

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Tuesday the 29th September, 2015 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 adopt the Audited Balance Sheet as at 31st March 2015, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereof.
2. To reappoint a Director in the place of Mr. Arun Kedia (DIN No. 00205183), 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 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Shankarlal Jain & Associates, Chartered Accountants (Firm Registration No. 109901W), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held in 2018 on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS

4. **Related Party Resolution**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an 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 S.K Investment, J. S. Realty Pvt. Ltd., Aditya Industrial Estate, Kedia Industrial Development Corporation and its subsidiary 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."

Registered Office:

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

By Order of the Board
For Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director
DIN No. 00205146

Place : Mumbai

Date : 4th September, 2015

NOTES

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. The register of Members and the Share Transfer Book will remain closed from 22nd September, 2015 to 29th September, 2015 (both days inclusive) for the purpose of ensuing Annual General Meeting.
3. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 2 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
4. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

5. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing the Companies the paperless compliance and the said ministry has issued a circular stating that the service of notice / documents including annual reports can be sent by e mail to the members.

In order to abide by the circular, the members are requested to register their e-mail address, to enable the company to send reports by e mail. The members holding shares in demat form may register their e-mail address with the respective DPs and the members who holds the shares in physical form are requested to register their e-mail with the Company or Registrar & Share Transfer Agent. This will enable the company to send the annual reports by e-mail.

The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

12. 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 23rd Annual General Meeting of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. Member holding shares in Physical Form should enter Folio Number with the company.
- (v) Next enter the Image Verification as displayed and Click on Login.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, 26th September, 2015 at 9:00 AM and ends on Monday, 28th September, 2015 at 6:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 26nd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Select the "Garnet Construction Ltd..." from the drop down menu and click on Submit.
- (v) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu herein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the "Garnet Construction Ltd." on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

14. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.

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, set out all material facts relating to the business under Item No. 4 of the accompanying Notice dated 4th September, 2015.

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 provision 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 2015-16 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 2015-16 (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					
S.K. Investment		200.00			
Aditya Ind.Estate			200.00		
Kedia Industrial Development Corporation			200.00		
J. S. Realty Pvt. Ltd.			200.00		
Associates					
NIL					
Subsidiaries					
NIL					

The Board of Directors of your Company has approved this in the Board Meeting held on 4th September, 2015 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.

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

By Order of the Board
For Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director
DIN No. 00205146

Place : Mumbai
Date : 4th September, 2015

ANNEXURE TO ITEMS 2 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Arun Kedia
Director Identification Number (DIN)	00205183
Date of Birth	13/02/1968
Nationality	Indian
Date of Appointment on Board	15/10/1992
Qualification	Under Graduate
Shareholding in Garnet Construction Ltd.	12.33%
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Nil

Mr. Kishan Kumar Kedia, Chairman & Managing Director, Mr. Arun Kedia, Director Marketing and Mr. Sanjay Kedia, Finance Director are have inter-se relationships between the Board Members.

DIRECTORS'S REPORT

To,
The Members,
Your Directors have pleasure in presenting their 23rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. Financial summary or highlights/Performance of the Company (Standalone)

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Rs. In Lacs

Particulars	2014-2015	2013-14
Gross Income	2873.20	1017.07
Profit Before Interest and Depreciation	607.33	606.46
Finance Charges	260.50	248.37
Gross Profit	346.83	358.09
Provision for Depreciation	95.01	40.63
Net Profit Before Tax	251.82	317.46
Provision for Tax	185.85	88.51
Net Profit After Tax	65.97	228.95
Balance of Profit brought forward	704.59	475.64
Balance available for appropriation	764.83	704.59
Proposed Dividend on Equity Shares	0	0
Tax on proposed Dividend	0	0
Transfer to General Reserve	0	0
Surplus carried to Balance Sheet	764.83	704.59

2. Brief description of the Company's working during the year/State of Company's affair

During the year under review the Company has total income of Rs. 2,873.30 (in lacs) as against previous year Rs. 1,017.07, the same is on account of sales of magic hills bungalows of which the possession is handed over. However the company has posted net profit of Rs. 65.97 Lacs as against previous year profit of Rs. 228.95, the same is due to higher depreciation in compliance with provisions of the act and taxation charge to P&L

3. Dividend

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

4. Unclaimed Dividend

There is no balance lying in unpaid equity dividend account.

5. Share Capital

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

6. Directors and Key Managerial Personnel

Mr. Arun Kedia Director Marketing retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment further Ms. Hetal Talreja has been appointed as Chief Financial Officer with effect from 16th March, 2015.

7. 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, none of the employees draw salary in excess of Rs. 5 Lacs p.m. or Rs. 60 Lacs p.a.

8. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 10 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.

9. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

10. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Managerial Remuneration:

Disclosures pertaining to remuneration and other details 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 are provided in the Annual Report as Annexure I. In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered address of the company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full annual report including the aforesaid information is being sent electronically to all those members who have registered their email addresses.

11. Details of Subsidiary/Joint Ventures/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-I**.

12. Auditors

The Auditors, M/s Shankarlal Jain & Associates, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of four years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 26th AGM.

13. Auditors Reports

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

14. Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's construction business for the FY 2015-16.

15. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, M/s. VKM & Associates, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure II** to this report. The report is self-explanatory and do not call for any further comments.

16. Appointment of Company Secretary

The Company is in the process of identifying the suitable candidate for the post of Company Secretary and will appoint the same.

17. Internal Audit & Controls

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.

18. Vigil Mechanism :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

19. Risk Management policy

The Company has 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.

20. Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

21. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

22. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No such order passed by the any of the regulatory authority or courts or tribunals.

23. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has in place adequate internal controls commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor report to the Chairman of the Audit Committee of the Board. Internal Auditor monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

24. 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.

25. 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.

26. Particulars of contracts or arrangements with related parties:

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. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. 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 draw attention of the members to Note 27 to the financial statement which sets out related party disclosures.

27. Corporate Governance Certificate

As per Clause 49 of the Listing Agreement with the Stock exchange, the 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.

28. Management Discussion and Analysis

As required under Clause 49 of the Listing Agreement with the Stock Exchange, 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.

29. Disclosure**Audit Committee**

The details pertaining to composition of audit Committee are included in the Corporate governance Report which forms part of this report.

Nomination & Remuneration Committee

The details pertaining to composition of Nomination & remuneration Committee are included in the Corporate governance Report which forms part of this report.

Stakeholder Relationship Committee

The details pertaining to composition of Stakeholders Relationship Committee are included in the Corporate governance Report which forms part of this report.

30. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company pursuant to the Section 4 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 has constituted an Internal Complaints Committee. During the year, no complaint was lodged with the Internal Complaint Committee.

31. Conservation of energy, technology absorption and foreign exchange earnings and outgo

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.

Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs. 4.90 lakh and the total foreign exchange earned was Rs. 15.10 lakh.

32. 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.

33. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that –

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. Listing with Stock Exchange

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.

35. Acknowledgements

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed displayed by all executive, officer and staff, resulting in successful performance of the Company.

