Other Non - Current Financial Assets			
Fixed Deposit	3,39,290	3,39,290	
(Having maturity more than 12 months from Balance Sheet date)			
Accrued Interest on Fixed Deposit	98,707	67,956	
Total	4,37,997	4,07,246	
7- Deferred tax assets (net)			
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:			
Particulars	As at 31st March 2018	Charge for year 2019	As at 31st March 2019
Deferred Tax Liabilities (A)	-	-	-
Deferred Tax Assets:			
Provision for leave salary/gratuity	(1,81,192)	(17,385)	(1,98,577)
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	(96,76,525)	6,75,773	(90,00,752)
MAT Credit	1,19,36,228	(20,19,407)	99,16,821
Deferred tax - Income/Expenses due to MAT Credit	(6,57,670)	6,57,670	-
Total [B]	14,20,841	(7,03,349)	7,17,492
Net Deferred Tax Asset/ (Liabilities) [B-A]	14,20,841	(7,03,349)	7,17,492

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
8- Other non-current assets		
Advances other than Capital Advances		
With Government Authorities	88,47,184	69,44,698
Security Deposits	50,00,000	50,00,000
Other Investment	4,80,817	4,80,817
Total	1,43,28,001	1,24,25,515
9- Inventories		
Finished goods	17,62,73,810	17,75,22,944
Land	71,68,83,161	70,44,73,156
Construction Work-in-Process	22,53,83,892	8,50,73,350
Total	1,11,85,40,862	96,70,69,450
Valued at cost, unless otherwise stated. In Compliance with IND AS Percentage Completion Method is followed for valuation of Construction Work-in-Progress as at 1st April, 2016 i.e. transition date for Ind AS.		
1) Inventory comprising of unsold identified 11 offices of Garnet Paladium Project situated at Malad, Mumbai and 17 Bungalow of Magic Hill at Khalapur is mortgaged with Bank and NBFC.		
2) Industrial land 12,06,856 square feet (Honad village) at Khalpaur is mortgage to Bank for availing term loan and 56,040 square feet Land of Isambe village at Khalapur is mortgage to Bank for availing dropline overdraft facility from Bank.		
10- Trade Receivables		
Unsecured and Considered good	34,02,57,025	30,31,56,663
Total	34,02,57,025	30,31,56,663
11- Cash and Cash Equivalents		
Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")		
Cash on Hand	1,96,109	2,92,043
Balances with Banks	76,04,166	10,33,117
Total	78,00,275	13,25,160

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
12- Current Loans		
[Financial assets stated at amortised cost]		
Unsecured, considered good unless otherwise stated		
Security Deposits	6,00,000	6,00,000
Other Loans and advances	58,51,796	32,99,841
Total	64,51,796	38,99,841
13- Other Current Financial Assets (at amortised cost)		
Fixed Deposit	1,000	1,000
(FD with maturity Less than 12 months from Balance Sheet date)		
Accrued Interest on Fixed Deposit	417	417
Total	1,417	1,417
14- Other Current assets		
Advances other than Capital Advances		
Prepaid Expenses	20,09,650	33,32,594
Advance to Employees	1,96,500	2,65,500
Advance to Vendors	14,57,671	6,11,800
Advance against investments/property	16,74,70,391	15,99,75,391
With Government Authorities (tax credit receivable)	59,22,166	59,22,166
Total	17,70,56,378	17,01,07,451

15-Equity Share Capital:		INR	
		As at	
		31st March, 2019	31st March, 2018
Authorised:			
5,80,00,000/- (31.03.2019- 5,80,00,000/-) (31.03.2018- 5,80,00,000/-) Equity Shares of Rs. 10/- each fully paid up.		58,00,00,000	58,00,00,000
Issued, Subscribed and Paid-up:			
1,39,02,200/- (31.03.2019- 1,39,02,200/-) (31.03.2018- 1,39,02,200/-) Equity Shares of Rs. 10/- each fully paid up.		13,90,22,000	13,90,22,000
Total		13,90,22,000	13,90,22,000
A	The reconciliation in number of shares is as under: Number of shares at the beginning of the year Shares issued during the year on conversion of fully convertible debenture Shares issued during the year on conversion of share warrants Number of shares at the end of the year	1,39,02,200	1,39,02,200
B	Rights, Preferences and Restriction of Share holders: The company has only one class of Equity shares having par value of Rs. 10/- each. The equity shares have rights, Preferences and restrictions which are in accordance with the provision of law, in particular the Companies Act 2013. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.	-	-
C	Details of Shareholders holding more than 5% of aggregate Equity Shares of INR 10/- each	1,39,02,200	1,39,02,200
		31-Mar-19	31-Mar-18
	Name of share holder	Number of Shares	% to total share holding
	Sanjay Kumar Kedia	20,76,426	14.94
	Kusumdevi Kedia	19,28,380	13.87
	Arun Kumar Kedia	18,64,117	13.41
	Kishan Kumar Kedia	17,59,100	12.65
D	Shares held by Holding Company - NA		
E	Particulars of shares issued for consideration other than cash, shares bought back and bonus shares in last five years		
	i. Shares bought back -- NIL		
	ii. Issue of bonus shares -- NIL.		
	iii. Shares issued on account of merger -- NIL		
F	There are no shares reserved for issue under options, contracts / commitments for sale of Shares/ disinvestments other than representec in clause (j) below.		
G	There are no shares forfeited during the year.		
H	Particulars of calls in arrears by directors and officers of the company. - NIL		
	Security convertible into equity shares: - NIL		

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
16- Other Equity		
Securities Premium Reserve		
Balance as per last Balance Sheet	43,30,00,000	43,30,00,000
Add/Less: During the year	-	-
	43,30,00,000	43,30,00,000
Retained Earnings:		
Balance as per last Balance Sheet	14,14,20,318	12,92,40,225
Adjusted from Retained Earnings on transition to Ind AS	-	-
Profit for the year	82,16,542	1,21,39,619
Items of Other comprehensive income recognised directly in retained earnings	-	-
- Transfer to retained earning of re-measurement gains/(Losses) on defined benefit plans, net of taxes	45,105	40,474
Balance as at the end of the year	14,96,81,965	14,14,20,318
Total	58,26,81,965	57,44,20,318

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

17- Borrowings

Secured loans (at amortised cost)		
Term loans		
From bank	11,37,22,652	13,33,48,572
From financial institution/NBFC	12,89,04,106	13,96,58,592
Amount disclosed under Current Borrowings as 'Current maturities of long-term borrowings' (refer note 22)		
Total	24,26,26,758	27,30,07,164

- a) In September 2017, the company has availed working capital credit limit of Rs. 1700 Lakh from State Bank of India for meeting working capital requirements of under projects. This credit limit carries a monthly interest of 11.05 % and as on 31st March, 2019 construction Rs. 1644 Lakh was drawn by the company. The said credit limit is for a 35 months from the date of first drawdown. The Loan is secured by mortgage of the identified commercial units in one of the project at Goregaon of the company and land 56,040 square feet Land of Isambe village at Khalapur.
- b) In April 2017, the company has availed Term Loan from Reliance Home Finance Limited of Rs. 500 Lakh balance amount is repayable in 144 equal monthly installments from 10th June, 2017. The loan is secured by mortgage of the identified residential units in one of the project at Magic Hill, Khalapur.
- c) In March 2017, the company has availed Term Loan from India Infoline Housing Finance Ltd of Rs. 770 Lakh balance amount is repayable in 120 installment starting from 05th March, 2017. The Loan is secured by mortgage of the identified commercial units in one of the project at Goregaon.
- d) In July 2016, the company has availed Term Loan from PNB Housing Finance Ltd of Rs. 546 Lakh, balance amount is repayable in 84 equal monthly installments from 30th July, 2016. The Loan is secured by mortgage of identified commercial offices of Laxmi Industrial Estate- , Andheri (w) .
- e) In January 2015, the company has availed Term Loan from United Bank of India of Rs. 450 Lakh, balance amount is repayable in 120 equal monthly installments starting from 07th Feb, 2015. The loan is secured by mortgage of the identified residential units in one of the project at Magic Hill, Khalapur.

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
f) In March 2014, the company has availed Term Loan from Union Bank of India of Rs. 1367 Lakh balance amount is repayable in 120 installment starting from 01st April, 2014. The loan is secured by Industrial land of 12,06,856 sq ft (Honad village) at Khalpaur.		
18- Other financial liabilities (at amortised cost)		
Security Deposit (Security Deposits received are interest free and are repayable after completion of lease term)	2,50,000	1,00,000
Total	2,50,000	1,00,000
19- Provisions		
Provision for Employee Benefits Gratuity	7,58,457	6,34,133
Total	7,58,457	6,34,133
20- Borrowings (at amortised cost)		
UnSecured loans		
From related parties	-	-
From Other	2,97,00,000	50,00,000
Total	2,97,00,000	50,00,000
21- Trade Payables		
Due to others	4,01,60,955	5,04,34,666
Total	4,01,60,955	5,04,34,666
Amount due to SSI units has not been segregated in view of non-availability of requisite information for the purpose of ascertaining the liability, if any, under the "Interest on Delayed payments to Small Scale & Ancillary Undertaking Act, 1993". However there is no liability towards interest on delay payment to such creditors as these are within the agreed terms of payment.		
22- Other financial Liabilities		
Current maturities of long-term borrowings		
Term loans		
From bank	18,33,19,233	7,92,49,650
From financial institution/NBFC	1,15,61,413	1,12,88,944
	19,48,80,646	9,05,38,594
Book Overdraft	-	83,42,006
Interest Accrued but not due on Borrowings	22,79,042	2,70,000
Statutory Dues Payable	44,78,883	21,60,742
Other financial liabilities	4,93,09,442	5,22,18,421
Total	25,09,48,013	15,35,29,763
23- Other current liabilities		
Advance received from customers	42,54,94,703	34,36,86,256
Other Current Liability	57,42,376	64,30,000
Total	43,12,37,079	35,01,16,256
24- Provisions		
Development Expenses for Plot Construction at Dhamni	5,80,086	5,80,086
Provision for Taxation (Net of Advance Tax)	31,81,288	29,23,244
Provision for Employee Benefit Gratuity	3,64,468	3,34,334
Total	41,25,842	38,37,664

