



CIN: L45200MH1992PLC069044

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September 06, 2022

To,  
**BSE Limited,**  
Dept. of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001.

**Security Code: 526727**

**Subject: Submission of Annual Report of the Company for  
Financial Year ended on March 31, 2022.**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 we submit herewith Annual Report of the Company for the Financial Year ended on March 31, 2022.

Kindly take the same on your record.

Thanking You,  
For **Garnet Construction Limited**

A handwritten signature in blue ink, appearing to read 'Kishan Kedia', is written over a faint, light blue horizontal line.

**Kishan Kedia**  
**Managing Director**

**Garnet Construction Limited**

Registered & Corporate Office:

501/531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053.  
Tel: 91-22-42578500 | Fax: 91-22-42578522 | E-mail: garnet@garnetconstructions.com | www.garnetconstructions.com

# 30<sup>th</sup> Annual Report

## 2021-2022



# Garnet Construction Limited

Registered & Corporate Office:

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

Tel: 91-22-42578500 | Fax: 91-22-42578522 | E-mail: [investors@garnetconstructions.com](mailto:investors@garnetconstructions.com) | [www.garnetconstructions.com](http://www.garnetconstructions.com)

# GARNET CONSTRUCTION LIMITED

## BOARD OF DIRECTORS :

Mr. Kishan Kumar Kedia	Chairman & Managing Director
Mr. Arun Kedia	Marketing Director
Mr. Sanjay Kedia	Finance Director
Mr. Shriromani Chauhan	Director
Mr. Jitendra Jadhav	Director
Ms. Sirya Vakil Siddiqui	Director

## AUDITORS :

### M/s Poddar A & Associates

G-12, Neo Corporate Plaza,  
Ramchandra Lane Extension  
Malad (W), Mumbai – 400064.

## BANKERS :

Axis Bank Ltd	State Bank Of India	IDBI Bank	Union Bank of India
S.V.Road, Malad West, Mumbai – 400 064.	SME Goregaon East Branch Kohinoor Industrial Estate Goregaon (East) Mumbai 400063	New Link Road, Andheri West, Mumbai – 400 058	S.V.Road, Jogeshwari (W). Mumbai – 400 102.

## REGISTRAR & SHARE TRANSFER AGENT: M/s Link Intime India Pvt. Ltd.

C101, 247 Park, LBS Marg, Surya Nagar,  
Gandhi Nagar, Vikroli West,  
Mumbai - 400083

## REGISTERED OFFICE :

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

**Notice** is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of Garnet Construction Limited will be held on Friday, September 30, 2022 at 12:30 P. M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2022, the statement of Profit and Loss for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To Appoint a Director in place of Mr. Kishan Kumar Kedia (DIN: 00205146), who retires by rotation and being eligible, offers himself for reappointment.

**Special Business:**

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 read with 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 reappointed M/s. Poddar A. & Associate, Chartered Accountants (Firm Registration No. 131521W), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors."

4. To consider and if thought fit, to pass, with or without Modification(s), the following resolution as a **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 Kishan Kumar Kedia 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."

**Place:** Mumbai

**Date:** September 5, 2022

By order of the Board of Directors

**Garnet Construction Limited**

**Kishan Kumar Kedia**

**DIN: 00205146**

**Managing Director**

#### **NOTES**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The deemed venue for the 30<sup>th</sup> AGM shall be the Registered Office of the Company. Since the AGM will be held through VC / OAVM facility, the Route Map is not annexed in this Report.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as

the authorized agency. The facility of casting votes by a member using remote e-Voting voting on the day of the AGM will be provided by NSDL.

7. In line with the said MCA Circulars and SEBI Circular, the Notice of the AGM and Annual Report for FY2021-22 has been uploaded on the website of the Company at [www.garnetconstructions.com](http://www.garnetconstructions.com) and can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of National Securities Depository Limited ('NSDL') (agency for providing the Remote e-Voting facility) at <https://www.evoting.nsdl.com>.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
9. The Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 are annexed hereto.
10. Corporate Members are requested to send to the Company, at its Registered Office a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
11. Register of Members and the Share Transfer Books of the Company will remain closed from Monday, September 26, 2022 to Thursday, September 29, 2022 (both days inclusive).
12. On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company would send the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered e-mail addresses of the shareholders. Therefore, those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses registered with their DP or RTA for electronic and physical folios respectively. Members may note that this Annual Report will also be available on the Company's website viz. [www.garnetconstructions.com](http://www.garnetconstructions.com).
13. As per Regulations 39 and 40 of the Listing Regulations, as amended, listed companies can effect issuance of duplicate securities certificate; renewal / exchange, endorsement, sub-division/ split, consolidation of securities certificate; transfer, transmission and transposition, as applicable in Dematerialised form only with effect from 24<sup>th</sup> January, 2022.

Further, SEBI vide its circular dated 3<sup>rd</sup> November, 2021, read with clarification dated 14<sup>th</sup> December, 2021 introduced common and simplified norms for processing investor's service request by Registrar and Transfer Agent(s) (RTAs) and norms for furnishing PAN, KYC details and Nomination. Accordingly, effective 1<sup>st</sup> January, 2022, the RTA shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents/details are updated. On or after 1<sup>st</sup> April, 2023, in case of any of the above cited documents/details are not available in the folios, RTA shall be constrained to freeze such folios. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing the aforesaid details. In view of this requirement and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to update their KYC details (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable) and consider converting their holdings to dematerialized form. Members can

download Forms to make their service request with RTA from link <https://web.linkintime.co.in/KYC-downloads.html> or contact the Company's RTA – Linkintime India Private Limited ('Registrar' or 'LIPL') at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) for assistance in this regard.

As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with LIPL or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DPs.

14. 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.
15. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Service (NECS), Electronic Clearing Service (ECS), Mandates, Nomination, Power of Attorney, Change of Address, Change of Name, E-mail Address, Contact Numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Transfer Agents to provide efficient and better services. Members holding shares in Physical Form are requested to intimate such changes to Transfer Agents M/s. Link Intime India Pvt Ltd.
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
17. Brief profile of the Directors retiring by rotation and being eligible for re-appointment and the at this Annual General Meeting has been furnished in this Annual Report.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to Company.
19. Members desirous of obtaining any information with regard to accounts are requested to write to the Company Secretary at the Registered Office of the Company at least 10 days in advance, so as to compile the same.
20. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section of the Companies Act, 2013 are requested to fill up the Form SH-13 and send to the office of the Company's Transfer Agent.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Transfer Agent.

22. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1<sup>st</sup> April, 2019. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialize their holdings.
23. Ms. Namrata Vyas, (CP No. 17283), Practicing Company Secretaries from Namrata Vyas & Associates, Company Secretaries have been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
24. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting and votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
25. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.garnetconstructions.com](http://www.garnetconstructions.com). and on the website of NSDL within 48 hrs of conclusion of the General Meeting and communicated to the BSE Limited.

#### **VOTING THROUGH ELECTRONIC MEANS**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the MCA dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The voting period begins on September 26, 2022 at 9.00 A.M. and ends on September 29, 2022 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2022 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER :**

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

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

##### **Step 1: Access to NSDL e-Voting system**


##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**



In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL:   <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under ` "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.   Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

	
Individual Shareholders holding securities in demat mode with CDS	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for evoting and joining the virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Sr. No	Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a.	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b.	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
C.	For Members who hold shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send request to Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose e-mail ID's are not registered with the depositories for procuring user id and password and registration of e-mail ID's for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to Company.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Friday, September 23, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, September 23, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
6. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at Company. Only those Members who have preregistered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Annexure to Item 2

**Detail of Directors seeking appointment and/or re-appointment at the ensuing Annual General Meeting (as per Regulation 36(3) of the SEBI (LODR) Regulations, 2015 entered with the Stock Exchanges and Secretarial Standard 2 – General Meetings issued by ICSI)**

Sr. No.	Name of Director	Kishan Kumar Kedia
1	Date of Birth	10-04-1947
2	Age	75 Years
3	Date of Appointment	15-10-1992
4	DIN	00205146
5	Expertise in Specific functional area	-
6	Qualification	Under Graduate
7	Names of other listed entities in which he holds the directorship as on March 31, 2022	Nil
8	Names of other listed entities/unlisted Public Companies in which he holds Membership / Chairmanship of Committees as on March 31, 2022 (Only Audit Committee & Stakeholders Relationship Committee considered)	1
9	Relationships, if any, between Director inter-se	Related to Mr. Sanjay Kedia (Son) Mr. Arun Kedia, (Son)
10	Number of shares and convertible instruments held by directors	19,70,445 (14.17%)

**Annexure to the Notice:**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 sets out the material facts relating to business under Item Nos. 4 mentioned in the accompanying Notice dated September 5, 2022.

**ITEM NO. 4:**

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

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

In the light of said section the Board of Directors of your company has approved the proposed transaction along with annual limits that your company may enter into with its Related Parties for the Financial Year 2022-23 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 2021-22 (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					
Kishan Kumar Kedia	-	-	1000	-	-
Associates – Nil					
Subsidiaries – Nil					

The Board of Directors of your Company has approved this in the Board Meeting held on 5<sup>th</sup> September, 2022 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.

**Place:** Mumbai

**Date:** September 5, 2022

By order of the Board of Directors  
**Garnet Construction Limited**

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

**Registered Office:**

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



**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual Report on the business and operations of the Company and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2022.

**FINANCIAL HIGHLIGHTS:**

The Board's Report is prepared based on the standalone financial statements of the Company.

(Rs. in Lakhs)		
Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Total Income	808.08	6,848.13
Total Expenditure	764.11	5,148.61
Profit / (loss) Before Interest, Depreciation & Tax (EBITDA)	126.27	1,799.25
Less : Finance Charges	47.48	66.43
Depreciation	34.82	33.29
Profit / (Loss) before Exceptional Item and Tax	43.97	1,699.52
Add : Exceptional Item	(27.24)	0.00
Minority Share of Profit / (Loss) (net)	0.00	0.00
Profit/(Loss) before Tax	71.20	1,699.52
Provision for Tax	20.22	434.72
Profit/(Loss) after Tax	50.98	1,264.80
Other Comprehensive Income / (Loss)	(0.84)	1.84
Total Comprehensive Income for the year net of tax	50.14	1,266.65

**DIVIDEND:**

In view of limited profits, no dividend was recommended by the Board during the year under review.

**OPERATION:**

During the year under review the total income of the company has decreased significantly and same is Rs 808.80 lacs as against previous year Rs. 6,848.13 lacs, the same is on account of lower sales during the year. Therefore, company has posted marginal profit of Rs. 50.98 Lacs as against previous year Profit of Rs. 1,264.80 Lacs.

**CHANGE IN BUSINESS ACTIVITY:**

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

**RESERVE:**

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

**BOARD INDEPENDENCE:**

Based on the confirmation/disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 (6) of the Companies Act, 2013;

Shri Shiromani Singh  
Shri Jitendra Maruti Jadhav  
Shri Sirya Vakil Siddiqui

**ANNUAL EVALUATION BY THE BOARD :**

In compliance with the Companies Act, 2013 and Regulation 19 read with Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Nomination and Remuneration Committee members, covering various aspects of the Board's functioning such as adequacy of composition of Board and Committees, Board communication, timeliness and unbiased information of right length and quality of information, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance and participation in the discussion and deliberation at the meeting understanding role and responsibilities as board member, demonstration of knowledge, skill and experience that make him/her a valuable resource for the board.

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

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS :**

The Company conducted familiarisation programme for Directors during the year. The programme aims to provide insights into the Company's business and familiarise Directors with its various aspects and assist them in performing their role as Independent Director. The Company's policy on conducting the familiarisation program has been disclosed on the website of the Company.

**NUMBER OF BOARD MEETINGS :**

During the year, 6 (six) meetings of the Board of Directors were held. The details of the Meetings are furnished in the Corporate Governance Report which forms part of this report.

**AUDIT COMMITTEE :**

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

**NOMINATION AND REMUNERATION POLICY (NRP):**

The NRP of the Company for Directors, Key Managerial Personnel (KMP) and Senior Management Personnel is hosted on the website of the Company. Disclosure pertaining to remuneration and other details as required under section 197 (12) of the act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is included in the Corporate Governance Report forming part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors 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;
- 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; and
- 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.

**WEB LINK OF ANNUAL RETURN :**

Pursuant to the provisions of section 134(3)(a) of the Companies Act, 2013, web link of the Annual Return for the Financial Year ended March 31, 2022 made under the provisions of section 92(3) of the Act is placed at <http://www.garnetconstructions.com/Financial-Results>.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENTS/ RESIGNATIONS DURING THE YEAR:**

The following change took place during the financial year 2021-22 under review:

Shri Kishan Kedia, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

A brief resume of the Directors seeking appointment/re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Notice calling the AGM.

**PARTICULARS OF EMPLOYEES:**

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure III** and form part of this Report.