For and on behalf of the Board of Directors
For Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director
DIN No. 00205146

Place : Mumbai
Date : 4th September, 2015

Annexure to Director's Report

Annexure IFORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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	:-	15 th 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 Ind. Estate, New 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%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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	5678023	650100	6328123	45.52	6328023	650100	6978123	50.19	4.67
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	5678023	650100	6328123	45.52	6328023	650100	6978123	50.19	4.67
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.	644472	2725700	3370172	24.24	642234	2200700	2842934	20.45	- 3.79
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1759328	292605	2051933	14.76	1773587	288605	2062192	14.83	0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1803004	193800	1996804	14.36	1763748	68800	1832548	13.18	-1.18

c) Others (specify)									
Non Resident Indians	90052	38700	128752	0.93	125046	38700	163746	1.18	0.25
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	26416	0	26416	0.19	22657	0	22657	0.16	-0.03
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	4323272	3250805	7574077	54.48	4327272	2596805	6924077	49.81	-4.67
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4323272	3250805	7574077	54.48	4327272	2596805	6924077	49.81	-4.67
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	10001295	3900905	13902200	100	10655295	3246905	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	1459100	10.50	Nil	1609100	11.57	Nil	1.07
2	Kusumdevi Kedia	1653380	11.89	Nil	1803380	12.97	Nil	1.08
3	Arun Kedia	1564117	11.25	Nil	1714117	12.33	Nil	1.08
4	Sanjay Kedia	1651426	11.88	Nil	1851426	13.32	Nil	1.44
5	Narendra Kedia	100	0	Nil	100	0.00	Nil	0
	TOTAL	6328123	45.52	Nil	6978123	50.19	Nil	4.67

During the year there was transfer of 650000 shares from bodies corporate to promoters.

C) 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.	Alpha Chemetrade Agency	675000	4.86	675000	4.86
2.	Krishna Mingranite Ltd	675000	4.86	675000	4.86
3.	Talent Infoway Ltd	675000	4.86	225000	4.86
4.	Buniyad Chemicals Ltd	500000	3.60	500000	3.60
5.	Jayshree Pariyani	374400	2.69	374400	2.69
6.	Garnet Capital Finance Ltd.	289846	2.08	289846	2.08
7.	Deepika Dilip Harpalani	254402	1.83	251381	1.83
8.	Mihir Agencies Pvt. Ltd.	200000	1.44	0	0
9.	Lalit Dilip Harpalani	107963	0.78	107963	0.78
10.	Karvy Stock Broking Ltd.	91432	0.66	90130	0.65

D) 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	1651426	11.89	1851426	13.32	1851426	13.32
2.	Arun Kedia	1564117	11.25	1714117	12.33	1714117	12.33
3.	Kishan Kumar Kedia	1459100	10.50	1609100	11.57	1609100	11.57
4.	Shiromani Chauhan	3900	0.03	3900	0.03	3900	0.03
5.	Santosh Ginoria	Nil	Nil	Nil	Nil	Nil	Nil
6.	Seeema Bhattar	Nil	Nil	Nil	Nil	Nil	Nil
7.	Hetal Talreja	Nil	Nil	Nil	Nil	Nil	Nil

E) **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	2851.56			2851.56
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2851.56			2851.56
Change in Indebtedness during the year				
* Addition	4270.09			4270.09
* Reduction	1521.58			1521.58
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	5600.07			5600.07
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	5600.07			5600.07

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	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	18.00	18.00	18.00	54.00
	(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)	18.00	18.00	18.00	54.00
	Ceiling as per the Act				55.00

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		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 / MANAGER / WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			7	7
	(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			7	7

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015

Annexure - II
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The Reserve bank of India Act, 1934 and rules and regulation made there under from time to time and any other modification enactment issue by RBI which is applicable on Non Banking Financial Companies (NBFC);
- (vi) The following Regulations 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 (Not applicable to the Company during the Audit period);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the Audit period).
- (ii) The Listing Agreements entered into by the Company with BSE.

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

1. *As per section 203 of the Company's Act, 2013, every Company whose paid up share capital is above Rs. 5 Crore compulsory needs to appoint Company Secretary (CS) who is in whole time employment. As such during our review Company has not appointed any Company Secretary.*

We further report that

- 1) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
- 2) The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;
- 3) The Company has obtained all necessary approvals under the various provisions of the Act.

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

FOR VKM & Associates
Practising Company Secretary

Vijay Kumar Mishra
Partner
FCS No. 5203
C P No.: 4279

Place: Mumbai

Date: 4th September, 2015

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

SECRETARIAL AUDIT REPORT

'ANNEXURE A'

To,
The Members,
Garnet Construction Ltd.
501/531, Laxmi Mall, New Link Road, Laxmi Industrial Estate,
Andheri (West), Mumbai - 400 053

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

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

FOR VKM & Asscoiates
Practising Company Secretary

Vijay Kumar Mishra
Partner
FCS No. 5203
C P No.: 4279

Place: Mumbai
Date: 4th September, 2015

REPORT ON CORPORATE GOVERNANCE

In accordance with clause 49 of the Listing Agreement with the BSE Limited (BSE) (clause 49) the report containing the details of corporate governance systems and processes at Garnet Construction Limited is as under:

1. Company's Philosophy on Code of Governance

Corporate Governance is the corner stone of Garnet's governance philosophy, namely trusteeship, transparency, empowerment, accountability, control and ethical corporate citizenship. Our Corporate Governance framework ensures effective engagement with our stakeholders and to help us evolve in changing times. At Garnet we believe that an active well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Board of Directors is at the core of Corporate Governance Practice and oversees how the management serves and protects the long term interest of our stakeholders

2. Board of Directors

Composition/Category of Directors/Attendance at Meetings/Directorships and Committee Memberships in other companies as on March 31, 2015

A. Board Composition

As on March 31, 2015 the Board consists of 6 (six) directors out of which 3 (three) are non-executive & independent directors. The composition of the Board and category of Directors is as follows:

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

The Chairman of the Board is an Executive Director. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013. All the Independent Directors of the Company furnished a declaration that they satisfy the criteria of independence as per Clause 49 of the Listing Agreement and Companies Act, 2013 and Rules made therein.

B. Board Meetings

Ten Board Meetings were held during the financial year 2014 - 15 on 30th May, 2014, 19th June, 2014, 14th August, 2014, 3rd September, 2014, 18th October, 2014, 14th November, 2014, 31st December, 2014, 13th February, 2015, 16th March, 2015 and 30th March, 2015.

The information as required under Annexure I to Clause 49 of the Listing Agreement was made available to the Board.

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

Composition of the Board, attendance record, membership of Board Committees

Name	Category	Attendance		No. of Other Directorship \$	Committee (as on March 31, 2015)	
		Board Meeting	Last AGM		Member Ship	Chairman Ship
Mr. Kishan Kumar Kedia	Executive Non Independent	10	Yes	1	-	-
Mr. Arun Kedia	Executive Non Independent	10	Yes	1	-	-
Mr. Sanjay Kedia	Executive Non Independent	8	Yes	2	-	-
Mr. Shriromani Chauhan	Non Executive Independent	6	No	-	-	-
Mr. Santosh Ginoria	Non Executive Independent	7	Yes	-	-	-
Mrs. Seema Bhattar	Non Executive Independent	5	No	-	-	-

\$ 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 other committee and a Chairman of other 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 Clause 49 of the Listing Agreement as amended.