GARNET CONSTRUCTION LIMITED | 2018-19

Particulars	INR	
	Year Ended	
	31st March, 2019	31st March, 2018
25- Revenue from operations		
Sale of units	22,44,241	5,33,91,762
Sale of land / plots	6,89,32,910	41,64,956
Rent on immovable property	18,54,438	6,79,163
Total	7,30,31,589	5,82,35,881
26- Other income		
Interest income on amotized cost basis at EIR		
Fixed deposit with bank	37,615	37,624
Others	-	14,90,080
Other Charges from Project	80,45,627	1,69,616
Total	80,83,242	16,97,320
27- Land and Construction Cost		
Land	-	-
Construction Cost		
Material	7,41,93,650	2,83,94,596
Labour	45,13,703	97,83,974
Approval Cost	2,66,20,095	44,88,264
Borrowing Cost	5,09,07,361	3,62,22,305
Professional Fee	44,08,628	37,24,605
Salary	15,60,981	30,26,353
Other Administration Cost	1,77,72,565	1,96,36,890
Total	17,99,76,983	10,52,76,987
28- Changes in Inventories		
a) Inventories at the end of the year:		
Flat	44,56,935	44,56,935
Land	71,68,83,161	70,47,17,765
Completed Units	17,18,16,875	14,13,12,915
Work - In - Progress	22,53,83,892	11,65,81,835
	1,11,85,40,862	96,70,69,450
b) Inventories at the beginning of the year:		
Flat	44,56,935	44,56,935
Land	70,47,17,765	69,95,21,880
Completed Units	14,13,12,915	-
Work - In - Progress	11,65,81,835	15,89,38,282
	96,70,69,450	86,29,17,097
Change in Inventories and Work In Progress	(15,14,71,413)	(10,41,52,353)

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Particulars	INR	
	Year Ended	
	31st March, 2019	31st March, 2018
29- Employee benefits expense		
Salaries and wages*	2,01,30,314	98,05,184
Staff welfare expenses	1,86,369	2,92,746
Provision for Gratuity	2,16,948	2,20,857
Total	2,05,33,631	1,03,18,787
*Includes Directors Remuneration of Rs. 1,20,00,000 (Previous year Rs. 51,60,000)		
30- Finance cost		
Interest expenses on amortised cost at EIR	5,51,73,183	4,83,63,847
Other borrowing cost	5,900	32,55,123
	5,51,79,083	5,16,18,970
Less: allocated to projects / capitalised	5,09,07,361	3,62,22,305
Total	42,71,722	1,53,96,665
31- Other expenses		
Advertisement expenses	2,16,495	1,85,214
Auditors remuneration (Refer Note No. 38)	4,16,200	7,35,725
Bank charges	1,24,142	34,724
Business promotion expenses	7,10,324	3,78,865
Commission and Brokerage	-	3,25,000
Electricity expenses	4,34,981	8,18,012
Legal and professional fees	15,68,120	13,84,538
Membership fees and entrance fees	4,09,820	4,03,665
Rent	30,00,000	57,00,000
Maintenance charges	2,75,822	3,31,013
Rates and taxes	9,32,163	5,49,414
Repairs to		
Building	-	-
Others	6,00,212	6,40,759
Telephone and communication expenses	2,88,536	2,46,253
Travelling and conveyance expenses	12,52,276	5,66,309
Insurance	4,10,930	4,17,025
Miscellaneous expenses	8,25,529	3,27,617
Total	1,14,65,550	1,30,44,133
32- Other comprehensive income Not to be reclassified to profit or loss in subsequent periods		
Remeasurements of the defined benefit plans	62,490	56,469
Tax effects on above	(17,385)	(15,995)
Net Total	45,105	40,474
Total Income not to be reclassified	62,490	56,469

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33 - Tax Expenses		
a) Tax charge / (credit) recognised in profit or loss		
Particulars	31st March, 2019	31st March, 2018
Current tax:		
Current tax on profit for the year	25,25,000	33,00,000
Charges / (Credit) in respect of current tax for earlier years	2,49,127	(30,848)
Minimum alternate tax credit entitlement	13,61,737	15,71,640
Total Current Tax	41,35,864	48,40,792
Deferred tax:		
Origination and reversal of temporary differences	(6,75,773)	(23,48,246)
Income Tax expenses reported in the statement of profit and loss	34,60,091	24,92,546
(b) A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense/ (credit) for the year indicated are as follows:		
Particulars	31st March, 2019	31st March, 2018
Accounting profit before Income tax	1,16,76,633	1,46,32,165
Statutory income tax rate	27.82%	27.55%
Tax at statutory income tax rate	32,48,439	40,31,161
Tax effect of amounts which are not deductible (Taxable) in calculating taxable income		
Tax impact of expenses which will be not allowed	(1,45,631)	1,13,716
Tax Impact of expenses which are allowable	(5,03,253)	5,98,319
Other	4,37,233	8,26,580
	34,60,091	24,92,546
34 - Earning Per Shares (EPS)		
Particulars	31st March, 2019	31st March, 2018
Net Profit attributable to equity shareholders		
Net Profit for the year	82,16,542	1,21,80,093
Nominal value of equity shares	10	10
Weighted average number of equity shares in calculating basic and diluted EPS	1,39,02,200	1,39,02,200
Basic EPS	0.59	0.88
Diluted EPS	0.59	0.88

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35 Related Party Disclosure

List of Related Parties only with whom transactions are executed.

a) Key Management Personnel/Relative of Managerial Person	
Kishan Kumar Kedia	Chairman & Managing Director
Arunkumar Kedia	Marketing Director
Sanjay Kumar Kedia	Finance Director
Kusumdevi Kedia	Relative of Director
b) Associate Company	
Callista Realty Limited	Jointly Controlled entity
c) Associate Concern	
Aditya Industrial Estate	Associate Concern
J.S. Realty Private Limited	
Neelkant Industrial Estate	
S K Investment	
Panchdeep Industrial Estate	
Kedia Industrial Development Corporation	

Previous year figures in bracket (Amount in Rs. Lakhs)

Particulars of transactions	Relative	Opening balance	Transaction during the year		Closing balance
Purchase of investment	Subsidiary Company	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Remuneration	Key Management Personnel	Nil (Nil)	120 (51.6)	Nil (Nil)	Nil (Nil)
Interest		Nil (Nil)	0.42 (1.77)	Nil (Nil)	Nil (Nil)
Loan Received			Nil (Nil)	463.65 (551.88)	463.65 Cr. (551.88 Cr.)
	Jointly Controlled entity	Nil (Nil)	0.50 (3.47)	0.50 (3.47 Cr.)	Nil (Nil)
Interest	Associate Concerns	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Advance Received	Associate Concerns	Nil (Nil)	Nil (NIL)	Nil (Nil)	Nil (Nil)
Advance Given	Associate Concerns	100 Dr (Nil)	34.2 Dr. (100)	6.5 Cr. (Nil)	127.70 Dr. (Nil)

Note:1) Related parties are identified by the company & relied upon by the auditor.

2) Figures in bracket pertains to previous year.

36 - Financial Instruments – Fair Values And Risk Management

A The carrying value of financial instruments by categories are as follows:

Financial Assets :	Refer Note	Amount in Rs.		
		31st March, 2019	31st March, 2018	
		Cost / Amortised Cost	FVTOCI	Cost / Amortised Cost FVTOCI
Investment in Jointly Owned Entity				
Quoted Investments				
Unquoted Investments	4.a	2,50,300	-	2,50,300 -
Investments in Equity Instruments				
Quoted Investments				
Unquoted Investments	4.b	-	-	- 3,00,00,000
		(Level 3: See note below)		
Cash & Cash Equivalents				
Cash & Bank	11	78,00,275		13,25,160 -
Bank balances other than cash and cash equivalents	6 & 13	4,39,414		4,08,663 -
Trade Receivables	10	34,02,57,025		30,31,56,663 -
Loans and advances	5 & 12	1,08,85,865		83,33,910 -
Other Financial Assets				
Note : 1) Investments in unquoted equity shares of Varaha Infrastructure Limited has been sold during the year 2018-19				
Financial Liabilities :	Refer Note	Amount in Rs.		
		31st March, 2019	31st March, 2018	
		Cost / Amortised Cost	FVTOCI	Cost / Amortised Cost FVTOCI
Borrowings				
Long term Borrowings	17 & 20	27,23,26,758	-	27,80,07,164 -
Short Term Borrowings	22	19,71,59,688	-	9,91,50,600 -
Trade Payables	21	4,01,60,955	-	5,04,34,666 -
Other Financial Liabilities	18 & 22	47,28,883	-	22,60,742 -

B Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy
Financial assets and liabilities measured at fair value

Particulars	31st March, 2019			31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Jointly Owned Entity						
Quoted Investments	-	-	-	-	-	-
Unquoted Investments	-	-	2,50,300	-	-	2,50,300
Investments in Equity Instruments						
Quoted Investments	-	-	-	-	-	-
Unquoted Investments	-	-	-	-	-	3,00,00,000
Cash & Cash Equivalents						
Cash & Bank	-	-	78,00,275	-	-	13,25,160
Bank balances other than cash and cash equivalents						
	-	-	4,39,414	-	-	4,08,663
Trade Receivables						
	-	-	34,02,57,025	-	-	30,31,56,663
Loans and advances						
	-	-	1,08,85,865	-	-	83,33,910
Other Financial Assets						
	-	-	-	-	-	-

Particulars	31st March, 2019			31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Borrowings						
Long term Borrowings	-	-	27,23,26,758	-	-	27,80,07,164
Short Term Borrowings	-	-	19,71,59,688	-	-	9,91,50,600
Trade Payables						
	-	-	4,01,60,955	-	-	5,04,34,666
Other Financial Liabilities						
	-	-	47,28,883	-	-	22,60,742

Level 1: Level 1 hierarchy includes financial instruments valued using market quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. Mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

In respect of Financial Assets at amortised cost, the carrying value approximates fair value.

In respect of Financial Liabilities at amortised cost, the carrying value approximates fair value.

C Financial Instruments : Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in bank deposits .

The carrying amount of the financial assets which represents the maximum credit exposure is as follows:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. Similarly in case of lease rental business, the Company keeps 3 to 12 months rental as deposit from the occupants.