**DECLARATION BY INDEPENDENT DIRECTORS:**

Declarations by the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been received by the Company.

**REMUNERATION POLICY:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of directors, Key Managerial Personnel and Senior Management of the Company.

**STATUTORY AUDITORS:**

At the Annual General Meeting held on September 30, 2019, M/s Poddar A. & Associates, Chartered Accountants (FRN: 131521W), were appointed as statutory auditors of the Company to hold office till the conclusion of the 30<sup>th</sup> Annual General Meeting. The board again proposes to re-appoint them as auditors of the Company upto next Annual General Meeting.

M/s Poddar A. & Associates, Chartered Accountants (FRN: 131521W), have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**SECRETARIAL AUDIT REPORT:**

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s. Namrata Vyas & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as **Annexure** to this report. The report is self-explanatory however the Company has initiated necessary steps to comply with non-compliances as per the provisions of various statute mentioned in the secretarial audit report.

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company [www.garnetconstructions.com](http://www.garnetconstructions.com).

**SIGNIFICANT MATERIAL CHANGES:**

There were no material changes and commitments, which affects 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.

**RISK MANAGEMENT:**

The Company is periodically reviewing its risk management perception taking into account overall business environment affecting / threatening the existence of the Company. Presently, management is of the opinion that such existence of risk is minimal.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

**DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:**

Pursuant to sub-section (3) of section 129 of the Act, during the year under review company has no subsidiary, joint venture and associates company therefore 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 not applicable.

**PREVENTION OF INSIDER TRADING :**

The insider trading policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by designated person/employees and maintain the highest ethical standards of dealing in Company securities.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of Loans and Investments made by the Company are given in Notes to Accounts to the Financials of the Company.

**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. The details of material related party transaction are furnished in Annexure II and forms part of this report. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the company's website.

Your Directors also draw attention of the members to Note 34 to the financial statement which sets out related party disclosures.

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

**CORPORATE GOVERNANCE:**

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

**MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, total amount to be spent under CSR for the Financial Year and amount spent is set out at CSR statement forming part of this Report.

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace as required under the Act.

The following is a summary of sexual harassment complaint received or disposed of during the year 2021-22.

- No. of Complaint received: NIL
- No. of Complaint disposed off: NIL

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

In view of the nature of the Company, Rule 8 of Company (Accounts) Rules, 2014 concerning conservation of energy and technology absorption respectively are not applicable to the Company.

The foreign exchange earnings and outgo during the year is as follows:

Outflow: Nil

Inflow: Nil

**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 significant or material orders were passed by the regulators or courts or Tribunals which impact the going concern status and Company's operations in future.

**DISCLOSURE ABOUT COST AUDIT:**

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's packing and its allied business for the FY 2021-22.

**ACKNOWLEDGEMENT:**

We record our gratitude to the Banks, Financial Institutions and others for their assistance and co-operation during the year. We also wish to place on record our appreciation for the dedicated services of the employees of the Company. We are equally thankful to our esteemed investors for their co-operation extended and confidence reposed in the management.

**Place:** Mumbai

**Date:** September 5, 2022

By order of the Board of Directors  
**Garnet Construction Limited**

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

## Annexure-I

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[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, Laxmi Industrial Estate,  
New Link Road, 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 our 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 here by report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter referred to as “Audit Period”) complied with the statutory provisions listed here under 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 March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The 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 Take overs) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; #
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat Equity) Regulation, 2021; #



- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; #
- (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, 2021; # and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; #

# The Regulations or Guidelines, as the case may be were not applicable for the period under review.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, there were no events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Namrata Vyas & Associates**

Place: Mumbai  
Date: September 5, 2022

**Namrata Vyas**  
**Proprietor**  
ACS: 46184, C.P No.: 17283  
UDIN: A046184D000920662

‘Annexure A’

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

Our Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2022 of even date is to be read along with this letter.

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

For **Namrata Vyas & Associates**

Place: Mumbai  
Date: September 5, 2022

**Namrata Vyas**  
**Proprietor**  
ACS: 46184, C.P No.: 17283  
UDIN: A046184D000920662

## Annexure-III

## PARTICULAR OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule(5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

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

Executive Directors	Ratio to median remuneration
Kishan Kumar Kedia, Managing Director	1:6
Arun Kedia, Director Marketing	1:6
Sanjay Kedia, Finance Director	1:6

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

Executive Directors & KMP	% increase (Decrease)*
Kishan Kumar Kedia, Chairman & Managing Director	(50%)
Arun Kedia, Director Marketing	(50%)
Sanjay Kedia, Finance Director	(50%)
Falguni Padiya, Chief Financial Officer	20%
Neha Verma, Company Secretary	Nil

\* Due to lower profit Director remuneration is decreased by 50% from last year.

- iii. The median remuneration for the year 2021-2022 is Rs. 4,92,000/-
- iv. Percentage increase in median remuneration of employees in the financial year :- Nil.
- v. Number of permanent employee on the roll of company :- 26
- vi. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :-

The percentage increase made in the salaries of employees other than managerial personnel in the financial year 2021-22 was NIL whereas the percentage increase in the remuneration of managerial personnel in the financial year 2021-22 was NIL.

- vii. Affirmation that the remuneration is as per the remuneration policy of the Company.
- viii. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance**

Your Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt best practices that would ensure efficient conduct of the affairs of the Company to achieve its goals and maximize value for all its stakeholders.

**2. Board of Directors****Board Composition**

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

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. Jitendra Jadhav Ms. Sriya Siddiqui

**Board Meetings**

Six Board Meetings were held during the financial year 2021 – 22 on 24<sup>th</sup> May, 2021, 30<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 2<sup>nd</sup> September, 2021, 13<sup>th</sup> November, 2021 and 4<sup>th</sup> February, 2022.

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

Name	Category	Attendance		No. of Other Directorship \$	Committee (as on March 31, 2022)	
		Board Meeting	Last AGM		Member Ship	Chairman Ship
Mr. Kishan Kumar Kedia	Executive Non Independent	6	Yes	1	-	-
Mr. Arun Kedia	Executive Non Independent	6	Yes	1	-	-
Mr. Sanjay Kedia	Executive Non Independent	6	Yes	2	-	-
Mr. Shiromani Chauhan	Non Executive Independent	6	Yes	-	4	2
Mr. Jitendra Jadhav	Non Executive Independent	6	No	-	4	2
Ms. Sriya Siddiqui	Non Executive Independent	6	No	-	4	-

\$ Directorship included in Private Limited Company.