- 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;
- 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;
- Approval of appointment of CFO and assessing the qualification, experience and background of the candidate;

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 30.05.2014, 14.08.2014, 14.11.2014 & 13.02.2015 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, 2014 and 13th February, 2015. 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	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.

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 three times on 14th August, 2014, 14th November, 2014 and 13th February, 2015. 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	3
2	Shiromani Chauhan	Member	Non-Executive & Independent	3
3	Arun Kedia	Member	Executive & Non - Independent	3

During the financial year 2014-2015 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
2014	September 30, 2014	Ashish Banquet, Malad (West), Mumbai - 64	10.00am
2013	September 30, 2013	Ashish Banquet, Malad (West), Mumbai - 64	10.00 am
2012	September 28, 2012	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. Disclosures

Disclosures regarding Materially Significant Related Party Transactions:

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes of Standalone Financial Statements, Forming Part of the Annual Report. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

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 relating to the above.

There were no instances of non-compliance of any matter related to the capital market during the last three (3) years.

Whistle Blower Policy

The Board of Directors of the Company are committed to maintain highest standard of honesty, openness and accountability and recognize that each and every person in the Company has an important role to play in achieving the organizational goals. It is the policy of the Company to encourage employees, when they have reason to suspect questionable accounting/audit practices or the reporting of fraudulent financial information to shareholders, the Government or the financial markets, and/or serious misconduct otherwise, to report the concerns to the Company's Management. We further affirm that no employee has been denied access to the Audit Committee.

Compliance of Mandatory requirements

Certificate from the Auditor of the Company confirming compliances with the mandatory requirements under clause 49 of the listing agreement is annexed to this report.

Reconciliation of Share Capital Audit

In view with the requirement stipulated by SEBI, reconciliation of Share Capital Audit is carried out as per the listing agreement requirement.

8. Means of Communication

- The half yearly financial results are submitted to the stock exchange in accordance with the Listing Agreement and also uploaded on the Company's website.
- Management Discussion and Analysis Report form the part of the Annual Report.

9. General Shareholder Information

Annual General Meeting:

Day & Date & Time : Tuesday, 29th September, 2015 at 10.00 am.

Venue : Ashish Banquet, Malad (West), Mumbai - 400 064

Date of Book closure : Tuesday 22nd September, 15 to Tuesday 29th September, 15.
(both days inclusive.)

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

ISIN No. : INE797D01017

Listing on Stock Exchanges: Bombay Stock Exchanges, and Annual Listing fees for the Financial Year 2015-16 has been paid to the stock exchange.

Reporting of Audited / Un-audited Financial Result : In respect of year 15-16

- a) First quarter : First week of August, 15
 b) Second quarter : First week of November, 15
 c) Third quarter : First week of February, 16
 d) Fourth quarter : Last week of May, 16
 e) Annual General Meeting (For 15 - 16) : By August / September, 16

Stock Code: The Stock Exchange, Mumbai - 526727

Market Price Data - High/Low price of the Equity Shares of the Company during the financial year 2014 - 15 on BSE :-

Month	Bombay Stock Exchange Ltd.	
	High	Low
April	14.95	10.28
May	18.10	10.75
June	16.85	12.35
July	14.20	11.11
August	14.60	11.17
September	13.60	11.51
October	12.60	11.00
November	17.35	11.71
December	15.78	11.50
January	18.60	13.20
February	16.35	12.50
March	13.98	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 respects. All requests for transfer / transmission in physical mode are processed by the RTA.

Distribution of shareholding as on 31.03.2015

Number of Equity Shares		Share Holders		Share Amount	
		No.	% to Total	In Rs.	% to Total
0	500	4698	84.22	783127	5.63
501	1000	433	7.76	364241	2.62
1001	2000	201	3.60	307708	2.21
2001	3000	65	1.17	165792	1.19
3001	4000	29	0.52	104667	0.75
4001	5000	41	0.74	194745	1.40
5001	10000	42	0.75	310975	2.24
10001 and Above		68	1.24	11670945	83.96
Total		5577	100.00	13902200	100.00

Shareholding pattern as on 31.03.2015

Category	No. of Shares	% of Shares
Promoters	69,78,123	50.19
Private Corporate Bodies	28,42,934	20.45
Indian Public	38,94,740	28.02
NRI/OCBs	1,63,746	1.18
Clearing Member	22,657	0.16
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, 2015

Mode of Holding	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Physical	1397	25.05	3246905	23.36
Electronic	4180	74.95	10655295	76.64
TOTAL	5577	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, 2015 Appx. 75 % 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.

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 : investor@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 Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen Corporate Governance Practice in the Company. They have affirmed compliance with said code.

For and on behalf of the Board
For Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director

Place : Mumbai
Dated : 30th May, 2015

Chairman & Managing Director and CFO Certification

We, the undersigned to the best of our knowledge and belief, thereby certify that:-

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have disclosed, based on our most recent evaluation, to the auditors and the Audit Committee, that
 - (i) There has not been any significant change in internal control over financial reporting during the year;
 - (ii) There has not been any significant changes in accounting policies during the year; and
 - (iii) There were no instances of significant fraud of which we are aware, that involve the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Garnet Construction Limited

Kishan Kumar Kedia
Chairman and Managing Director

Hetal Talreja
Chief Financial Officer

Place : Mumbai
Dated : 4th September, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will' and so on. All statements that address expectations or projections about the future are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

INDUSTRY STRUCTURE AND DEVELOPMENTS

In past few years Indian Economy witnessed slowdown across various sectors. Both the domestic and global economic situations have been very volatile and challenging. To survive in these times of uncertainty an organization has to adapt and adopt new ways to manage business. The government has provided signals of moving along development agenda that will push for reforms that were so far left on the back burner and are much needed to revitalize the economy. The Company has been continuously striving to achieve success in operating in the one segment i.e. Infra & Construction Real Estate activities. The challenges faced by real estate sector are mainly due to poor macroeconomics, slow income growth, continuing high borrowing cost, both for industry and consumer. The construction, infra and real estate segment is dependent on domestic business climate. This year the Indian real estate sector would benefit from positive market sentiment as there are lot of positive changes in the field of infrastructure, the Company is expected to do well in this sector and to grow at a faster rate.

SEGMENT-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.

OUTLOOK

The Company believes that demand conditions in the real estate sector are exhibiting early signs of improvement and the Management is positive that the Company will be able to achieve better growth than previous year by executing its real estate development and other operations and taking advantage of potential revival in economic growth and its resultant positive effects on the real estate sector over the medium term. The Company shall continue to strive to acquire new projects to increase sales and profit of the Company.

OPPORTUNITIES AND THREATS

The Company's long term view on the Infra and Real Estate Segment is positive due to increasing urbanization, favorable demographics, and growth of the service sector and rising income are still intact. The Company continuously endeavored the processes based upon the for specific area and/or location which will enabling the Company to achieve better result in delivering quality to each of our project as well as customers.

At Excel, we strive to build long term relationships with our clients. The focus on winning fresh clients across geographies where we can serve on the strength of our core competencies and on the basis of our track record of delivery and positive client references is ongoing.