No impairment is observed on the carrying value of trade receivable.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Investment committee comprising of Mr. Sanjay Kedia (Chairperson), Mr. Arun Kedia (Non-Independent Director), and Mr. Santosh Ginoria (Independent Directors) on an annual basis, and may be updated throughout the year subject to approval of the Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

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The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company's has access to a sufficient variety of sources of funding.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of

31st March, 2019	Contractual Cash Flows				
	Carrying Amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings :					
Long term Borrowings	46,72,07,404	19,48,80,646	6,01,87,581	8,27,71,582	12,93,67,595
Trade Payables	4,01,60,955	4,01,60,955	-	-	-
Other Financial Liabilities	5,63,17,367	5,63,17,367	-	-	-

31st March, 2018	Contractual Cash Flows				
	Carrying Amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings :					
Long term Borrowings	36,85,45,758	9,05,38,594	3,52,15,112	8,70,91,333	15,57,00,719
Trade Payables	5,04,34,666	5,04,34,666	-	-	-
Other Financial Liabilities	6,30,91,169	6,30,91,169	-	-	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. We are exposed to market risk primarily related to interest rate risk and the market value of certain commodities. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in our revenues and costs.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

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Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31st March, 2019	31st March, 2018
Floating rate Borrowings	43,75,07,404	36,35,45,758

Fair value sensitivity analysis for floating-rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, is as follows:

	Increase / decrease in basis points	Effect on profit before tax
31st March, 2019		
INR- Increase	100	43,75,074
INR- Decrease	100	(43,75,074)
31st March, 2018		
INR- Increase	100	36,35,458
INR- Decrease	100	(36,35,458)

D Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company is not subject to any externally imposed minimum statutory capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest and non interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The Company's adjusted net debt to equity ratio is as follows:

Particulars	31st March, 2019	31st March, 2018
Total Liabilities *	46,94,86,446	36,88,15,758
Less: Cash and cash equivalents	78,00,275	13,25,160
Adjusted net debt	46,16,86,170	36,74,90,598
Total equity	72,17,03,965	71,34,42,318
Adjusted equity	72,17,03,965	71,34,42,318
Adjusted net debt to adjusted equity ratio	0.64	0.52

* Total Liabilities = non-current borrowings + current borrowings + current maturities of non - Current borrowings + Interest accrued

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37 - Retirement Benefit Obligation

Retirement Benefits

As per Ind AS 19 the Company has recognized " Employees Benefits" in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation.

A) Defined Benefit Plans

Valuation in respect of Gratuity have been carried out by independent actuary, as at the Balancesheet date, based on the following assumptions and sensitivity

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Discount Rate (per annum)	7.45%	7.60%
Expected rate of return of plan assets	0.00%	0.00%
Rate of salary increase	7.00%	7.00%
Rate of employee turnover	10.00%	10.00%

I) Change in Defined Benefit Obligation (DBO)

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Opening Balance of Present Value of Obligation	9,68,467	8,04,079
Interest cost	60,899	46,494
Current Service Cost	1,56,049	1,31,093
Liabilities transfer in/Acquisitions		
Past Service Cost	-	43,297
Benefit Paid	-	-
Actuarial (Gain) / Losses on Obligation -Due to change in Financial Assumptions	12,576	(32,336)
Actuarial (Gain) / Losses on Obligation -Due to Experience	(75,066)	(24,160)
Closing Balance of Present Value of Obligation	11,22,925	9,68,467

II) Change in the Fair Value of Plan Assets

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Opening Balance of Present Value of plan assets	-	-
Interest Income	-	-
Contribution by Employer	-	-
Assets transfer in/Acquisitions	-	-
Benefit Paid (-)	-	-
Expected Return of Plan Assets	-	-
Fair Value of Plan Assets as at 31st March	-	-

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III) Net Assets/(Liability) recognised in Balance Sheet

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Present value of Funded Obligation	11,22,925	9,68,467
Fair Value of Plan Assets	-	-
Assets/(Liability) recognised in the Balance Sheet	(11,22,925)	(9,68,467)

IV) Expenses Recognised in Statement of Profit & Loss Account

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Current Service Cost	1,56,049	1,31,093
Net Interest cost	60,899	46,494
Actuarial (Gain)/Loss	-	43,297
Total Expenses/(Gain) recognised in the Profit & Loss Account	2,16,948	2,20,884

V) Expenses Recognised in Other Comprehensive Income (OCI)

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Actuarial (Gain) / Losses on obligation for the year	(62,490)	(56,496)
Return on plan assets excluding interest income	-	-
Net (Income) Expenses for the year Recognised in OCI	(62,490)	(56,496)

VI) Balance Sheet Reconciliation

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Opening Net Liability	9,68,467	8,04,079
Expenses Recognised in statement of Profit & Loss Account	2,16,948	2,20,884
Expenses Recognized in OCI	(62,490)	(56,496)
Employer's Contribution	-	-
Net Liability/ (Asset) Recognised in the Balance Sheet	11,22,925	9,68,467

Gratuity - Sensitivity Analysis :

The sensitivity of the defined benefit obligation to change in the weighted principal assumptions is :

Particulars	31st March, 2019	31st March, 2018
Change in Discounting rate (delta effect of +/- 0.5%)	↑10,82,214 ↓11,67,255	↑09,35,296 ↓10,04,552
Change in rate of Salary increase Rate (delta effect of +/- 0.5%)	↑11,59,101 ↓10,87,291	↑09,99,990 ↓09,38,830
Change in rate of Employee Turnover (delta effect of +/- 10%)	↑11,26,756 ↓11,18,481	↑09,72,046 ↓09,64,365

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38- Payments to Auditors

Particulars	31st March, 2019	31st March, 2018
As auditor		
Audit fee	3,50,000	3,00,000
Tax audit fee	50,000	50,000
In other capacity	16,200	3,85,725
Total	4,16,200	7,35,725

39- Contingent Liabilities, Capital Commitments And Other Commitments

Refer note no 2.m for accounting policy on Contingent Liabilities

Particulars	31st March, 2019	31st March, 2018
Contingent Liabilities		
Claims against the Company not acknowledge as debts *		
Commitments		
Advance against Property	2,66,88,234	2,85,83,234

* Interest and claims by customers/ suppliers may be payable as and when the outcom of the related matters are finally determined and hence not been included above. Management based on legal advice and historical trends, belives that no material liability will devolve on the company in respect of these matters.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with the various forums/authorities.

40- The Company has identified real estate as the only operating segment in terms of Ind AS 108 which is also reviewed by Board of Directors who are considered Chief Operating Decision Maker (CODM). Since the entire operations of the Company are in India, there are no geographical segments . There is no single customer to whom sales are in excess of 10% of the total revenue.

41- Leases

The lease expenses for cancellable and non-cancellable operating leases was Rs. 30,00,000/- (For the F.Y. 2017-18 Rs. 57,00,000/-) for the year ended 31st March, 2019.
There is no future minimum lease payments under non-cancellable operating lease.

42- Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our attached report of even date

For M/s Poddar A & Associates
Chartered Accountants
Firm Reg. No.131521W

For and on behalf of the Board of Directors

Kishan Kumar Kedia
Chairman & Managing Director

Atul Poddar
Proprietor
M. No. 107258
Place : Mumbai
Date : 30th May, 2019

Arun Kedia
Marketing Director

Falguni Padiya
Chief Financial Officer

Sanjay Kumar Kedia
Finance Director

Pavan Gupta
Company Secretary

GARNET CONSTRUCTION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR – 2018-2019

Independent Auditor's Report

To the Members of
Garnet Constructions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Garnet Constructions Limited** (hereinafter referred to as "the Holding Company") and its jointly owned entity (the Holding Company and its jointly owned entity together referred as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2019, the consolidated statement of Profit and Loss (including Other Comprehensive income), the consolidated statement of Cash Flow for the year then ended, the consolidated statement of Changes in Equity 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').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

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

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).</p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and</p>	<p>Principal Audit Procedures</p> <p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect

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periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

The Group adopted Ind AS 115 and applied the available exemptions provided therein, to not restate the comparative periods.

of operation of these controls.

- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

Conclusion

Our procedures did not identify any material exceptions.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or appears to be material misstatement.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the entities included in the Group is also responsible for overseeing the financial reporting process of each entity.

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

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the Independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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A. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Cash Flow and Statement of changes in Equity dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

B. 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 statement discloses the impact of pending litigations as of March 31, 2019 on the consolidated financial position of the Group.
- ii. The consolidated financial statement did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

C. With respect to the matter to be included in the Auditors' Report under section 197(16):

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

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Poddar A. & Associates
Chartered Accountants
Firm Registration No. 131521W

Atul Poddar
Proprietor
Membership No. 10725

Mumbai, 30th May 2019

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of Garnet Constructions Limited ("the Holding Company") as of 31 March 2019, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiaries, which are incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary, which are incorporated in India, considering the essential components of internal control stated in 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'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective entities 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary which is incorporated in India, 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 Poddar A. & Associates
Chartered Accountants
Firm Registration No. 131521W

Atul Poddar
Proprietor
Membership No. 10725

Mumbai, 30th May 2019

Annexure - B to the Independent Auditors' Report

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
- c) The title deeds of immovable properties held as fixed assets are in the name of the company.
2. The stocks of goods have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable in relation to the size of the company and nature of its business. The discrepancies noticed on verification between the physical and book records were not material.
3. As per the information and explanations given to us, the company has not granted unsecured loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. Hence relevant clause is not applicable.
4. As per the information and explanations given to us, the company has not granted loans, or given guarantee or security for any person specified under section 185 and section 186 of the Companies Act, 2013. The company has not invested in any company in contravention of section 186 of the Companies Act, 2013.
5. As per the information and explanations given to us, the company has not accepted deposits from the public within the meanings of Sections 73 to 76 of the Companies Act and the rules framed there under.
6. In our opinion and according to information and explanations given to us, the Central Government has not prescribed the maintenance of costs records under section 148 of the Companies Act, 2013.
7. a) According to the information and explanation given to us and based on the books and records examined by us, Investor Education and Protection Fund, Income Tax, Goods and Services Tax, Cess and other statutory dues, wherever applicable, have been generally deposited regularly during the year with appropriate authorities except tax deducted at source. As on 31st March, 2019 there is an amount of Rs. 19,84,971/- towards tax deducted at source outstanding for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us and based on the books and records examined by us, there are no dues of Income Tax, Goods & Services Tax, Cess and other statutory dues, wherever applicable, which have not been deposited on account of any dispute.
8. In our opinion the company has not defaulted in repayment of dues to a financial institution or Bank during the year.
9. As per the information and explanation given to us the company has not raised money by way of public offer. The company has utilized the term loan for the purpose for which it was taken by the company and has not committed any default.
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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12. As per the information and explanation given to us the company is not a nidhi company hence provisions of Nidhi Rules, 2014 are not applicable.
13. All the transactions entered into with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Poddar A. & Associates
Chartered Accountants
Firm Registration No. 131521W