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

### Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down

under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

### Independent Directors' Meeting

During the year under review, the Independent Directors met on February 4, 2022, inter alia, to :

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this Meeting.

### 3. Audit Committee :

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 five meetings were held on 24.05.2021, 30.06.2021, 13.08.2021, 13.11.2021 & 04.02.2022 and all the members attended the meeting. Quorum of the committee is two Independent Directors as Members.

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

The composition of the Audit Committee and the number of meetings attended by each Members during the year ended 31st March, 2022 is as follows:

Sr. No.	Name of the members	Status	Director Status	Meeting Attended
1	Shiromani Chauhan	Chairman	Non-Executive & Independent	5
2	Jitendra Jadhav	Member	Non-Executive & Independent	5
3	Sriya Siddiqui	Member	Non-Executive & Independent	5

All the Members of the Audit Committee are financially literate and two Members has accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Committee. The Audit Committee, as and when considers appropriate, invites the Statutory Auditors and Internal Auditors at the meetings of the Committee.

#### Terms of reference

The terms of reference of the Audit Committee are in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, discussion with Statutory and Internal Auditors, recommendation for the appointment of Statutory, Internal and Cost Auditors and their remuneration, Management Discussions and Analysis, Review of Internal Audit Reports and significant related party transactions .

#### 4. Nomination & Remuneration Committee (NRC)

##### Terms of Reference

The terms of reference of the NRC is to Committee include identifying persons to be appointed as Directors and senior management positions, recommend to the Board the appointment and removal of Directors, carryout evaluation of Directors, formulate criteria for determining qualification, positive attributes and independence of Directors, recommend policy relating to remuneration of Directors.

The members of the Nomination and Remuneration Committee met three times on 13<sup>th</sup> August, 2021, 13<sup>th</sup> November, 2021 and 4<sup>th</sup> February, 2022. 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	3
2	Jitendra Jadhav	Member	Non-Executive & Independent	3
3	Sriya Siddiqui	Member	Non-Executive & Independent	3

#### 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 there under. 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 there under.

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 (SRC)**

The members of the Stakeholders Relationship Committee met two times on 13<sup>th</sup> August, 2021 and 4<sup>th</sup> February, 2022. 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	Jitendra Jadhav	Chairman	Non-Executive & Independent	3
2	Shiromani Chauhan	Member	Non-Executive & Independent	3
3	Sriya Siddiqui	Member	Executive & Non - Independent	3

During the financial year 2021-2022 the Company did not receive any complaints from the shareholders.

### Terms of Reference

The committee periodically reviews the services rendered to the shareholders particularly redressal of complaints of the shareholders like delay in transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc. and also the action taken by the Company on the above matters.

### Investor Relations

During the year ended 31<sup>st</sup> March, 2022, no complaint has been received by the Company.

## 6. Corporate Social Responsibility Committee (CSR)

### Composition of Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 :

Sr. No.	Name of the members	Status	Director Status	Meeting Attended
1	Jitendra Jadhav	Chairman	Non-Executive & Independent	3
2	Shiromani Chauhan	Member	Non-Executive & Independent	3
3	Sriya Siddiqui	Member	Executive & Non - Independent	3

The Company Secretary of the Company acts as the Secretary to the committee.

### Terms of Reference

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, recommend amount of expenditure to be incurred on CSR activities, oversee the implementation of CSR projects/programs undertaken by the Company, suggest remedial measures, where required, and monitor the CSR Policy from time to time.

### Meetings and Attendance

There was three meeting of the Corporate Social Responsibility Committee held during FY 2021-22 on 30<sup>th</sup> June, 2021, 13<sup>th</sup> November, 2021 and 4<sup>th</sup> February, 2022. All members were present in the meeting.

## 7. General Body Meeting

The details of last there Annual general Meeting

Year	Date	Venue	Time
2021	September 30, 2021	Video Conferencing deemed venue Registered Office	11.00 am
2020	September 30, 2020	Video Conferencing deemed venue Registered Office	10.00 am
2019	September 30, 2019	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.

## **8. Directors**

Resume and other information regarding the Director seeking re-appointment as required by Regulation 36(3) of the Listing Regulations has been given in the Notice of the 30<sup>th</sup> Annual General Meeting annexed to the Annual Report.

## **9. Means of Communication**

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

## **10. General Shareholder Information**

Annual General Meeting :

Day & Date& Time : Friday, 30<sup>th</sup> September, 2022 at 12.30 p.m.

Venue : Through Video conferencing / Other Audio Video Means (OAVM)

Date of Book closure : Monday 26<sup>th</sup> September, 22 to Thursday 29<sup>th</sup> September, 22.  
(both days inclusive.)

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

Listing on Stock Exchanges: Bombay Stock Exchanges, and Annual Listing fees for the Financial Year 2022-23 has been paid to the stock exchange.

Demat International Security Identification Number (ISIN) : INE797D01017

Corporate Identity Number : L45200MH1992PLC069044

Designated e-mail id for investors : investors@garnetconstructions.com

Address for correspondence Company address : Garnet Construction Limited, 501/531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai-400 053.

Company's Share Transfer Agent address : Link Intime India Pvt Ltd. C-101, 247 Park, LBS Road, Surya Nagar, Gandhi Nagar, Vikhroli (West), Mumbai - 400083.

Market Price Data – High/Low price of the Equity Shares of the Company during the financial year 2021 – 22 on BSE :-

Month	Bombay Stock Exchange Ltd.	
	High	Low
Apr-21	21.60	16.90
May-21	26.00	17.50
Jun-21	34.80	21.10
Jul-21	35.45	26.50
Aug-21	35.50	22.00
Sep-21	27.80	20.50
Oct-21	25.85	20.00
Nov-21	27.80	20.05
Dec-21	33.30	23.00
Jan-22	33.00	27.30
Feb-22	28.75	24.05
Mar-22	29.15	24.90

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

**Distribution of shareholding as on 31.03.2022**

Number of Equity Shares		Share Holders		Share Total	
		No.	% to Total	In Rs.	% to Total
0	500	4900	82.6	77,63,440	5.58
501	1000	440	7.42	36,93,740	2.66
1001	2000	242	4.08	38,07,820	2.74
2001	3000	82	1.39	21,41,070	1.54
3001	4000	53	0.89	18,99,080	1.37
4001	5000	59	0.99	27,79,250	2.00
5001	10000	75	1.26	53,63,570	3.86
100001 and Above		81	1.37	11,15,74,030	80.25
Total		5932	100.00	13,90,22,000	100.00

**Shareholding pattern as on 31.03.2022**

Category	No. of Shares	% of Shares
Promoters	85,21,237	61.29
Private Corporate Bodies	5,90,823	4.25
Indian Public	43,34,759	31.18
NRIs/OCBs	95,567	0.69
Clearing Member / HUF / LLP	3,59,814	2.59
<b>Grand Total</b>	<b>1,39,02,200</b>	<b>100.00</b>

**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, 2022**

Mode of Holding	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Physical	1289	21.73	340005	2.45
Electronic	4643	78.27	13562195	97.55
<b>TOTAL</b>	<b>5932</b>	<b>100.00</b>	<b>13902200</b>	<b>100.00</b>

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

**Dematerialization of Shares :** As on 31<sup>st</sup> March, 2022 Appx. 97.55 % 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.