THREATS

Economic conditions : Excel executes infrastructure projects and hence is exposed to risks regarding the completion of projects in time as unforeseeable conditions may sometimes delay projects at hand. In addition to this, there are risks associated to operating in different geographies in terms of terrain, sociopolitical and engineering factors. In a competitive market environment like the one that prevails today, in order to secure projects and generate profits one needs to strike a very fine balance between returns and risks.

Cost of people : The principal component of our cost is the wages of our employees. Human resource costs in India has risen a lot in the past and may also increase in future due to competitive pressures, we may experience a greater increase in our human resource cost. As we are a specialized industry we have to nurture human resource which is a challenge and high rate of attrition increases our overall costs. The changes in human resource cost alter profitability.

Regulatory environment : Our operations are exposed to uncertain political, legal and economic environment, government instability and complex legal systems and laws and regulations in India and abroad. Our ability to manage, evolve and improve our operational, financial and internal controls across the organization and to integrate our widespread operations and derive benefits from our operations is key to our growth strategy and results of operations.

Collection of receivables from our clients: Our operations involve significant working capital requirements and prompt collection of receivables affect favorably to our liquidity and results of operations. However, there can be no assurance that any such development would not adversely affect our business.

DISCUSSION ON OPERATIONAL PERFORMANCE

INCOME: The total income of the company increased from 1017.07 lacs in 2013-14 to 2873.20 lacs in 2014-15.

EBITDA: The EBITA of the company increased from 606.46 lacs in 2013-14 to 607.34 lacs in 2014-15.

PAT: The profit after tax of the company decreased from 228.95 lacs in 2013-14 to 65.97 lacs in 2014-15.

RISK MANAGEMENT

The real estate is poised to turn around significantly in due course but factors like inflation and high interest rate is undermining the turn around. Proper identification and management of risks go a long way in achieving the objectives of the company. Risk management is an inherent and integral part of operations, which governs the execution of each individual project.

The Competition varies from depending upon size, nature and complexity of the project to be executed. Fluctuating in operating cost can often lead to spiraling costs and overshooting budgets The Company makes efforts to minimize the risk associated with each and every project we undertake so as to increase the profitability of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate systems of internal control, to ensure that all assets are safeguarded and protected against loss from unauthorized use and procedures commensurate with the size and nature of business. The Company continuously upgrades its systems in line with the best availability practices. These systems are supported by periodical reviews by the management and standard policies and guidelines to ensure that financial and other records are prepared accurately.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Manpower is biggest strength in any Sector. The Company maintains its focus on its human resources as it believes that a motivated and empowered workforce is the key to sustained competitive advantage. The Company has maintained excellent relations with its employees across all levels of the organization during the period under review. All efforts were made to ensure a high employee satisfaction. Adequate measures were undertaken to enhance the skill sets of the employees.

CAUTIONERY STATEMENT

Statements in this report describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Because such statements deal with future events, they are subject to various risks and uncertainties and company's expectation actual results for fiscal years as shown above could differ materially from company's current expectation. The Company undertakes no obligation to revise or update forward - looking statements as a result of new information since, these statements may no longer be accurate or timely.

**For and on behalf of the Board of Directors
For Garnet Construction Limited**

**Kishan Kumar Kedia
Chairman and Managing Director
DIN: 00205146**

Place: Mumbai
Date: 30th May, 2015

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, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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 Agreement.

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, 2015

**For Shankarlal Jain & Associates
Chartered Accountants
Firm Regn No: 109901W**

**Mukesh Sonavane
M. No: 143622
Partner**

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF
GARNET CONSTRUCTION LIMITED
MUMBAI

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GARNET CONSTRUCTION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 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, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. **Except AS 15 in respect of liabilities for GRATUITY & LEAVE ENCASHMENT which are treated on cash basis.**
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements as of March 31, 2015.
- 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.

**For SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 109901W**

**Place : MUMBAI
Dated: 30th May, 2015**

**MUKESH SONAVANE
PARTNER
M. No. 143622**

ANNEXURE TO 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.
2. (a) 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.

(b) In our opinion, the procedures for physical verification of inventories followed by the management, are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records, of the company, we are of the opinion that the company is maintaining proper records of inventories. 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. Hence relevant clause is not applicable.
4. In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchases of fixed assets, goods and services and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct the major weakness in the internal control system.
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 for the companies procedures
7. a) According to the information and explanation given to us and based on the books and records examined by us the Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues, wherever applicable, have been generally deposited regularly during the year with appropriate authorities. There are no outstanding statutory dues as on 31st March, 2015 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, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues, wherever applicable, which have not been deposited on account of any dispute.
- c) The Company does not have any amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
8. The company does not have any accumulated losses at the end of the financial year and has not incurred cash loss during the financial year and in the preceding year.
9. In our opinion the company has not defaulted in repayment of dues to a financial institution or Bank during the year.
10. As per the information and explanation given to us the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
11. As per the information and explanation given to us the company has utilized the term loan for the purpose for which it was taken by the company and has not committed any default
12. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

**For SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 109901W**

**Place : MUMBAI
Dated : 30th May, 2015**

**MUKESH SONAVANE
Partner
M. No. 143622**

GARNET CONSTRUCTION LIMITED

BALANCE SHEET

Particulars	Notes	As at 31st March, 2015	As at 31st March, 2014
		Rs	Rs
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2	139,022,000	139,022,000
Reserves and Surplus	3	509,483,174	503,458,650
		648,505,174	642,480,650
<u>NON - CURRENT LIABILITIES</u>			
Long Term Borrowings	4	350,847,094	242,383,146
Deferred Tax Liabilities (Net) (Refer Note 25)		11,133,579	3,102,312
Other Long Term Liabilities	5	5,722,999	5,722,999
		367,703,672	251,208,456
<u>CURRENT LIABILITIES</u>			
Short Term Borrowings	6	-	56,233,903
Trade Payables	7	43,716,182	53,778,450
Other Current Liabilities	8	1,068,003,655	1,054,272,228
Short Term Provisions	9	640,836	654,336
		1,112,360,674	1,164,938,918
		2,128,569,520	2,058,628,024
TOTAL			
<u>ASSETS</u>			
<u>NON - CURRENT ASSETS</u>			
Fixed Assets			
Tangible Assets	10	76,512,147	86,011,784
Non - Current Investments	11	30,731,117	30,731,117
Long Term Loans and Advances	12	12,559,105	14,940,664
		119,802,369	131,683,565
<u>CURRENT ASSETS</u>			
Inventories	13	1,222,256,112	1,188,131,580
Trade Receivables	14	488,140,067	413,652,447
Cash and Bank Balances	15	23,138,908	9,834,936
Short Term Loans and Advances	16	275,196,221	315,315,115
Other Current Assets	17	35,843	10,380
		2,008,767,151	1,926,944,458
		2,128,569,520	2,058,628,024
TOTAL			
<u>Significant Accounting Policies</u>			
	1		

The accompanying notes including other explanatory information form an integral part of financial statement

As per our attached report of even date
For Shankarlal Jain & Associates
Chartered Accountants
Firm Reg. No.109901W

Mukesh Sonavane
Partner
M. No.143622
Place : Mumbai
Date : 30th May, 2015

For and on behalf of the Board of Directors
of Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director