Atul Poddar
Proprietor
Membership No. 10725

Mumbai, 30th May 2019

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GARNET CONSTRUCTION LIMITED			
Consolidated Balance Sheet at 31 st March, 2019			
Particulars	Notes	INR	
		As at	
		31st March, 2019	31st March, 2018
ASSETS			
i) <u>Non - Current Assets</u>			
a. Property, Plant and Equipment	3	5,16,75,615	5,62,31,775
b. Financial Assets			
Investments	4	-	3,00,00,000
Non-current loans	5	44,34,069	44,34,069
Other Non - Current Financial Assets	6	4,37,997	4,07,246
c. Deferred tax assets (net)	7	7,17,492	14,20,841
d. Other non-current assets	8	1,47,34,751	1,27,98,265
		7,19,99,924	10,52,92,196
ii) <u>Current Assets</u>			
a. Inventories	9	1,18,45,96,463	1,03,28,96,923
b. Financial Assets			
Trade Receivables	10	34,02,57,025	30,31,56,663
Cash and Cash Equivalents	11	78,46,761	14,51,463
Current Loans	12	64,51,796	38,99,841
Other Current Financial Assets	13	1,417	1,417
c. Other Current assets	14	28,58,27,913	28,26,59,862
		1,82,49,81,375	1,62,40,66,169
TOTAL ASSETS (I + II)			
		1,89,69,81,299	1,72,93,58,365
<u>EQUITY AND LIABILITIES</u>			
I) <u>Equity</u>			
a. Equity Share Capital	15	13,90,22,000	13,90,22,000
b. Other Equity	16	58,33,53,677	57,52,01,262
c. Minority Interest		9,22,012	10,31,243
		72,32,97,688	71,52,54,505
II) <u>Liabilities</u>			
i) <u>Non - Current Liabilities</u>			
a. Financial Liabilities			
Borrowings	17	24,26,26,758	27,30,07,164
Other financial liabilities	18	2,50,000	1,00,000
b. Provisions	19	7,58,457	6,34,133
		24,36,35,215	27,37,41,297
ii) <u>Current Liabilities</u>			
a. Financial Liabilities			
Borrowings	20	2,97,00,000	50,00,000
Trade Payables	21	4,11,36,460	5,14,40,404
Other financial Liabilities	22	25,09,59,143	15,35,41,378
b. Other current liabilities	23	60,41,26,951	52,65,43,117
c. Provisions	24	41,25,842	38,37,664
		93,00,48,396	74,03,62,563
TOTAL EQUITY AND LIABILITIES (I+II)			
		1,89,69,81,299	1,72,93,58,365
Significant Accounting Policies		1 and 2	
The accompanying notes form an integral part of the financial statements			
As per our attached report of even date			
For M/s Poddar A & Associates		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Reg. No.131521W			
		Kishan Kumar Kedia	
		Chairman & Managing Director	
Atul Poddar		Arun Kedia	
Proprietor		Marketing Director	
M. No. 107258		Sanjay Kumar Kedia	
Place : Mumbai		Finance Director	
Date : 30th May, 2019		Falguni Padiya	
		Chief Financial Officer	
		Pavan Gupta	
		Company Secretary	

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GARNET CONSTRUCTION LIMITED			
Consolidated Statement of Profit and Loss for the year ended 31 st March, 2019			
Particulars	Notes	INR	INR
		Year Ended	Year Ended
		31st March, 2019	31st March, 2018
REVENUE:			
Revenue from operations	25	7,30,31,589	5,82,35,881
Other income	26	80,83,242	16,97,320
Total Revenue (I)		8,11,14,831	5,99,33,201
EXPENSES			
Operating Costs	27	18,02,05,111	10,75,44,623
Changes in Inventories	28	(15,16,99,540)	(10,64,19,989)
Employee benefits expense	29	2,05,33,631	1,03,18,787
Finance cost	30	42,71,722	1,53,96,665
Depreciation and amortisation	3	48,49,330	56,18,738
Other expenses	31	1,14,96,408	1,30,75,544
Total Expenses (II)		6,96,56,661	4,55,34,367
Profit(Loss) before share of profit of Associates (net)		1,14,58,169	1,43,98,834
Minority Share of Profit / (Loss) (net)		(1,09,232)	(99,436)
Profit for the year before tax (I - II)		1,15,67,401	1,44,98,270
Tax Expenses :	33		
Current tax		25,25,000	33,00,000
Short/ (Excess) provision of tax in earlier years		2,49,127	(65,307)
MAT Utilisation		13,61,737	15,71,640
Deferred tax		(6,75,773)	(23,48,246)
		34,60,091	24,58,087
Profit for the year		81,07,310	1,20,40,183
OTHER COMPREHENSIVE INCOME:	32		
Re - measurement gains / (losses) on defined benefit plans		62,490	56,469
Income tax effect		(17,385)	(15,995)
Other Comprehensive Income for the year, net of tax		45,105	40,474
Total Comprehensive Income for the year net of tax		81,52,415	1,20,80,657
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	34	0.59	0.87
Significant Accounting Policies		1 and 2	
The accompanying notes form an integral part of the financial statements			
As per our attached report of even date		For and on behalf of the Board of Directors	
For M/s Poddar A & Associates			
Chartered Accountants			
Firm Reg. No.131521W			
		Kishan Kumar Kedia	
		Chairman & Managing Director	
Atul Poddar			
Proprietor		Arun Kedia	Sanjay Kumar Kedia
M. No. 107258		Marketing Director	Finance Director
Place : Mumbai			
Date : 30th May, 2019		Falguni Padiya	Pavan Gupta
		Chief Financial Officer	Company Secretary

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GARNET CONSTRUCTION LIMITED

Consolidated Statement of Change in Equity for the year ended 31st March, 2019

A. Equity Share Capital:

	Note	No. of Shares	INR
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up	15		
Balance as at 1st April, 2017		1,39,02,200	13,90,22,000
Change in equity share capital during FY 2017-18		-	-
Balance as at 31st March, 2018		1,39,02,200	13,90,22,000
Change in equity share capital during FY 2018-19		-	-
Balance as at 31st March, 2019		1,39,02,200	13,90,22,000

B. Other Equity:

Particulars	Note	INR		
		Reserves and Surplus		Total
		Securities Premium Reserve	Retained Earnings	
Balance as at 1st April, 2017	16	43,30,00,000	12,92,40,225	56,22,40,225
Changes during the year				
Profit for the year		-	1,21,39,619	1,21,39,619
Other Comprehensive income				
Remeasurement of the net defined benefit liabilities/ assets, net of taxes		-	40,474	40,474
Balance as at 31st March, 2018	16	43,30,00,000	14,14,20,318	57,44,20,318

Particulars	Note	INR		
		Reserves and Surplus		Total
		Securities premium reserve	Retained Earnings	
Balance as at 1st April, 2018	16	43,30,00,000	14,14,20,318	57,44,20,318
Changes during the year				
Profit for the year		-	81,07,310	81,07,310
Other Comprehensive income				
Remeasurement of the net defined benefit liabilities/ assets, net of taxes		-	45,105	45,105
Balance as at 31st March, 2019	16	43,30,00,000	14,95,72,733	58,25,72,733

As per our attached report of even date

For M/s Poddar A & Associates

Chartered Accountants

Firm Reg. No.131521W

For and on behalf of the Board of Directors

Kishan Kumar Kedia
Chairman & Managing Director

Arun Kedia
Marketing Director

Sanjay Kumar Kedia
Finance Director

Atul Poddar
Proprietor

M. No. 107258

Place : Mumbai

Date : 30th May, 2019

Falguni Padiya
Chief Financial Officer

Pavan Gupta
Company Secretary

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GARNET CONSTRUCTION LIMITED			
Consolidated Cash Flow Statement for the year ended 31st March, 2019			
Particulars	INR		INR
	Year Ended	Year Ended	31st March, 2018
	31st March, 2019	31st March, 2018	
A Cash flows from operating activities:			
Profit before tax	1,14,58,169		1,43,98,834
Adjustments for:			
Depreciation, Impairment and Amortisation expenses	48,49,330		56,18,738
Profit on sale of assets [Net]	-		(1,54,185)
Interest income	(37,615)		(15,27,704)
Interest expenses	5,51,73,183		4,83,63,847
Relaxification of actuarial gain/loss to OCI	62,490		56,469
Provisions for employee benefits	2,16,948		2,20,857
Total	6,02,64,336		5,25,78,022
Operating profit before working capital changes	7,17,22,505		6,69,76,855
Adjustments for:			
Increase/ [Decrease] in trade Payables	(1,03,03,944)		(46,76,796)
Increase/ [Decrease] in provision	1,95,554		7,38,695
Increase/ [Decrease] in other current liabilities	7,90,01,553		(22,26,20,137)
Increase/ [Decrease] in other non current liabilities	1,50,000		-
[Increase]/ [Decrease] in Inventories	(15,16,99,540)		(10,64,19,989)
[Increase]/ [Decrease] in loans	(25,51,955)		1,10,84,554
[Increase]/ [Decrease] in trade receivable	(3,71,00,362)		27,81,65,613
[Increase]/ [Decrease] in other current assets	(31,68,051)		3,91,226
[Increase]/ [Decrease] in other non current assets	(19,67,237)		(71,29,574)
Total	(12,74,43,981)		(5,04,66,409)
Cash generated from operations	(5,57,21,476)		1,65,10,447
Direct taxes paid [Net of refunds]	(27,74,127)		(32,34,693)
Net cash from operating activities	(5,84,95,603)		1,32,75,754
B Cash flows from investing activities:			
Purchase of fixed assets	(2,93,170)		(60,273)
Proceeds from sale of fixed assets	-		1,54,185
Proceeds from sale of Investment	3,00,00,000		-
Interest received	37,615		15,27,704
Net cash used in investing activities	2,97,44,445		16,21,616
C Cash flows from financing activities:			
Proceeds from Long Term Borrowings	4,66,25,647		4,84,16,214
Proceeds / (repayment) of working capital loans	16,43,93,065		6,03,23,482
Repayment of Long Term Borrowings	(11,23,57,067)		(8,93,78,067)
Interest paid	(5,51,73,183)		(4,83,63,847)