**11. Code for prevention of insider trading**

The Company has adopted a Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended. The said code, inter-alia prohibits purchase/sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company and the same is posted on Company website.

**12. Other Disclosures**

- a. **CEO/CFO Certification :** The Managing Director and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 certifying that the Financial Statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this Report.
- b. **Compliance with Corporate Governance Requirements :** The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. **Disclosures regarding Materially Significant Related Party Transactions:** All transactions with related parties were in the ordinary course of business and at arm's length. The Company has not

entered into any transaction of a material nature with any of the related parties. Particulars of the Related Party Transactions have been disclosed in Note No. 34 of the accounts.

- d. **Familiarisation Programme for Independent Directors** : The Company has a detailed familiarization programme for Independent Directors the details of which are available on company website.
- e. **Policy on Material Subsidiary** : The Company has formulated a policy on determination of Material subsidiary and the same is available on Company website.
- f. **Disclosure regarding certain Non-Compliances related to Capital Markets** : There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities. There were no instances of noncompliance of any matter related to the capital market during the last three (3) years.
- g. **Whistle Blower Policy** : The Board of Directors have framed Whistle Blower Policy for the Directors and employees. The policy has been disclosed on the website of the Company at Company website.
- h. **Compliance of mandatory and non-mandatory requirements** : Certificate from the auditors of the Company confirming compliance with the mandatory requirements under Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.
- i. **Director Disqualification Certificate** : A certificate from a Company Secretary in practice that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority : The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- j. **Details of shares held by Non-Executive Directors** : Details of shares held by Non-Executive Directors are given in Extract of Annual Return in form MGT-9.
- k. **Accounting treatment in preparation of Financial Statements** : The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act. m. Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees : In terms of the amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.
- l. **Fees paid to Statutory Auditor** : Details of fees paid by the Company for all services to M/s. Poddar A. Associates, Statutory Auditors are disclosed in note no. 40 to the Financial Statements.
- m. **Details of use of Public Funds obtained in last three years** : No funds have been raised from public in last three years.
- n. **Dematerialization of Shares** : 97.55 % of the equity shares of the Company have been dematerialized as on 31<sup>st</sup> March, 2022. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.
- o. **Outstanding GDRs/ADRs/Warrants or any Convertible** : There are no outstanding instruments and hence Instruments, its date of conversion and likely impact are not applicable.

- p. **Commodity price risk or foreign exchange risk and hedging activities** : The same is not applicable to the company. Since the Company does not have any exposure hedged through Commodity derivatives.
- q. **Foreign exchange risk and hedging activities** : During the year, the Company has not engaged in any foreign exchange risk and hedged to the extent considered necessary.
- r. **Prevention, Prohibition And Redressal Of Sexual Harassment At Workplace** : During the year, no complaint were lodged with the Company.
- s. **Unclaimed Suspense Account** : There were no shares in the demat suspense account or unclaimed suspense account during the Financial Year 2021-22.
- t. **Transfer of Shares to Investor Education and Protection Fund (IEPF)**: During the year under review, the Company has not transferred any requisite equity shares as well as Dividend for a period of consecutive 7 years or more beginning from the Financial Year 2013-14 since company has not declared any dividend.

For and on behalf of the Board

Place : Mumbai  
Date : 5<sup>th</sup> September, 2022

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

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

## 1. Brief outline on CSR Policy of the Company

In compliance of Section 135 of the Companies Act, 2013 (Act), Schedule VII to Act, Companies (Corporate Social Responsibility Policy) Rules, 2014, and as recommended by the CSR Committee, the Company adopted policy on undertaking the corporate social responsibility activities.

- The Board of the Company shall ensure that the Company spends, in every Financial Year, at least two percent of the average net profits of the Company made during the three immediately preceding Financial Years and disclose contents of such policy in its report and also place it on the Company's website.
- CSR Corpus would include –
  - a. 2% of the average net profits
  - b. Any income arising there from
  - c. Surplus arising out of CSR activities
- Expenditure on CSR activities as mentioned herein below shall not be counted as CSR spending -
  - a. CSR activities which are exclusively for the benefit of employees of the Company or their family members
  - b. CSR activities undertaken outside India
  - c. Contribution of any amount directly or indirectly to any political party.

## 2. Composition of Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 :

Sr. No.	Name of the members	Status	Director Status	Meeting Attended
1	Jitendra Jadhav	Chairman	Non-Executive & Independent	3
2	Shiromani Chauhan	Member	Non-Executive & Independent	3
3	Sriya Siddiqui	Member	Executive & Non - Independent	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. :  
<https://www.garnetconstructions.com/resource.html>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	Nil	Nil
	Total	Nil	Nil

6. The Average net profit of the Company for last three financial years: 930.00 lacs
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 18.60 Lacs  
 (b) Surplus arising out of the CSR projects or prog. or activities of the previous financial years : Nil  
 (c) Amount required to be set off for the financial year, if any : Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 18.60
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).			
	Amount.	Date of Transfer	Name of the Fund	Amount.	Date of transfer.
19.88	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year: (In Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Promote Social, Educational and Cultural development of the	Social Economic Development	Yes	Maharashtra,	Khalapur Raigad	2 Year	19.88	19.88	NIL	Yes	NA	NA

society										
Total					19.88	19.88				

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
	<b>Total</b>								

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 19.88

(g) Excess amount for set off, if any : NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	18.60
(ii)	Total amount spent for the Financial Year	18.60
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	



1.	2020-21	Nil	7.00	Nil	Nil	Nil	1.25
	Total	Nil	7.00	Nil	Nil	Nil	1.25

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) : Nil

(b) Amount of CSR spent for creation or acquisition of capital asset : Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Nil

Place : Mumbai

Date : 5<sup>th</sup> September, 2022

**Kishan Kumar Kedia**

**Chairman and Managing Director**

**Jitendra Jadhav**

**Chairman – CSR Committee**

**COMPLIANCE CERTIFICATE**

(in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Board of Directors  
Garnet Construction Limited

We the undersigned, with respect to FY 2021-22, certify to the Board that

- (a) We have reviewed the financial statements and the cash flow statement for the year 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 the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, 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 also 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 indicated to the auditors and the Audit Committee -
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai

Date : 18<sup>th</sup> May, 2022

<b>Kishan Kumar Kedia</b>	<b>Falguni Padiya</b>
<b>Chairman &amp; Managing Director</b>	<b>Chief Financial Officer</b>

**Declaration on Compliance of the Company's Code of Conduct**

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management of the Company pursuant to Regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the members of the board of directors and senior management have affirmed compliance with said code of conduct for the financial year 2021-22.