Arun Kedia
Director

Sanjay Kumar Kedia
Director

Hetal Talreja
Chief Financial Officer

GARNET CONSTRUCTION LIMITED

STATEMENT OF PROFIT AND LOSS

Particulars	Notes	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		Rs	Rs
INCOME			
Revenue from operations	18	285,674,653	59,320,527
Other income	19	1,645,415	42,386,751
Total Revenue (I)		287,320,068	101,707,278
EXPENSES			
Operating costs	20	199,899,547	8,201,729
Employee benefits expense	21	11,675,764	12,598,361
Finance cost	22	26,050,272	25,559,957
Depreciation and amortisation expense		9,501,336	4,062,672
Other expenses	23	15,011,179	19,538,687
Total Expenses (II)		262,138,098	69,961,407
Profit for the year before tax (I - II)		25,181,970	31,745,870
Tax Expenses :			
Current tax		5,300,000	6,500,000
Deferred tax		8,031,267	3,102,312
(Excess) / short tax related to earlier years		5,253,689	(750,965)
Profit for the year		6,597,014	22,894,523
Earning per equity share of face value Rs. 10 each:	29		
Basic		0.47	1.65
Diluted		0.47	1.65
Significant Accounting Policies	1		

The accompanying notes including other explanatory information form an integral part of financial statement

As per our attached report of even date
For Shankarlal Jain & Associates
Chartered Accountants
Firm Reg. No.109901W

For and on behalf of the Board of Directors
of Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director

Mukesh Sonavane
Partner
M. No.143622
Place : Mumbai
Date : 30th May, 2015

Arun Kedia
Director

Sanjay Kumar Kedia
Director

Hetal Talreja
Chief Financial Officer

GARNET CONSTRUCTION LIMITED

CASH FLOW STATEMENT

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
Cash Flow from Operating Activities				
Profit Before Tax as per Statement of Profit and Loss		2,51,81,970		3,17,45,870
Adjusted for:				
Depreciation and Amortisation Expense	95,01,336		40,62,672	
Interest Income	(16,45,415)		(1,95,018)	
Finance Cost	2,60,50,272		2,55,59,957	
(Profit) / Loss on Sale of Fixed Assets	-		(4,11,77,399)	
Expenses directly debited to provision	(13,500)		(56,692)	
Miscellaneous Expenses W/off	-		93,872	
		3,38,92,694		(1,17,12,607)
Operating Profit before Working Capital Changes		5,90,74,664		2,00,33,264
Adjusted for:				
(Increase)/Decrease in Inventories	(3,41,24,532)		(26,10,68,265)	
(Increase)/Decrease in Trade Receivables	(7,44,87,621)		10,60,55,187	
(Increase)/Decrease in Other Receivables	3,83,30,132		5,36,88,576	
Increase/(Decrease) in Trade Payable	(1,00,62,268)		1,77,33,393	
Increase/(Decrease) in Other Liabilities and Provisions	(15,26,55,990)		14,27,01,940	
Cash Generated From Operations		(17,39,25,616)		5,91,10,831
Less: Income tax Refund				18,47,596
Income Tax Paid		(64,08,830)		(51,94,832)
Net Cash from/ (used in) Operating Activities (A)		(18,03,34,446)		7,57,96,859
Cash Flow from Investing Activities				
Purchase of Fixed Assets	(5,74,187)		(3,06,94,194)	
Capitalisation of Capital WIP	-		1,78,86,301	
Purchase against Capital WIP	-		(80,58,410)	
Reduction in value (Depreciation)	-		-	
Sale of Fixed Assets	-		5,13,60,215	
Sale of Investments	-		-	
Purchases of Investments	-		(2,00,300)	
Purchase of Gold Coin	-		-	
Interest Received	16,45,415		1,95,018	
		10,71,228		3,04,88,629
Net Cash from/ (used in) Investing Activities (B)		10,71,228		3,04,88,629
Cash Flow from Financing Activities				
Repayment From Borrowings	(6,96,32,783)		(34,29,71,928)	
Interest Paid	(2,60,50,272)		(2,55,59,957)	
Proceeds From Borrowings	28,82,50,245	19,25,67,190	25,18,15,011	(11,67,16,875)
Net Cash from/ (used in) Financial Activities (C)		19,25,67,190		(11,67,16,875)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		1,33,03,972		(1,04,31,387)
Cash and Cash Equivalents - Opening Balance		98,34,936		2,02,66,323
Cash and Cash Equivalents - Closing Balance		2,31,38,908		98,34,936

As per our attached report of even date
For Shankarlal Jain & Associates
Chartered Accountants
Firm Reg. No.109901W

Mukesh Sonavane
Partner
M. No.143622
Place: Mumbai
Date : 30th May, 2015

For and on behalf of the Board of Directors
of Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director

Arun Kedia Sanjay Kumar Kedia
Director Director

Hetal Talreja
Chief Financial Officer

Significant Accounting Policies forming part of Financial Statements for the year ended 31st March, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention, on accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 USE OF ESTIMATES :

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

1.3 TANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS :

Tangible assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable/allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses. Revenues earned, if any during trial run of assets is adjusted against cost of the assets.

1.4 DEPRECIATION AND AMORTIZATION :

Depreciation on all assets of the Company has been provided on Straight Line Method at the rates and in the manner specified in schedule II of the Companies Act, 2013. The details of estimated life for each category of asset are as under:

Type of Asset	Life
Office Premises	60 Years
Plant & Machinery	15 Years
Office Equipments	5 Years
Computers	3 Years
Furniture & Fixtures	10 Years
Motor Car	8 Years
Motor Bike	10 ears

1.5 IMPAIRMENT OF ASSETS :

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for the items of fixed assets carried at cost. However in the opinion of the management, no provision is required for impairment of asset in the current year.

1.6 INVESTMENTS:

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

1.7 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.

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.

c) Inventory includes certain land purchased in the name of directors who holds the same in trust for the Company**1.8 REVENUE RECOGNITION :****i) Revenue for real estate development/sale**

The Company being a Development and Construction Company engaged in the construction of the Industrial Plots Sheds and the Residential Bungalows. During the year under review, the Company has followed the method of accounting for the recognizing of sales on the basis completion of sales method prescribed in AS-9 Revenue Recognition. Hence sales are recognized when possession is handed over to the parties. All expenses and incomes not directly related to particular projects are charged to Profit and loss account of the financial year during which the same are incurred.

Further based on the Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the ICAI, company has followed percentage completion method for projects where construction activity has been commenced from 1st April,2012.

The estimates relating to percentage of completion, costs of 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 changes in estimates is recognized prospectively in the period in which such changes are determined.

Revenue of open plots / land is recognized on the execution of agreement.

ii) Rent

Rental Income is recognized on a time proportion basis as per the contractual obligations agreed with the respective tenant.

iii) Interest

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.9 FOREIGN CURRENCY TRANSACTION :

All the Foreign Currency Transactions are accounted for at the exchange rate prevailing on the date of such transaction.

1.10 SHARE ISSUE EXPENSES :

Share issue expenses are amortized over a period not exceeding 5 years.