Particulars	INR	
	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
Net cash used in financing activities	4,34,88,463	(2,90,02,219)
Net increase in cash and cash equivalents	1,47,37,305	(1,41,04,849)
Cash and cash equivalents at the beginning of the year	(68,90,543)	72,14,305
Cash and cash equivalents at the end of the year	78,46,761.26	(68,90,543)
Notes to the Cash Flow Statement		
1 Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7.		
2 Figures in bracket indicates outflows.		
3 The accompanying notes (1 to 42) are an integral part of the financial statements.		
4 Cash and cash equivalents comprise of:		
a Cash on Hand	As at	
b Balances with Banks	31st March, 2019	31st March, 2018
c Book Overdraft	2,00,403	3,32,662.32
	76,46,358	11,18,800.47
	-	(83,42,006.06)
Total	78,46,761.24	(68,90,543.27)
5 Disclosure as required by Ind AS 7		
Reconciliation of liabilities arising from financial activities		
31st March, 2019	Cash Flows	Closing Balance
Long Term Secured Borrowings	7,39,61,645	43,75,07,404
Short Term Unsecured Borrowings	2,47,00,000	2,97,00,000
Total Liabilities from Financing Activities	9,86,61,645	46,72,07,404
31st March, 2018	Cash Flows	Closing Balance
Long Term Secured Borrowings	2,13,61,628	36,35,45,758
Short Term Unsecured Borrowings	(20,00,000)	50,00,000
Total Liabilities from Financing Activities	1,93,61,628	36,85,45,758
As per our attached report of even date	For and on behalf of the Board of Directors	
For M/s Poddar A & Associates		
Chartered Accountants		
Firm Reg. No.131521W		
	Kishan Kumar Kedia Chairman & Managing Director	
	Arun Kedia Marketing Director	Sanjay Kumar Kedia Finance Director
Atul Poddar Proprietor M. No. 107258 Place : Mumbai	Falguni Padiya Chief Financial Officer	Pavan Gupta Company Secretary
Date : 30th May, 2019		

Garnet Construction Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

Note 1: COMPANY BACKGROUND:

Garnet Construction Limited (the "Company") is public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The Company was incorporated in October 15, 1992 and thereafter listed with National Stock Exchange and Bombay Stock Exchange on December 15, 1994. The addresses of the Registered Office and principal place of business are disclosed in the Annual Report.

The Company is a Real Estate Development Company that is focused on residential, commercial, retail and other projects, such as mass housing and cluster redevelopment. Information on related party relationships of the Company is provided in Note 35.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 30th May 2019, in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

Note 2: Significant Accounting Policies on Consolidated Financial Statements

a) Basis of preparation:

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013 ("The Act"), the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial statement are prepared in Indian Rupee ("INR") and all values are rounded to nearest INR, except when otherwise indicated.

b) Basis of consolidation

The consolidated financial statements comprise of financial statements of the Company and its subsidiaries and joint arrangements for which the Company fulfils the criteria pursuant to Ind AS 110 and joint arrangements within the scope of Ind AS 111.

- Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists if and only if all of the following conditions are satisfied –

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect the amount of the investors' returns

Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Details of Jointly controlled entity are as under:

Name of Company	Country of Operation	% of Ownership	Principal Activity
Callista Realty Limited	India	50%	Real Estate

c) Current and Non-Current Classification of Assets and Liabilities:

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle as indicated in (c) below,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is considered as current when:

- It is expected to be settled in normal operating cycle as indicated in (c) below,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Operating Cycle:

The normal operating cycle in respect of operations relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalents. Accordingly Assets and Liabilities have been classified into current and non-current based on the operating cycle of the respective projects.

e) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind As requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Revenue and Cost estimates:** The estimates relating to percentage of completion, costs to completion, area available for sale etc., being of a technical nature are reviewed and revised periodically by the management and are considered as change in estimates and accordingly, the effect of such change in estimates is recognised prospectively in the period in which such changes are determined.
- **Useful lives of property plant and equipment:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews useful life of property, plant and equipment as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value – in –use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment, If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Income taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- **Fair value measurement of financial instruments:** The fair value of financial instruments that are traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of which being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigations provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance sheet date.

f) Property, Plant and Equipment

i) Tangible Assets:

Property, Plant and Equipment are recorded at their cost of acquisition, net of modvat/cenvat, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1st April, 2016 measured as per previous GAAP as its deemed cost on the date of transition.

ii) Capital Work in Progress and Capital Advances:

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

iii) Depreciation:

Depreciation on Property, Plant and Equipment is provided on a Straight Line basis in accordance with the provisions of Schedule II to the Companies Act, 2013 except depreciation on new sales office, which is considered as a temporary structure and has been amortized over a period of four years on a straight line basis. Structures constructed for purpose of demonstration to prospective buyers (to be demolished before the project completion) are capitalised as buildings and depreciated over the period by which the respective project is expected to be completed.

The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Impairment of Tangible Assets:

Carrying amount of tangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

h) Inventories:**a) Construction work in progress**

The construction work in progress is valued at lower of cost and net realizable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses. Land cost includes the cost of land, land related development rights and premium.

b) Finished stock of completed projects (ready units)

Finished stock of completed projects and stock in trade of units is valued at lower of cost and net realizable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

c) Inventory includes certain land purchased in the name of directors and employees who holds the same in trust for the Company.**i) Revenue Recognition:****(i) Revenue from contract with customer:**

Revenue from contract with customer is recognised, when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting

as principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from real estate projects

The Company recognises revenue, on execution of agreement or letter of allotment and when control of the goods or services are transferred to the customer, at an amount that reflects the consideration (i.e. the transaction price) to which the Company is expected to be entitled in exchange for those goods or services excluding any amount received on behalf of third party (such as indirect taxes). An asset created by the Company's performance does not have an alternate use and as per the terms of the contract, the Company has an enforceable right to payment for performance completed till date. Hence the Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time. The Company recognises revenue at the transaction price which is determined on the basis of agreement or letter of allotment entered into with the customer. The Company recognises revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognises revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation. The Company uses cost based input method for measuring progress for performance obligation satisfied over time. Under this method, the Company recognises revenue in proportion to the actual project cost incurred (excluding land cost) as against the total estimated project cost (excluding land cost). The management reviews and revises its measure of progress periodically and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) **Revenue from lease rentals and related income**

Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rentals is disclosed net of indirect taxes, if any.

(iii) **Interest Income:**

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

(iv) **Dividend Income:**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(v) Other income:

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Company's claim.

j) Financial Instruments:

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

(i) Financial Assets:

Initial Recognition and Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Financial Assets at Amortised Cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the Company may transfer the cumulative gain or loss within equity.

Investments in associates, subsidiaries and joint ventures:

These are carried at cost subject to provision for impairment, if any.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets:

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Financial guarantee contracts.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

ii) Financial Liabilities:

Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's

financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(iii) **Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis.

(iv) **Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received net of any issue/ transaction costs.

k) Employee Benefits:

Short term employee benefits are those which are payable wholly within twelve months of rendering service are recognised as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

Company 's Contribution paid/ payable for the year/ period to Defined Contribution Retirement Benefit Plans is charged to Statement of Profit and Loss or Project Work in Progress, if it is directly related to a project.

Company 's liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. compensated absences are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the SOCI. Past service cost is recognised immediately in the Statement of Profit and Loss.

l) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

m) Taxes on Income:

Current Income Taxes:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

n) Provisions and Contingent Liabilities:

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.

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes.

o) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted retrospectively for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earning per share.

p) Cash and Cash Equivalent:

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

Revenue is recognised only when the Company can measure its progress towards complete satisfaction of the performance obligation. The measurement of progress is estimated by reference to the stage of the projects determined based on the proportion of costs incurred to date (excluding land cost) and the total estimated costs to complete (excluding land cost).

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company has adopted with effect from April 1, 2018 Ind AS 115 Revenue from contracts with customers

The Company till March 31, 2018 recognised project revenue in accordance with the Guidance Note on "Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" issued by the Institute of Chartered Accountants of India ("ICAI").

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue alongwith Guidance Note on "Accounting for Real Estate Transactions" and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The company elected to apply the standard to all contracts that are not completed as at April 1, 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information is not restated and continues to be reported under Ind AS 11 and Ind AS 18 and the requirement of Guidance Note as mentioned above referred to as previous Ind AS. The company did not have any adjustments to retained earnings as at April 1, 2018 and also there were no impact on recognition and measurement of revenue on adoption of Ind AS 115.