For and on behalf of the Board

Place : Mumbai

Dated : 5<sup>th</sup> September, 2022

Kishan Kumar Kedia

Managing Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment
1	Kishankumar Jugalkishore Kedia	00205146	October 15, 1992
2	Arun Kishankumar Kedia	00205183	October 15, 1992
3	Sanjay Kishankumar Kedia	00205220	October 15, 1992
4	Shiromani Singh	02451817	March 10, 2003
5	Jitendra Maruti Jadhav	08469921	June 01, 2019
6	Sirya Vakil Siddiqui	08727351	April 14, 2020

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

**For Namrata Vyas & Associates**  
**Company Secretaries**

**Namrata Vyas**  
**Proprietor**  
**ACS No. – 46184**  
**CP No.– 17283**  
UDIN : A046184D000920662

Place : Mumbai  
Date : 5<sup>th</sup> September, 2022

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDIAN ECONOMY**

The start of the conflict in Europe in February 2022, just as the Omicron variant-led third wave was fading, sent crude oil prices skyrocketing and increased coal shortages in the peak season of energy demand, heightening fears about major commodity shortages. However, with the improbable possibility of more movement limitations due to pandemic revival, India is prepared for the next stage of pandemic response, with roughly 86% of Indian adults having received both vaccine doses.

Taking a closer look at the economic situation, the manufacturing and service Purchasing Manager's Index (PMI) continues to indicate expansion, although at a sluggish pace. The Reserve Bank of India (RBI) held the repo rate steady in its first monetary policy review for the financial year 2022-23, continuing its emollient tone to boost growth. The actual Gross Domestic Product (GDP) growth outlook for the current fiscal has been revised to 7.2% due to rising commodity prices, resurgent COVID-19 infections in some countries, and increased supply-side disruptions.

End users' attitudes towards residential properties shifted unexpectedly as a result of the epidemic, causing a paradigm shift in the real estate market. After a seven-year period of stagnation, the residential sector experienced growth. Significant increase in sales volume, owing mostly to a shift in the perspective of end users, who, maybe as a result of the pandemic's uncertainty, began to gravitate toward the security of home ownership. The decadal low home loan interest rate regime, declining housing prices, and demand stimulant measures enacted by some state governments have all contributed to the growth.

**OUTLOOK**

FY 2022 will be known for its resilience. Despite being hit by the deadly second wave in the first quarter followed by series of set backs in the form of supply chain disruptions, power shortages along with hike in crude and food prices, India has shown strong character and positioned itself as the fastest growing economy. Faster and more efficient vaccination drive with aggressive monetary policy taken by the Government led the country not only being resilient when the time is adverse but also to be in the forefront of growth in terms of infrastructure development, self-reliability and digitization.

While the pandemic caused a significant setback for the real estate industry at first, the swift recovery caught everyone surprised. In reality, the pandemic became a powerful driver of housing demand. Low borrowing rates across the board aided the spike in housing demand. People felt the need for larger and better dwellings during the pandemic. As a result, despite the uncertainty of the times, households preferred to invest their money in real estate. Considering all the factors, it will be safe to state that Indian Economy as well as the Indian real estate market is looking good and poised to set shining growth figures in the future.

**INDUSTRY DEVELOPMENTS AND OVERVIEW****Indian Real Estate Market**

Despite the pandemic's ongoing cyclical ups and downs, the Indian real estate sector has been mostly resilient. It is now exhibiting signs of recovery, with growth forecasts in categories like office, industrial, and logistics, as well as residential. The government's sustained focus on infrastructural development and industrial growth will benefit the sector.

Due to the first and second waves' of COVID-19 the operational challenges slowed sales volumes in Q2 2020 and Q2 2021, the Omicron variant in Q1 2022 had little effect on the residential sector, which saw record sales and launch volumes in this quarter. People were forced to stay indoors for a substantial

portion of the past two years due to the pandemic's severe limits on human mobility. This greatly raised the perceived worth of one's property in the grand scheme of things, which, together with the current low mortgage rates, spurred and sustained homebuyer interest in the residential market.

In just one year, India's real estate business sold almost 1,700 acres of land in the top seven cities. From 2017 to 21, foreign investments in commercial real estate totalled US\$ 10.3 billion. Institutional real estate investment in India increased by 7% year on year in the third quarter of 2021. Investment totalled US\$ 2,977 million in the first nine months of 2021, compared to US\$ 1,534 million in the same time previous year. Developers anticipate a surge in demand for office space in special economic zones (SEZs) after the existing special economic zones (SEZs) act is replaced in February 2022. From ` 12,000 crore (US\$ 1.72 billion) in 2019, the real estate industry would rise to ` 65,000 crore (US\$ 9.30 billion) by 2040. India's real estate market is predicted to grow to US\$ 1 trillion by 2030, up from US\$ 200 billion in 2021, and contribute 13% of the country's GDP by 2025. Retail, hospitality, and commercial real estate are all experiencing considerable growth, supplying India with much-needed infrastructure.

## KEY GROWTH DRIVERS

### Urban Population

With India's growing population, the demand for high-quality housing and infrastructure will continue to rise. The key consumer segment driving the real estate industry is the growing number of nuclear families with increasing disposable incomes. In fact, India's urban population is predicted to exceed 850 million by 2050 out of which more than half of whom will be between the ages of 20 and 55 which is a core income bracket with greater spending power. Thus, demand for real estate will only increase.

### Tier 2 and Tier 3 Cities:

The Major Demand Boosters With limited land resources, expensive land and construction costs, and high living costs, metro cities are seeing a drop in demand, although the situation in other cities is quite different (Tier 2 and Tier 3). Affordable land and labour, a huge consumer base with higher incomes ready and willing to invest in excellent real estate, better price appreciation, and government policies geared at fostering rapid expansion in smaller cities are all available in these locations. All of these factors are causing builders and purchasers to move their attention to these locations, where the real estate market is ripe for expansion and investment.