1.11 TAXES ON INCOME :

- (a) Provision for Income Tax is made on the basis of income for the current accounting period in accordance with the Income tax Act, 1961.
- (b) Deferred tax resulting from timing difference between book and tax profit is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.
- (c) The Company has made current tax provision for Minimum Alternate Tax (MAT) under section 115JB of the Income tax Act, 1961. As per the provisions of section 115JAA. MAT Credit receivable has to be recognized as an asset in accordance with the recommendations contained in Guidance note issued by the ICAI. However same is not accounted as receivable in the books of accounts since the management is doubtful of availing the credit against Income tax payable due to uncertainty of taxable profits in the upcoming years

1.12 EARNING PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights 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 shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.14 BORROWING COSTS

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Statement of profit and loss.

**GARNET CONSTRUCTION LIMITED
NOTES TO FINANCIAL STATEMENTS**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
2 Share Capital		
Authorised		
58,000,000 (Previous year 58,000,000) Equity Shares of Rs. 10 each	58,00,00,000	58,00,00,000
Total authorised share capital	58,00,00,000	58,00,00,000
Issued, Subscribed and Paid up		
13,902,200 (Previous year 13,902,200) Equity Shares of Rs. 10 each fully paid up	13,90,22,000	13,90,22,000
Total issued, subscribed and fully paid up share capital	13,90,22,000	13,90,22,000

a. Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares of Rs. 10 each	As at 31st March, 2015	As at 31st March, 2014
	Number of Shares	Number of Shares
Outstanding at the beginning of the year	1,39,02,200	1,39,02,200
Issued during the year	-	-
Bought back during the year	-	-
Outstanding at the end of the year	1,39,02,200	1,39,02,200

b. Terms/rights attached to equity shares

The Company has only one class of Equity Share having value of Rs. 10 each with an entitlement of one vote per share.

In the event of company declares and pays dividends in Indian rupees, the dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, the distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs. 10 each fully paid	As at 31st March, 2015	% of holding shares	As at 31st March, 2014	% of holding shares
	Number of shares		Number of shares	
Kusumdevi Kedia	18,03,380	12.97%	16,53,380	11.89%
Sanjay Kumar Kedia	18,51,426	13.32%	16,51,426	11.88%
Arun Kumar Kedia	17,14,117	12.33%	15,64,117	11.25%
Kishan Kumar Kedia	16,09,100	11.57%	14,59,100	10.50%

3 Reserves and Surplus	As at 31st March, 2015	As at 31st March, 2014
	Securities premium account	
Balance as per last financial statements	43,30,00,000	43,30,00,000
Less: Utilised for bonus issue/fresh equity shares	-	-
Closing balance	43,30,00,000	43,30,00,000
Surplus in the statement of profit and loss		
Balance as per last financial statements	7,04,58,650	4,75,64,126
Profit for the year	65,97,014	2,28,94,523
Depreciation for Previous Years	5,72,489	-
Balance available for appropriation	7,64,83,174	7,04,58,650
Closing balance	7,64,83,174	7,04,58,650
Total reserves and surplus	50,94,83,174	50,34,58,650

		As at 31st March, 2015	As at 31st March, 2014			
4	Long Term Borrowings					
	Secured loans (Refer Note 24)					
	Term loans					
	From bank	182,402,515	110,815,011			
	From financial institution/NBFC	168,444,579	131,568,135			
	Total long term borrowings	350,847,094	242,383,146			
Particulars	2014-15			2013-2014		
	Non-current Portion	Current Maturity	Total	Non-current Portion	Current Maturity	Total
From bank						
Union Bank of India	139,790,886	5,200,000	144,990,886	110,815,011	100,000	110,915,011
Kotak Mahindra Bank Ltd	4,068,522	2,309,910	6,378,432			
United Bank of India - Loan A/cno. 1693300000648	38,543,107	5,547,978	44,091,085			
From financial institution/NBFC						
SICOM	50,000,000	-	50,000,000	-	-	-
SICOM		94,950,000	94,950,000	99,950,000	40,950,000	140,900,000
India Infoline Investment Services Limited	26,995,876	4,820,046	31,815,922	31,618,135	1,722,542	33,340,677
India Infoline Finance Limited	10,237,388	1,832,025	12,069,413			
Religare Finvest Limited - Loan A/c [13Cr]	55,211,315	69,500,000	124,711,315			
Religare Finvest Limited - Loan A/c [6CR]	26,000,000	25,000,000	51,000,000			
Total	350,847,094	209,159,959	560,007,053	242,383,146	42,772,542	285,155,688
5	Other Long Term Liabilities	As at 31st March, 2015	As at 31st March, 2014			
	Other					
	Security deposits received from clients*	5,722,999	5,722,999			
	Total other long term liabilities	5,722,999	5,722,999			
	*Security Deposits received are interest free and are repayable after completion of lease term					
6	Short Term Borrowings					
	Secured loan (Refer Note 24)					
	From bank	-	56,233,903			
	Total short term borrowings	-	56,233,903			
7	Trade Payables					
	Trade payables	43,716,182	53,778,450			
	Total trade payables	43,716,182	53,778,450			
8	Other Current Liabilities					
	Current maturities of long term borrowings (Refer note 4)	209,159,959	42,772,542			
	Others					
	Statutory dues	1,398,855	10,073,467			
	Advance received from customers	857,444,841	1,001,426,219			
	Total other current liabilities	1,068,003,655	1,054,272,228			
9	Short Term Provisions					
	Provision for Expenses					
	Development Expenses for Plot Construction at Dhamni	640,836	654,336			
	Total short term provisions	640,836	654,336			

NOTE - 10
FIXED ASSETS

DESCRIPTION	USEFUL LIFE AS PER COMPANYIE (Year)	GROSS BLOCK			DEPRECIATION							
		AS AT 1 April, 2014 (RS.)	ADDITIONS (RS.)	DEDUCTIONS (RS.)	AS AT 31 March, 2015 (RS.)	UPTO 1 April, 2014 (RS.)	FOR THE YEAR (RS.)	DEDUCTIONS (RS.)	RETAINED EARNINGS (RS.)	UPTO 31 March, 2015 (RS.)	AS AT 31 March, 2015 (RS.)	AS AT 1 April, 2014 (RS.)
Tangible Assets												
Office Premises	60	4,38,20,123	-	-	4,38,20,123	16,16,043	7,31,008	-	-	23,47,051	4,14,73,072	4,22,04,080
Plant & Machinery	15	77,95,175	-	-	77,95,175	1,34,980	5,23,465	-	-	6,58,445	71,36,730	76,60,195
Office Equipments	5	38,56,559	2,32,101	-	40,88,660	7,26,498	9,83,524	-	3,39,183	20,49,205	20,39,456	31,30,062
Computers	3	32,41,018	3,15,669	-	35,56,687	11,15,545	10,07,188	-	2,33,306	23,56,039	12,00,648	21,25,473
Furniture & Fixture	10	1,65,66,333	26,417	-	1,65,92,750	21,32,381	17,48,505	-	-	38,80,886	1,27,11,864	1,44,33,952
Motor Car	8	2,73,40,148	-	-	2,73,40,148	1,09,56,676	44,92,224	-	-	1,54,48,900	1,18,91,248	1,63,83,472
Motor Bike	10	1,45,209	-	-	1,45,209	70,658	15,422	-	-	86,080	59,129	74,551
TOTAL		10,27,64,565	5,74,187	-	10,33,38,752	1,67,52,781	95,01,336	-	5,72,489	2,68,26,606	7,65,12,147	8,60,11,785
Previous years Total		8,62,83,762	3,06,94,194	1,42,13,392	10,27,64,565	1,62,30,899	45,52,458	40,30,576	-	1,67,52,780	8,60,11,785	7,00,52,864

* Short/Excess depreciation as per revised useful life has been adjusted from Retained Earnings.