GARNET CONSTRUCTION LIMITED							
Notes to the Consolidated Financial Statements							
3-Property, Plant & Equipment	INR						
	Office Premises	Plant and Machinery	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total
Gross Block:							
As at 1st April, 2017	4,07,77,143	66,13,265	3,49,048	12,72,079	1,11,37,348	78,87,572	6,80,36,455
Additions	-	-	60,273	-	-	-	60,273
Disposals	-	-	-	-	-	13,46,280	13,46,280
As at 31st March, 2018	4,07,77,143	66,13,265	4,09,321	12,72,079	1,11,37,348	65,41,292	6,67,50,448
Additions	-	-	1,02,289	93,735	-	97,145	2,93,170
Disposals	-	-	-	-	-	-	-
As at 31st March, 2019	4,07,77,143	66,13,265	5,11,610	13,65,815	1,11,37,348	66,38,437	6,70,43,618
Depreciation and Impairment:							
As at 1st April, 2017	7,66,087	5,23,465	2,84,011	4,08,695	17,74,182	24,89,775	62,46,215
Depreciation for the year	7,31,008	5,23,465	72,039	5,31,571	17,42,595	20,18,059	56,18,738
Disposals	-	-	-	-	-	13,46,280	13,46,280
As at 31st March, 2018	14,97,095	10,46,930	3,56,050	9,40,267	35,16,777	31,61,554	1,05,18,673
Depreciation for the year	7,31,008	5,23,465	44,251	2,74,093	17,42,595	15,33,921	48,49,330
Disposal	-	-	-	-	-	-	-
As at 31st March, 2019	22,28,103	15,70,395	4,00,301	12,14,357	52,59,372	46,95,475	1,53,68,003
Net Block:							
As at 31st March, 2018	3,92,80,048	55,66,335	53,271	3,31,812	76,20,571	33,79,738	5,62,31,775
As at 31st March, 2019	3,85,49,040	50,42,870	1,11,309	1,51,458	58,77,976	19,42,962	5,16,75,615

Note: Refer to Note 17 in respect of certain fixed assets which are mortgaged against borrowings

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
4- Investments		
Investment in Equity Instruments		
a. Other [Unquoted]:		
In Equity Instruments [at FVTOCI]:	Face Value	
In fully paid-up equity shares of:		
Varaha Infrastructure Limited	Rs. 1,000	
(Number of shares as on 31.03.2019 - NIL, 31.03.2018 - 30,000)	-	3,00,00,000
Total	-	3,00,00,000
Aggregate Value of unquoted investment	-	3,00,00,000

5- Non-current loans		
Unsecured, considered good unless otherwise stated		
Security Deposits		
With Others	44,34,069	44,34,069
Total	44,34,069	44,34,069

6- Other Non - Current Financial Assets		
Fixed Deposit	3,39,290	3,39,290
(Having maturity more than 12 months from Balance Sheet date)		
Accrued Interest on Fixed Deposit	98,707	67,956
Total	4,37,997	4,07,246

7- Deferred tax assets (net)			
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:			
Particulars	As at	Charge	As at
	31st March	for	31st March
	2018	year	2019
Deferred Tax Liabilities (A)	-	-	-
Deferred Tax Assets:			
Provision for leave salary/gratuity	(1,81,192)	(17,385)	(1,98,577)
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	(96,76,525)	6,75,773	(90,00,752)
MAT Credit	1,19,36,228	(20,19,407)	99,16,821
Deferred tax - Income/Expenses due to MAT Credit	(6,57,670)	6,57,670	-
Total [B]	14,20,841	(7,03,349)	7,17,492
Net Deferred Tax Asset/ (Liabilities) [B-A]	14,20,841	(7,03,349)	7,17,492

GARNET CONSTRUCTION LIMITED | 2018-19

Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
8- Other non-current assets		
Advances other than Capital Advances		
With Government Authorities	88,47,184	69,44,698
Security Deposits	54,06,750	53,72,750
Other Investment	4,80,817	4,80,817
Total	1,47,34,751	1,27,98,265
9- Inventories		
Finished goods	17,62,73,810	17,75,22,944
Land	71,68,83,161	70,44,73,156
Construction Work-in-Process	29,14,39,493	15,09,00,823
Total	1,18,45,96,463	1,03,28,96,923
Valued at cost, unless otherwise stated. In Compliance with IND AS Percentage Completion Method is followed for valuation of Construction Work-in-Progress as at 1st April, 2016 i.e. transition date for Ind AS.		
1) Inventory comprising of unsold identified 11 offices of Garnet Paladium Project situated at Malad, Mumbai and 17 Bungalow of Magic Hill at Khalapur is mortgaged with Bank and NBFC.		
2) Industrial land 12,06,856 square feet (Honad village) at Khalpaur is mortgage to Bank for availing term loan and 56,040 square feet Land of Isambe village at Khalapur is mortgage to Bank for availing dropline overdraft facility from Bank.		
10- Trade Receivables		
Unsecured and Considered good	34,02,57,025	30,31,56,663
Total	34,02,57,025	30,31,56,663
11- Cash and Cash Equivalents		
Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")		
Cash on Hand	2,00,403	3,32,662
Balances with Banks	76,46,358	11,18,800
Total	78,46,761	14,51,463

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
12- Current Loans		
[Financial assets stated at amortised cost]		
Unsecured, considered good unless otherwise stated		
Security Deposits	6,00,000	6,00,000
Other Loans and advances	58,51,796	32,99,841
Total	64,51,796	38,99,841
13- Other Current Financial Assets (at amortised cost)		
Fixed Deposit	1,000	1,000
(FD with maturity Less than 12 months from Balance Sheet date)		
Accrued Interest on Fixed Deposit	417	417
Total	1,417	1,417
14- Other Current assets		
Advances other than Capital Advances		
Prepaid Expenses	20,09,650	33,32,594
Advance to Employees	1,96,500	2,65,500
Advance to Vendors	14,57,671	6,11,800
Advance against investments/property	27,48,53,691	27,12,43,191
With Government Authorities (tax credit receivable)	70,10,401	69,06,777
Other Advances	3,00,000	3,00,000
Total	28,58,27,913	28,26,59,862

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Particulars	INR	
	31st March, 2019	31st March, 2018
15-Equity Share Capital:		
Authorised:		
5,80,00,000/- (31.03.2019- 5,80,00,000/-) (31.03.2018- 5,80,00,000/-) Equity Shares of Rs. 10/- each fully paid up.	58,00,00,000	58,00,00,000
Issued, Subscribed and Paid-up:		
1,39,02,200/- (31.03.2019- 1,39,02,200/-) (31.03.2018- 1,39,02,200/-) Equity Shares of Rs. 10/- each fully paid up.	13,90,22,000	13,90,22,000
Total	13,90,22,000	13,90,22,000
A The reconciliation in number of shares is as under:		
Number of shares at the beginning of the year	1,39,02,200	1,39,02,200
Shares Issued during the year on conversion of fully convertible debenture	-	-
Shares Issued during the year on conversion of share warrants	-	-
Number of shares at the end of the year	1,39,02,200	1,39,02,200
B Rights, Preferences and Restriction of Share holders: The company has only one class of Equity shares having par value of Rs.10/- each.		
The equity shares have rights, Preferences and restrictions which are in accordance with the provision of law, in particular the Companies Act 2013. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.		
C Details of Shareholders holding more than 5% of aggregate Equity Shares of INR 10/- each		
	31-Mar-19	31-Mar-18
Name of share holder	Number of Shares	Number of Shares
Sanjay Kumar Kedia	20,76,426	20,76,426
Kusumdevi Kedia	19,28,380	19,28,380
Arun Kumar Kedia	18,64,117	18,64,117
Kishan Kumar Kedia	17,59,100	17,59,100
	% to total share holding	% to total share holding
	14.94	14.94
	13.87	13.87
	13.41	13.41
	12.65	12.65
D Shares held by Holding Company - NA		
E Particulars of shares issued for consideration other than cash, shares bought back and bonus shares in last five years:		
i. Shares bought back -- NIL		
ii. Issue of bonus shares -- NIL.		
iii. Shares issued on account of merger -- NIL		
F There are no shares reserved for issue under options, contracts / commitments for sale of Shares/ disinvestments other than represented in clause (j) below.		
G There are no shares forfeited during the year.		
H Particulars of calls in arrears by directors and officers of the company. -- NIL		
I Security convertible into equity shares: - NIL		

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
16- Other Equity		
Securities Premium Reserve		
Balance as per last Balance Sheet	43,30,00,000	43,30,00,000
Add/Less: During the year	-	-
	43,30,00,000	43,30,00,000
Retained Earnings:		
Balance as per last Balance Sheet	14,22,01,262	13,01,20,605
Profit for the year	81,07,310	1,20,40,183
Items of Other comprehensive income recognised directly in retained earnings		
- Transfer to retained earning of re-measurement gains/(Losses) on defined benefit plans, net of taxes	45,105	40,474
Balance as at the end of the year	15,03,53,677	14,22,01,262
Total	58,33,53,677	57,52,01,262

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

17- Borrowings

Secured loans (at amortised cost)		
Term loans		
From bank	11,37,22,652	13,33,48,572
From financial institution/NBFC	12,89,04,106	13,96,58,592
Amount disclosed under Current Borrowings as 'Current maturities of long-term borrowings' (refer note 22)		
Total	24,26,26,758	27,30,07,164

- a) In September 2017, the company has availed working capital credit limit of Rs. 1700 Lakh from State Bank of India for meeting working capital requirements of under projects. This credit limit carries a monthly interest of 11.05 % and as on 31st March, 2019 construction Rs. 1644 Lakh was drawn by the company. The said credit limit is for a 35 months from the date of first drawdown. The Loan is secured by mortgage of the identified commercial units in one of the project at Goregaon of the company and land 56,040 square feet Land of Isambe village at Khalapur.
- b) In April 2017, the company has availed Term Loan from Reliance Home Finance Limited of Rs. 500 Lakh balance amount is repayable in 144 equal monthly installments from 10th June, 2017. The loan is secured by mortgage of the identified residential units in one of the project at Magic Hill, Khalapur.
- c) In March 2017, the company has availed Term Loan from India Infoline Housing Finance Ltd of Rs. 770 Lakh balance amount is repayable in 120 installment starting from 05th March, 2017. The Loan is secured by mortgage of the identified commercial units in one of the project at Goregaon.
- d) In July 2016, the company has availed Term Loan from PNB Housing Finance Ltd of Rs. 546 Lakh, balance amount is repayable in 84 equal monthly installments from 30th July, 2016. The Loan is secured by mortgage of identified commercial offices of Laxmi Industrial Estate- , Andheri (w) .
- e) In January 2015, the company has availed Term Loan from United Bank of India of Rs. 450 Lakh, balance amount is repayable in 120 equal monthly installments starting from 07th Feb, 2015. The loan is secured by mortgage of the identified residential units in one of the project at Magic Hill, Khalapur.