### Development of Infrastructure

One of the primary aspects that supports real estate expansion is good infrastructure. With the Government focusing on infrastructure changes, the real estate sector can only anticipate an increase in demand for high-quality housing. Enhanced connectivity by trains, air, and highways, as well as proximity to medical facilities, educational institutions, entertainment hubs, retail markets, business centres, schools, and retail outlets, among other factors, drive up real estate prices.

### Technological Enhancement

The real estate industry is no longer exempt to smart technology and innovation. In terms of building, important players are expected to use cutting-edge technologies such as data collection, artificial intelligence, and machine learning. According to industry estimates, the Indian smart home market, which is presently valued at US\$893 million, is likely to increase substantially in the next five years.

Through technology, automation, and value engineering, pre-cast solutions will revolutionise traditional construction techniques. These would be crucial in changing the Indian real estate market. Technology will aid in the timely completion of projects as building quality improves, and smart homes will continue to be the preferred option of buyers. We anticipate strong growth in this industry as more and more ambitious projects enter the market.

### **Stark Rise in the Managed Workspace Sector**

During Q4 2021, the co-working/managed workspace sector had the highest transaction share of all sectors, owing to the increased need for flexibility and a hybrid working environment. While the IT sector slowed down its lease activity, it was the key driver of the coworking/ managed office sector's transactions during the Omicron quarter. From 11% in Q4 2020 to 29% in Q4 2021, the sector's share of total transactions grew. In 2021, 84,000 seats were taken up in managed office spaces, with the trend continuing in each quarter. Even while the co-working sector goes through a consolidation period, the weaker competitors will eventually be forced out of the market, the co-working operators' positioning as specialists in the domain of workspace delivery continues to strengthen.

### **Gradual Shift towards Mid-Size Segment**

The sales of 10 million and larger ticket sizes have been trending upwards for the past three quarters. In Q1 2022, there was a huge increase of 25% compared to 18% a year ago. The demand for homebuyers to upgrade to larger living areas with more amenities and facilities can be ascribed to this. In the current quarter, the share of home sales in the INR 5-10mn category fell from 40% in Q1 2021 to 35%. While this may appear substantial, the longer-term trend of sales in the mid-size sector continues to rise, and the percentage of ticket-sizes of INR 5mn and below has declined over time.

### **INDIAN COMMERCIAL SECTOR**

Since the COVID-19 epidemic struck in Q2 2020, the Indian office market has been particularly vulnerable to the economic changes induced by the disease. The severity of its impact, on the other hand, has diminished significantly as vaccination rates have improved and the business environment has improved with less limitations on mobility. The third wave of the pandemic, which hit the market in Q1 2022, had a minor impact, with market traction increasing significantly on a year-over-year basis in terms of transactions and supply activity.

The 1.24 million square metres (10.8 million square feet) transacted in Q1 2022 indicates a respectable 25% year-over-year increase, especially in a quarter disrupted by the pandemic's third wave. This has happened despite the fact that the ongoing 'Return to Office' has been hampered by the pandemic. Except for Mumbai, all markets have witnessed an increase in transaction volumes year over year, with Ahmedabad, Chennai, and Hyderabad seeing increases of 165%, 124%, and 72%, respectively. The space transacted in Q1 2022 accounted for 71% of the average quarterly volume transacted in 2019, a significant increase above the 57% seen in Q1 2021. During the period, transaction volumes in the NCR and Ahmedabad topped their 2019 quarterly average.

During the time, the co-working sector continued to be popular with occupiers, accounting for 21% of all transacted space. Bengaluru, which accounted for 43% of the total space traded by the industry, was particularly busy. Companies in the Other Services Sector, followed by those in the Information Technology (IT) sector, were the most active in Q1 2022, accounting for 29% and 27% of the transacted space, respectively. The OMICRON variation delayed the IT sector's 'back to office' shift, causing several IT

corporations to postpone lease choices. However, once the pandemic subsides, it is projected that the sector's transaction share would return to its long-term quarterly normal of 35-40%.

While transaction volumes have increased, rental levels have remained stable or increased in the last two quarters. Rents have remained flat or increased in five of the eight markets we monitor year over year. Bengaluru, India's largest office market, saw rental levels rise by 4% year over year.

## **INDIAN RETAIL SECTOR**

The second wave of the epidemic hit the market in Q2 2021, and despite being significantly more severe than the first, transaction volumes in Q2 2021 increased by 39% YoY over Q2 2020. In Q2 2021, five of the eight markets saw an increase in transaction volumes when compared to Q2 2020. During the quarter, enhanced understanding of the pandemic and increased vaccination supply helped keep the needle moving. In H1 2021, however, transaction volumes fell by 29% YoY to 1.14 million square metres (12.3 million square feet).

In comparison to the first wave of epidemic, the construction situation was better managed during the second phase. However, the 1.39 million square metres (15.1 million square feet) of office space completed in H1 2021 was 18% less than in H1 2020, as developers focused on leasing existing projects. In H1 2021, the vacancy rate jumped to 16.6%, up from 14.2% prior. During the first half of 2021, average transacted rents fell in seven of the eight markets, with rentals in Bengaluru, Pune, and Mumbai falling by 14%, 11%, and 9%, respectively, YoY.

## **OPPORTUNITIES**

### **Consolidation**

Given the numerous reforms and disturbances it has experienced in recent years, the Indian real estate market has been in a consolidation period and has ramped up its pace. Following the IL&FS disaster, the RBI mandated that NBFCs minimise their exposure to the real estate sector, causing funding challenges for smaller real estate developers who already lack access to bank financing. These companies confront a double whammy in such situations: financial issues on the one hand, and current agreement cancellations due to a slowdown in construction activity on the other. This opens up new opportunities for organised developers with an established track record and robust balance sheets to acquire smaller developers' projects at competitive valuations. It helps them to expand their portfolio and products while also boosting homebuyer confidence. During the pandemic, the ongoing consolidation is projected to intensify even more, and established, well-capitalized businesses stand to win even more market share.

### **Affordable Housing**

Given the scarcity of housing options for the economically weak and low-income groups, housing providers and the government continue to be interested in affordable housing. The government's continual push for more affordable housing has shifted attention away from the high-end and luxury segments and towards the lower strata of the society. According to ANAROCK data, the share of launches in the affordable housing has increased over the last five years in India's top seven cities. Because of government subsidies to promote affordable housing, this participation is projected to grow even more in the near future. Several efforts to stimulate affordable housing demand were planned in the Union budget for 2021. They extended tax benefits of up to '1.5 lakh on interest paid on low-cost housing loans until



March 2021. In order to encourage real estate developers to focus on affordable housing developments, the government has extended the deadline for projects to be approved for a one-year tax break on profits earned by developers until March 2021.