	As at 31st March, 2015	As at 31st March, 2014
11 <u>Non - Current Investments</u>		
Unquoted equity instruments		
Investment in shares		
Varaha Infrastructure Limited 30,000 (Previous year 30,000) equity shares of Rs. 1000 each fully paid up	30,000,000	30,000,000
Callista Realty Limited 25,030 (Previous year 25,030) equity shares of Rs. 10 each fully paid up	250,300	250,300
Other long term investments (valued at cost unless stated otherwise)		
Unquoted		
Investment in others		
Gold coins	480,817	480,817
Total non current investments	30,731,117	30,731,117
Notes		
Aggregate amount of unquoted investments	30,731,117	30,731,117
12 <u>Long Term Loan and Advances</u>		
Unsecured, considered good		
Security deposits	9,486,239	7,722,939
Others		
Advance income tax (net of provision of Rs. 56,00,000; Previous year Rs. 6,500,000)	3,072,866	7,217,725
Total long term loan and advances	12,559,105	14,940,664
13 <u>Inventories (valued at lower of cost and net realizable value)</u> (As certified by management)		
Finished goods	622,043,864	577,356,500
Construction work - in - progress	600,212,248	610,775,080
Total inventories	1,222,256,112	1,188,131,580
14 <u>Trade Receivables</u>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		-
Unsecured, considered good	488,140,067	413,652,447
Others		
Secured, considered good		-
Unsecured, considered good		-
Total trade receivables	488,140,067	413,652,447
14A		
Trade Receivables include doubtful debts of Rs. 54,53,932 (Previous year Rs. 55,05,971) for which no provision has been made as the management is hopeful to recover the same		
15 <u>Cash and Bank Balances</u>	As at 31st March, 2015	As at 31st March, 2014
i) Cash and cash equivalents		
Balances with bank	22,120,252	9,599,557
Cash on hand	727,656	134,379
	22,847,908	9,733,936
ii) Cash and bank balances		
Fixed Deposit with Bank		
Deposit with original maturity for less than 12 months	291,000	101,000
	291,000	101,000
Total Cash and Bank Balances	23,138,908	9,834,936
16 <u>Short Term Loans and Advances</u>		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	52,606,254	38,018,025
Security deposits	6,637,472	2,250,000
Others		
Advances to employees	929,617	1,125,720
Advances towards capital expenditure	-	1,702,501
Advances against property	206,803,371	257,229,801
Prepaid expenses	6,544,202	7,587,005
Duties and taxes receivable	1,675,305	7,402,063
Total short term loans and advances	275,196,221	315,315,115
17 <u>Other Current Assets</u>		
Interest accrued on fixed deposit	35,843	10,380
Total other current assets	35,843	10,380

GARNET CONSTRUCTION LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
18 Revenue From Operations		
Sale of commercial & Residential units	25,12,39,491	2,68,64,006
Sale of land / plots	91,26,800	65,99,641
Rent on immovable property	2,53,08,362	2,58,56,880
Total revenue from operations	28,56,74,653	5,93,20,527
19 Other Income		
Interest income on		
Fixed deposit with bank	10,74,159	8,750
Others	3,90,831	1,86,268
Net gain on sale of fixed assets	-	4,11,77,399
Miscellaneous Incomes	1,80,425	10,14,334
Total other income	16,45,415	4,23,86,751
20 Operating costs		
Project related expenses:		
Goregaon: (Refer note 28)	5,28,27,958	3,25,68,744
Cost of sales:		
Stock of finished goods		
a) Stock of land (Without N.A.)	4,55,132	36,63,851
b) Cost of Plots sold (Neelkanth Industrial estate)	61,314	2,71,019
c) Cost of Plots sold (Emerald Industrial estate)	-	1,17,032
	5,16,446	40,51,903
Land & Construction Cost:		
a) Crystal Spring Bungalow Scheme	49,33,293	23,58,034
b) Magic Hill	11,81,87,275	13,77,93,565
c) Magic Heaven	74,58,132	11,90,119
d) Magic Life	51,34,486	26,00,248
g) Redevelopment - Parijat	1,21,125	-
h) Redevelopment - New Sangeeta	1,58,000	-
	13,59,92,311	14,39,41,965
Change in Inventories (Refer Note 28)	1,05,62,832	(17,23,60,883)
Total cost of construction, land and development expenses	19,98,99,547	82,01,729
21 Employee Benefits Expense		
Salaries and wages	1,14,76,136	1,20,90,968
Staff welfare expenses	1,99,628	5,07,393
Total employee benefit expense	1,16,75,764	1,25,98,361
22 Finance Costs		
Interest expenses	2,52,98,155	2,38,36,557
Other borrowing cost	7,52,117	17,23,400
Total finance costs	2,60,50,272	2,55,59,957

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
23 Other Expenses		
Advertisement expenses	2,33,263	1,72,362
Auditors remuneration	4,59,500	6,82,587
Bank charges	1,64,948	1,09,641
Business promotion expenses	10,96,012	16,88,776
Compensation	6,00,000	-
Electricity expenses	7,28,608	7,93,346
Legal and professional fees	8,04,476	3,63,559
Membership fees and entrance fees	90,350	84,048
Rent expenses	54,00,000	72,26,000
Maintenance charges	5,69,446	4,63,581
Rates and taxes	2,39,040	11,46,519
Repairs to	-	-
Building	46,858	-
Others	11,64,406	14,42,792
Telephone and communication expenses	4,39,746	5,21,569
Traveling and conveyance expenses	12,38,908	23,15,620
Insurance	5,25,706	3,65,789
Miscellaneous expenses	12,09,912	21,62,497
Total other expenses	1,50,11,179	1,95,38,687

GARNET CONSTRUCTION LIMITED

NOTES TO FINANCIAL STATEMENTS

24 Borrowings

a SICOM Limited - Rs. 5 Crores

Secured by way of first charge on piece or parcel of land admeasuring 25,340 square metres located at Village Honad, Taluka Raigad and 1,43,930 square metres located at Village Isambe, Taluka Khalapur. The rate of interest is Medium Term Reference Rate + 2% p.a.

b SICOM Limited - Rs. 9.995 Crores

Secured by way of hypothecation of receivables from the project - Magic Hills covering the entire loan amount. The rate of interest is Medium Term Reference Rate + 2% p.a.

c United Bank of India - Rs. 4.5 Crores

Secured by way of registered mortgage of 11 residential bungalows located at Magic Hills bearing plot no. 13, 14, 15, 16 & 17 (part), Ambivali, Khalapur. The rate of interest is Base Rate + 1.50% p.a.

d Union Bank of India - Rs. 14.45 Crores

Secured by way of first charge on piece or parcel of land admeasuring 1,206,856 square feet located at Village Honad, Taluka Khalapur and hypothecation and escrow of the lease rent receivable. The rate of interest is Base Rate + 3.25% p.a.

e India Infoline Finance Limited - Rs. 1.52 Crores

Secured against premises situated at Laxmi Industrial Estate. The floating rate of interest is 16.50% p.a.

f Religare Finvest Limited - Rs. 13 Crores

Secured against registered mortgage of entire project of Garnet Paladium, Malad & Gross Proejct Receivables. The rate of interest is 18.00% p.a.

g Religare Finvest Limited - Rs. 6 Crores

Secured against registered mortgage of project Magic Enclave, Taluka Khalapur & Gross Proejct Receivables. The rate of interest is 18.00% p.a.

h Kotak Mahindra Bank Ltd. - 0.75 Crores

Secured by way of first charge on automobiles. The rate of interest is 18.00% p.a.