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Particulars	INR	
	As at	
	31st March, 2019	31st March, 2018
f) In March 2014, the company has availed Term Loan from Union Bank of India of Rs. 1367 Lakh balance amount is repayable in 120 installment starting from 01st April, 2014. The loan is secured by Industrial land of 12,06,856 sq ft (Honad village) at Khalspaur.		
18- Other financial liabilities (at amortised cost)		
Security Deposit (Security Deposits received are interest free and are repayable after completion of lease term)	2,50,000	1,00,000
Total	2,50,000	1,00,000
19- Provisions		
Provision for Employee Benefits Gratuity	7,58,457	6,34,133
Total	7,58,457	6,34,133
20- Borrowings (at amortised cost)		
UnSecured loans		
From related parties	-	-
From Other	2,97,00,000	50,00,000
Total	2,97,00,000	50,00,000
21- Trade Payables		
Due to others	4,11,36,460	5,14,40,404
Total	4,11,36,460	5,14,40,404
Amount due to SSI units has not been segregated in view of non-availability of requisite information for the purpose of ascertaining the liability, if any, under the "Interest on Delayed payments to Small Scale & Ancillary Undertaking Act, 1993". However there is no liability towards interest on delay payment to such creditors as these are within the agreed terms of payment.		
22- Other financial Liabilities		
Current maturities of long-term borrowings		
Term loans		
From bank	18,33,19,233	7,92,49,650
From financial institution/NBFC	1,15,61,413	1,12,88,944
	19,48,80,646	9,05,38,594
Book Overdraft	-	83,42,006
Interest Accrued but not due on Borrowings	22,79,042	2,70,000
Statutory Dues Payable	44,90,013	21,72,357
Other financial liabilities	4,93,09,442	5,22,18,421
Total	25,09,59,143	15,35,41,378.04
23- Other current liabilities		
Advance received from customers	59,76,84,575	52,01,13,117
Other Current Liability	64,42,376	64,30,000
Total	60,41,26,951	52,65,43,117
24- Provisions		
Development Expenses for Plot Construction at Dhamni	5,80,086	5,80,086
Provision for Taxation (Net of Advance Tax)	31,81,288	29,23,244
Provision for Employee Benefit Gratuity	3,64,468	3,34,334
Total	41,25,842	38,37,664

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Particulars	INR	
	Year Ended	
	31st March, 2019	31st March, 2018
25- Revenue from operations		
Sale of units	22,44,241	5,33,91,762
Sale of land / plots	6,89,32,910	41,64,956
Rent on immovable property	18,54,438	6,79,163
Total	7,30,31,589	5,82,35,881
26- Other income		
Interest income on amortized cost basis at EIR		
Fixed deposit with bank	37,615	37,624
Others	-	14,90,080
Other Charges from Project	80,45,627	1,69,616
Total	80,83,242	16,97,320
27- Land and Construction Cost		
Land	-	-
Construction Cost		
Material	7,41,93,650	2,83,94,596
Labour	45,13,703	97,83,974
Approval Cost	2,66,20,095	49,80,879
Borrowing Cost	5,09,07,361	3,62,22,305
Professional Fee	44,93,545	41,47,305
Salary	15,60,981	30,26,353
Other Administration Cost	1,79,15,776	2,09,89,211
Total	18,02,05,111	10,75,44,623
28- Changes in Inventories		
a) Inventories at the end of the year:		
Flat	44,56,935	44,56,935
Land	71,68,83,161	70,47,17,765
Completed Units	17,18,16,875	14,13,12,915
Work - In - Progress	29,14,39,493	18,24,09,308
	1,18,45,96,464	1,03,28,96,923
b) Inventories at the beginning of the year:		
Flat	44,56,935	44,56,935
Land	70,47,17,765	69,95,21,880
Completed Units	14,13,12,915	-
Work - In - Progress	18,24,09,308	22,24,98,119
	1,03,28,96,923	92,64,76,934
Change in Inventories and Work In Progress	(15,16,99,540)	(10,64,19,989)

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Particulars	INR	
	Year Ended	
	31st March, 2019	31st March, 2018
29- Employee benefits expense		
Salaries and wages*	2,01,30,314	98,05,184
Staff welfare expenses	1,86,369	2,92,746
Provision for Gratuity	2,16,948	2,20,857
Total	2,05,33,631	1,03,18,787
*Includes Directors Remuneration of Rs. 1,20,00,000 (Previous year Rs. 51,60,000)		
30- Finance cost		
Interest expenses on amortised cost at EIR	5,51,73,183	4,83,63,847
Other borrowing cost	5,900	32,55,123
	5,51,79,083	5,16,18,970
Less: allocated to projects / capitalised	5,09,07,361	3,62,22,305
Total	42,71,722	1,53,96,665
31- Other expenses		
Advertisement expenses	2,16,495	1,85,214
Auditors remuneration (Refer Note No. 38)	4,41,200	7,60,725
Bank charges	1,24,142	34,724
Business promotion expenses	7,10,324	3,78,865
Commission and Brokerage	-	3,25,000
Electricity expenses	4,34,981	8,18,012
Legal and professional fees	15,68,120	13,84,538
Membership fees and entrance fees	4,09,820	4,03,665
Rent	30,00,000	57,00,000
Maintenance charges	2,75,822	3,31,013
Rates and taxes	9,32,163	5,49,414
Repairs to		
Building	-	-
Others	6,00,212	6,40,759
Telephone and communication expenses	2,88,536	2,46,253
Travelling and conveyance expenses	12,52,276	5,66,309
Insurance	4,10,930	4,17,025
Miscellaneous expenses	8,31,387	3,34,028
Total	1,14,96,408	1,30,75,544
32- Other comprehensive income Not to be reclassified to profit or loss in subsequent periods		
Remeasurements of the defined benefit plans	62,490	56,469
Tax effects on above	(17,385)	(15,995)
Net Total	45,105	40,474
Total Income not to be reclassified	62,490	56,469

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33 - Tax Expenses

a) Tax charge / (credit) recognised in profit or loss

Particulars	31st March, 2019	31st March, 2018
Current tax:		
Current tax on profit for the year	25,25,000	33,00,000
Charges / (Credit) in respect of current tax for earlier years	2,49,127	(65,307)
Minimum alternate tax credit entitlement	13,61,737	15,71,640
Total Current Tax	41,35,864	48,06,333
Deferred tax:		
Origination and reversal of temporary differences	(6,75,773)	(23,48,246)
Income Tax expenses reported in the statement of profit and loss	34,60,091	24,58,087

(b) A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense/ (credit) for the year indicated are as follows:

Particulars	31st March, 2019	31st March, 2018
Accounting profit before Income tax	1,15,67,401	1,43,98,834
Statutory income tax rate	27.82%	27.55%
Tax at statutory income tax rate	32,18,051	39,66,879
Tax effect of amounts which are not deductible (Taxable) in calculating taxable income		
Tax impact of expenses which will be not allowed	(1,45,631)	1,13,716
Tax Impact of expenses which are allowable	(5,55,445)	5,98,319
Other	4,59,036	7,96,756
	34,60,091	24,58,087

34 - Earning Per Shares (EPS)

Particulars	31st March, 2019	31st March, 2018
Net Profit attributable to equity shareholders		
Net Profit for the year	81,07,310	1,20,80,657
Nominal value of equity shares	10	10
Weighted average number of equity shares in calculating basic and diluted EPS	1,39,02,200	1,39,02,200
Basic EPS	0.58	0.87
Diluted EPS	0.58	0.87

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35 Related Party Disclosure

List of Related Parties only with whom transactions are executed.

a) Key Management Personnel/Relative of Managerial Person	
Kishan Kumar Kedia	Chairman & Managing Director
Arunkumar Kedia	Marketing Director
Sanjay Kumar Kedia	Finance Director
Kusumdevi Kedia	Relative of Director
b) Associate Concern	
Aditya Industrial Estate	Associate Concern
J.S. Realty Private Limited	
Neelkant Industrial Estate	
S K Investment	
Panchdeep Industrial Estate	
Kedia Industrial Development Corporation	
Shree Siddhivinayak Enterprises Pvt Ltd	

Previous year figures in bracket (Amount in Rs. Lakhs)

Particulars of transactions	Relative	Opening balance	Transaction during the year		Closing balance
Purchase of investment	Subsidiary Company	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Remuneration	Key Management Personnel	Nil (Nil)	120 (51.60)	Nil (Nil)	Nil (Nil)
Interest		Nil (Nil)	0.42 (1.77)	Nil (Nil)	Nil (Nil)
Loan Received		Nil (Nil)	463.65 (555.34)	463.65 Cr. (555.34 Cr.)	Nil (Nil)
Interest	Associate Concerns	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Advance Given Against Property	Associate Concerns	530.00 (530.00)	Nil (NIL)	Nil (Nil)	530.00 Dr (530.00 Dr)
Advance Received	Associate Concerns	Nil (Nil)	Nil (NIL)	Nil (Nil)	Nil (Nil)
Advance Given	Associate Concerns	100 Dr (Nil)	34.2 Dr. (100)	6.5 Cr. (Nil)	127.70 Dr. (Nil)

Note:1)Related parties are identified by the company & relied upon by the auditor.

2)Figures in bracket pertains to previous year.

36 - Financial Instruments – Fair Values And Risk Management

A The carrying value of financial instruments by categories are as follows:

Financial Assets :	Refer Note	Amount in Rs.		
		31st March, 2019	31st March, 2018	
		Cost / Amortised Cost	FVTOCI	Cost / Amortised Cost
Investments in Equity Instruments				
Quoted Investments				
Unquoted Investments	4.b	-	-	-
			(Level 3: See note below)	3,00,00,000
Cash & Cash Equivalents				
Cash & Bank	11	78,46,761		14,51,463
Bank balances other than cash and cash equivalents				
Trade Receivables	6 & 13	4,39,414		4,08,663
Loans and advances	10	34,02,57,025		30,31,56,663
Other Financial Assets	5 & 12	1,08,85,865		83,33,910

Note : 1) Investment in unquoted equity shares of Varaha Infrastructure Limited has been sold during the year 2018-19.

Financial Liabilities :	Refer Note	Amount in Rs.		
		31st March, 2019	31st March, 2018	
		Cost / Amortised Cost	FVTOCI	Cost / Amortised Cost
Borrowings				
Long term Borrowings	17 & 20	27,23,26,758	-	27,80,07,164
Short Term Borrowings	22	19,71,59,688	-	15,35,41,378
Trade Payables	21	4,11,36,460	-	5,14,40,404
Other Financial Liabilities	18 & 22	47,40,013	-	22,72,357

B Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy

Financial assets and liabilities measured at fair value

Particulars	31st March, 2019			31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments in Equity Instruments	-	-	-	-	-	-
Quoted Investments	-	-	-	-	-	-
Unquoted Investments	-	-	-	-	-	3,00,00,000
Cash & Cash Equivalents	-	-	-	-	-	-
Cash & Bank	-	-	78,46,761	-	-	14,51,463
Bank balances other than cash and cash equivalents	-	-	4,39,414	-	-	4,08,663
Trade Receivables	-	-	34,02,57,025	-	-	30,31,56,663
Loans and advances	-	-	1,08,85,865	-	-	83,33,910
Other Financial Assets	-	-	-	-	-	-

Particulars	31st March, 2019			31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Borrowings						
Long term Borrowings	-	-	27,23,26,758	-	-	27,80,07,164
Short Term Borrowings	-	-	19,71,59,688	-	-	15,35,41,378
Trade Payables	-	-	4,11,36,460	-	-	5,14,40,404
Other Financial Liabilities	-	-	47,40,013	-	-	22,72,357

Level 1: Level 1 hierarchy includes financial instruments valued using market quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. Mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates if all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

In respect of Financial Assets at amortised cost, the carrying value approximates fair value.