25 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Commitments		
Advance against Property	7,22,88,404	8,15,52,104
Total	7,22,88,404	8,15,52,104

26 Deferred Tax Liability / (Asset)

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Deferred tax liability		
Related to Fixed assets (Depreciation / Amortization)	1,40,14,452	1,54,62,875
Gross deferred tax liability	1,40,14,452	1,54,62,875
Deferred tax asset		
Unabsorbed Losses (To the extent of Deferred Tax Liabilities)	28,80,873	1,23,60,563
Gross deferred tax asset	28,80,873	1,23,60,563
Net Deferred Tax Liability / (Asset)	1,11,33,579	31,02,312

27. 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
Arun Kumar Kedia	Marketing director
Sanjay Kumar Kedia	Finance Director
Kusumdevi Kedia	Relative of director
b) Subsidiary Company	
Callista Realty Limited	Subsidiary Company
c) Associate Concern	
S.K.Investment	Associate Concern
J.S.Realty Private Limited	
Neelkant Industrial Estate	
Panchsheel Industrial Estate	
Aditya Industrial Estate	
Panchdeep Industrial Estate	
Kedia Industrial Development Corporation	

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

Particulars of transactions	Relative	Opening balance	Transaction during the year		Closing balance
Purchase of investment	Subsidiary Company	Nil (0.50 Dr.)	Nil (2.00 Dr.)	Nil (Nil)	Nil (2.50 Dr.)
Remuneration	Key Management Personnel	Nil (Nil)	54.00 Dr. (54.00 Dr.)	Nil (Nil)	Nil (Nil)
Interest		Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Loan Received		Nil (Nil)	Nil (305.75 Dr.)	Nil (305.75 Cr.)	Nil (Nil)
	Associate Concerns	Nil (Nil)	4.40 Dr. (676.99 Dr.)	4.40 Cr. (676.99 Cr.)	Nil (Nil)
Advance Given	Key Management Personnel	Nil (Nil)	43.26 Dr. (Nil)	43.26 Cr. (Nil)	Nil (Nil)
	Associate Concerns	Nil (Nil)	61.02 Dr. (66.00 Dr.)	3.00 Cr. (66.00 Cr.)	58.02 Dr. (Nil)
	Relative of Director	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

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

GARNET CONSTRUCTION LIMITED

NOTES TO FINANCIAL STATEMENTS

28 Operating Cost:

(a) Goregaon Project Expense out during the year based on Percentage of Completion Method

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Rs	Rs
Land Cost		-
Legal and professional fees	18,65,512	16,11,981
Finance costs	80,73,692	15,42,238
Employee benefits expenses	2,98,044	2,39,910
Other project related expenses	4,25,90,710	2,91,74,616
Total	5,28,27,958	3,25,68,744

(b) Change in inventories

Particular	As at 31st March, 2015	As at 31st March, 2014
a) Inventories at the end of the year:		
Stock-in- trade (trading)	44,56,935	44,56,935
Work-in-progress	60,02,12,248	61,07,75,080
b) Inventories at the beginning of the year:		
Stock-in- trade (trading)	44,56,935	1,23,48,965
Work-in-progress	61,07,75,080	43,05,22,167
Net (increase)/decrease	1,05,62,832	(17,23,60,883)

29 Earnings per share (EPS)

Particulars	For the year ended 31	For the year ended 31
	March 2015	March 2014
	Rs.	Rs.
Profit after tax	65,97,014	2,28,94,523
Weighted average number of equity shares in calculating basic and diluted EPS	1,39,02,200	1,39,02,200
Basic EPS	0.47	1.65
Diluted EPS	0.47	1.65

30 Auditors' Remuneration

Particulars	For the year ended 31	For the year ended 31
	March 2015	March 2014
	Rs.	Rs.
Auditors' Remuneration		
As auditor		
Audit fee	2,85,000	2,24,720
Tax audit fee	57,000	56,180
In other capacity	1,17,500	4,01,687
Total auditors remuneration	4,59,500	6,82,587

31 Expenditure in Foreign Currency (accrual basis)

<u>Particulars</u>	For the year ended 31 March 2015	For the year ended 31 March 2014
	Rs.	Rs.
Foreign travel, subscription, etc.	4,90,077	4,68,170
	4,90,077	4,68,170

32 The Company's normal operating cycle in respect of operations relating to under construction real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and other business is based on 12 months period. Assets and Liabilities have been classified into current and non-current based on the operating cycle of respective businesses.

33 The Company operates in Single Segment i.e. Real Estate \ Real Estate Development and therefore Segment Reporting as per AS-17 'Segment Reporting' is not applicable.

34 No provisions are made for liability of gratuity and leave encashment which are treated on cash basis in the accounts and amount for which is unascertained.

- 35
- a. In the opinion of the management, any of the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which these are stated.
The accounts of certain Trade Receivables, Trade Payables, Loans and Advances and banks are, however, subject to confirmations or reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.
- b.

36 Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

Signature to Notes No 1 to 36

For SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.109901W

Mukesh Sonavane
PARTNER
Membership No.143622

Place : Mumbai
Date : 30th May, 2015

For and on behalf of the Board of Directors
of Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director

Arun Kedia Sanjay Kumar Kedia
Marketing Director Director

Hetal Talreja
Chief Financial Officer

CIN: L45200MH1992PLC069044

ATTENDANCE SLIP

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

23rd Annual General Meeting on 29th September, 2015Full 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 23rd Annual General Meeting of the Garnet Construction Limited, Ashish -1 Banquet, Land Mark Building, Link Road, Mid Chowky, Malad (West), Mumbai - 400 064, on Tuesday, the 29th September, 2015.

(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.

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 23rd Annual General Meeting of the company, to be held on the 29th day of September, 2015 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 Financial Statement for the financial year ended March 31, 2015 along with the reports of the Directors and Auditors thereon		
2.	To re-appoint Mr. Arun Kedia, Director Marketing who retire by rotation and being eligible offer himself for reappointment.		
3.	Appointment of M/s Shankarlal Jain & Associates, Chartered Accountants as the Statutory Auditor and fix their remuneration		
4.	Related Party Transaction		

* Applicable for investors holding shares in Electronic form.

Signed this ____ day of ____ 20__

Affix Revenue Stamps

Signature of Shareholder
shareholder

Signature of Proxy holder

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