In respect of Financial Liabilities at amortised cost, the carrying value approximates fair value.

C Financial Instruments : Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in bank deposits .

The carrying amount of the financial assets which represents the maximum credit exposure is as follows:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. Similarly in case of lease rental business, the Company keeps 3 to 12 months rental as deposit from the occupants.

No impairment is observed on the carrying value of trade receivable.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Investment committee comprising of Mr. Sanjay Kedia (Chairperson), Mr. Arun Kedia (Non-Independent Director), and Mr. Santosh Ginoria (Independent Directors) on an annual basis, and may be updated throughout the year subject to approval of the Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company's has access to a sufficient variety of sources of funding.

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Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31st March, 2019	Contractual Cash Flows				
	Carrying Amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings :					
Long term Borrowings	46,72,07,404	19,48,80,646	6,01,87,581	8,27,71,582	12,93,67,595
Trade Payables	4,11,36,460	4,11,36,460	-	-	-
Other Financial Liabilities	5,63,28,497	5,63,28,497	-	-	-

31st March, 2018	Contractual Cash Flows				
	Carrying Amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings :					
Long term Borrowings	36,85,45,758	9,05,38,594	3,52,15,112	8,70,91,333	15,57,00,719
Trade Payables	5,04,34,666	5,04,34,666	-	-	-
Other Financial Liabilities	6,30,91,169	6,30,91,169	-	-	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. We are exposed to market risk primarily related to interest rate risk and the market value of certain commodities. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in our revenues and costs.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31st March, 2019	31st March, 2018
Floating rate Borrowings	43,75,07,404	36,35,45,758

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Fair value sensitivity analysis for floating-rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, is as follows:

	Increase / decrease in basis points	Effect on profit before tax
31st March, 2019		
INR- Increase	100	43,75,074
INR- Decrease	100	(43,75,074)
31st March, 2018		
INR- Increase	100	36,35,458
INR- Decrease	100	(36,35,458)

D Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company is not subject to any externally imposed minimum statutory capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest and non interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The Company's adjusted net debt to equity ratio is as follows:

Particulars	31st March, 2019	31st March, 2018
Total Liabilities *	46,94,86,446	36,88,15,758
Less: Cash and cash equivalents	78,46,761	14,51,463
Adjusted net debt	46,16,39,684	36,73,64,295
Total equity	72,32,97,688	71,52,54,504
Adjusted equity	72,32,97,688	71,52,54,504
Adjusted net debt to adjusted equity ratio	0.64	0.51

* Total Liabilities = non-current borrowings + current borrowings + current maturities of non - Current borrowings + Interest accrued

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37 - Retirement Benefit Obligation

Retirement Benefits

As per Ind AS 19 the Company has recognized " Employees Benefits" in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation.

A) Defined Benefit Plans

Valuation in respect of Gratuity have been carried out by independent actuary, as at the Balancesheet date, based on the following assumptions and sensitivity

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Discount Rate (per annum)	7.45%	7.60%
Expected rate of return of plan assets	0.00%	0.00%
Rate of salary increase	7.00%	7.00%
Rate of employee turnover	10.00%	10.00%

I) Change in Defined Benefit Obligation (DBO)

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Opening Balance of Present Value of Obligation	9,68,467	8,04,079
Interest cost	60,899	46,494
Current Service Cost	1,56,049	1,31,093
Liabilities transfer in/Acquisitions		
Past Service Cost	-	43,297
Benefit Paid	-	-
Actuarial (Gain) / Losses on Obligation -Due to change in Financial Assumptions	12,576	(32,336)
Actuarial (Gain) / Losses on Obligation -Due to Experience	(75,066)	(24,160)
Closing Balance of Present Value of Obligation	11,22,925	9,68,467

II) Change in the Fair Value of Plan Assets

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Opening Balance of Present Value of plan assets	-	-
Interest Income	-	-
Contribution by Employer	-	-
Assets transfer in/Acquisitions	-	-
Benefit Paid (-)	-	-
Expected Return of Plan Assets	-	-
Fair Value of Plan Assets as at 31st March	-	-

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III) Net Assets/(Liability) recognised in Balance Sheet

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Present value of Funded Obligation	11,22,925	9,68,467
Fair Value of Plan Assets	-	-
Assets/(Liability) recognised in the Balance Sheet	(11,22,925)	(9,68,467)

IV) Expenses Recognised in Statement of Profit & Loss Account

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Current Service Cost	1,56,049	1,31,093
Net Interest cost	60,899	46,494
Actuarial (Gain)/Loss	-	43,297
Total Expenses/(Gain) recognised in the Profit & Loss Account	2,16,948	2,20,884

V) Expenses Recognised in Other Comprehensive Income (OCI)

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Actuarial (Gain) / Losses on obligation for the year	(62,490)	(56,496)
Return on plan assets excluding interest income	-	-
Net (Income) Expenses for the year Recognised in OCI	(62,490)	(56,496)

VI) Balance Sheet Reconciliation

Particulars	GRATUITY	
	31st March, 2019	31st March, 2018
Opening Net Liability	9,68,467	8,04,079
Expenses Recognised in statement of Profit & Loss Account	2,16,948	2,20,884
Expenses Recognized in OCI	(62,490)	(56,496)
Employer's Contribution	-	-
Net Liability/ (Asset) Recognised in the Balance Sheet	11,22,925	9,68,467

Gratuity - Sensitivity Analysis :

The sensitivity of the defined benefit obligation to change in the weighted principal assumptions is :

Particulars	31st March, 2019	31st March, 2018
Change in Discounting rate (delta effect of +/- 0.5%)	↑10,82,214 ↓11,67,255	↑09,35,296 ↓10,04,552
Change in rate of Salary increase	↑11,59,101	↑09,99,990
Rate (delta effect of +/- 0.5%)	↓10,87,291	↓09,38,830
Change in rate of Employee Turnover (delta effect of +/- 10%)	↑11,26,756 ↓11,18,481	↑09,72,046 ↓09,64,365

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38- Payments to Auditors

Particulars	31st March, 2019	31st March, 2018
As auditor		
Audit fee	3,75,000	3,25,000
Tax audit fee	50,000	50,000
In other capacity	16,200	3,85,725
Total	4,41,200	7,60,725

39- Contingent Liabilities, Capital Commitments And Other Commitments

Refer note no 2.m for accounting policy on Contingent Liabilities

Particulars	31st March, 2019	31st March, 2018
Contingent Liabilities		
Claims against the Company not acknowledge as debts *		
Commitments		
Advance against Property	2,66,88,234	2,85,83,234

* Interest and claims by customers/ suppliers may be payable as and when the outcom of the related matters are finally determined and hence not been included above. Management based on legal advice and historical trends, belives that no material liability will devolve on the company in respect of these matters.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with the various forums/authorities.

40- The Company has identified real estate as the only operating segment in terms of Ind AS 108 which is also reviewed by Board of Directors who are considered Chief Operating Decision Maker (CODM). Since the entire operations of the Company are in India, there are no geographical segments . There is no single customer to whom sales are in excess of 10% of the total revenue.

41- Leases

The lease expenses for cancellable and non-cancellable operating leases was Rs. 30,00,000/- (For the F.Y. 2017-18 Rs. 57,00,000/-) for the year ended 31st March, 2019.
There is no future minimum lease payments under non-cancellable operating lease.

42- Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our attached report of even date

For M/s Poddar A & Associates
Chartered Accountants
Firm Reg. No.131521W

For and on behalf of the Board of Directors

Kishan Kumar Kedia
Chairman & Managing Director

Atul Poddar
Proprietor
M. No. 107258
Place : Mumbai
Date : 30th May, 2019

Arun Kedia
Marketing Director

Falguni Padiya
Chief Financial Officer

Sanjay Kumar Kedia
Finance Director

Pavan Gupta
Company Secretary

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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) Rules, 2014]

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 the above named company. Hereby appoint		
Name :		E-mail Id:
Address:		
Signature , or failing him		

Name :		E-mail Id:
Address:		
Signature , or failing him		

Name :		E-mail Id:
Address:		
Signature , or failing him		

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on the 30th day of September, 2019 at 10 a.m. at Ashish -1 Banquet, Land Mark Building, Link Road, Mid Chowky, Malad (West), Mumbai - 400 064 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of the Audited Standalone / Consolidated Financial Statement for the financial year ended March 31, 2019 along with the reports of the Directors and Auditors thereon		
2.	To re-appoint Mr. Kishan Kumar Kedia, Managing Director who retire by rotation and being eligible for reappointment.		
3.	Appointment of M/s Poddar A. & Associates, Chartered Accountants as the Statutory Auditor		
4.	Related Party Transaction		
5.	Appointment of Mr. Jitendra Maruti Jadhav as regular Director		
6.	Appointment of Mr. Jitendra Maruti Jadhav as Non Executive Independent Director		
7.	Special Resolution for Mr. Shiromani Chauhan to continue with company as Non Executive Independent Director		
8.	Special Resolution for Mrs. Seema Bhattar to continue with company as Non Executive Independent Director		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 20____

Affix
Revenue
Stamps

Signature of Shareholder Signature of Proxy holder
shareholder

Signature of the

across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

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CIN: L45200MH1992PLC069044

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

27th Annual General Meeting on 30th September, 2019

Full name of the members attending _____
(In block capitals)

Ledger Folio No./Client ID No. _____

No. of shares held: _____

Name of Proxy _____
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 27th Annual General Meeting of the Garnet Construction Limited, Ashish -1 Banquet, Land Mark Building, Link Road, Mid Chowky, Malad (West), Mumbai - 400 064, on Monday, the 30th September, 2019.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.