Also, in order to encourage real estate developers into focusing on affordable housing projects, the Government has extended the date of approval for these projects for availing tax holiday on profit earned by developers by one year till March 2021.

### **Digital Real Estate Sales**

Digital marketing tools have ascended to the throne in today's marketing scene. Digital marketing tools are required for real estate enterprises as well, regardless of the industry. Established brands will be ahead of the curve, with a competitive 'digital-enabled' edge for their enterprises, if they focus on improving consumer experience and engagement through digital methods. According to the article 'Real Estate in a Digital Age,' 94% of millennials and 84% of baby boomers looked for their future homes on the internet. To promote listings, maintain relationships with existing customers, and locate new prospects, social media networks can be used extensively. Covid-19 has compelled real estate firms to place a greater emphasis on digital marketing and internet platforms

### **Monetary Easing**

The performance of the real estate sector has always been intertwined with the country's economic fundamentals and monetary policy. In an effort to protect the faltering economy from further deterioration due to Covid-19, the Reserve Bank of India has dropped its benchmark repo rate by 250 basis points since February 2019 to 4%, the lowest ever repo rate. Once the economy recovers, monetary easing initiatives are projected to boost housing demand and encourage home buyers and real estate developers.

### **THREATS**

#### **Regulatory Hurdles**

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There have been procedural delays with regards to land acquisition, land use, project launches, and construction approvals, which cost resources, financials, and time. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate system of internal control procedure commensurate with its size and nature of the business so as to ensure that all assets are safeguarded from loss, damage or disposition and ensure that all transactions are authorized, recorded and reported correctly and adequately.

All operations parameters are periodically monitored and strengthened. The Company continuously upgrades these systems in line with best accounting practices. The internal control system is further supplemented by a programme of internal audit conducted by an independent firm of Chartered Accountants.

The Audit Committee of the Board of Directors reviews the effectiveness of internal controls and suggests improvements for strengthening them whenever required.

**MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS**

Employees are the key to achieve the Company's objectives and strategies. The Company provides to the employees a fair equitable work environment and support from their peers with a view to develop their capabilities leaving them with the freedom to act and to take responsibilities for the tasks assigned. The Company strongly believes that its team of capable and committed manpower, which is its core strength, is the key factor behind its achievements, success and future growth. We are continuously working to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment.

The industrial relations remained cordial during the year.

**RISK MANAGEMENT AND GOVERNANCE**

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

**CAUTIONARY STATEMENT**

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

For and on behalf of the Board

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

Place: Mumbai

Date: September 5, 2022

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**Garnet Construction Limited**

1. We have examined the compliance of conditions of corporate governance by Garnet Construction Limited ('the Company') for the year ended March 31, 2022 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) & (t) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Based on our examination of the relevant records and according to the best of the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) & (t) of Regulation 46(2) and para C, D and E of Schedule V to the Listing Regulations to the extent applicable. However, the Stakeholder Relationship Committee meeting was not held during the year ended March 31, 2022 as it was held on May 18, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

Place : Mumbai

Date : 18<sup>th</sup> May, 2022

**For Poddar A. & Associates**

**Chartered Accountants**

**Firm Regn No: 131521W**

**Atul Poddar**

**M. No: 107258**

**Proprietor**

**UDIN : 22107258AJFEUJ2209**

**GARNET CONSTRUCTION LIMITED**

**STANDALONE FINANCIAL STATEMENTS**

**FINANCIAL YEAR – 2021-202**

**Independent Auditor's Report**

To  
The Members of  
**GARNET CONSTRUCTION LIMITED**  
**MUMBAI**

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **GARNET CONSTRUCTION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion**

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

**Key Audit Matters**

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

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

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

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

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

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

**Responsibility of Management for the Financial Statements**

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

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

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

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

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

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

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

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

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

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



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2022 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - A. As required by Section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
    - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account
    - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
    - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in Annexure "B";
    - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us; and
    - h) 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 does not have any pending litigations which would impact its financial position and its financial statements as of March 31, 2022.
      - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      - iii) There were no amount which were required to be transferred to the Invest or Education and Protection Fund by the Company.
      - iv) (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement

**For Poddar A. & Associates**

Chartered Accountants

Firm Registration No. 131521W

**Atul Poddar**

Proprietor

Membership No. 107258

UDIN : 22107258AJFEUJ2209

**Mumbai; 18<sup>th</sup> May, 2022.**

**M/s. Garnet Construction Limited  
FOR THE YEAR ENDED 31ST MARCH, 2022**

**Annexure - A to the Independent Auditors' Report**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.
- b) The Company has a regular program of physically verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. In accordance with the program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable of property are held in the name of the company.
- d) The Company has not revalued its property, plant and equipment during the year.
- e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) As the Company has not availed any working capital limit during the year, reporting requirements under this clause is not applicable.
- (iii) (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiary.
- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to associates entities, other than subsidiaries as below:

<b>Particulars</b>	<b>Amount (in Rs. Lacs)</b>
Aggregate amount during the year – Other	348.57
Balance outstanding as at balance sheet date – Others	Nil

The Company did not provide any guarantee or security during the year.

- (b) The Company had given interest free loan to its associate concerns on a short term basis. Based on information and explanations provided to us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix)
  - (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us including representations received from the management of the Company and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financials institution or other lender.
  - (c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.
  - (d) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
  - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- (x)
  - (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under Section 143(12) of the Companies Act, 2013 has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistleblower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required by the applicable Accounting Standards.
- (xiv) (a) In our opinion and based on our observation, the Company has an internal audit system commensurate with the size and nature of the business.
- (b) We have considered the internal audit reports of the Company issued till date, for the year under audit, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xiv) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, as the Company does not fulfill the criteria as specified under Section 135(1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 in the absence of average net profits in the immediately three preceding years, hence there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

**Atul Poddar**  
Proprietor  
Membership No. 107258

**Mumbai, 18th May, 2022.**

**Annexure - B to the Independent Auditors' Report**

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

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

We have audited the internal financial controls over financial reporting of **Garnet Construction Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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



**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Atul Poddar**  
Proprietor  
Membership No. 107258

**Mumbai, 18<sup>th</sup> May, 2022.**

GARNET CONSTRUCTION LIMITED			
Balance Sheet as at 31st March, 2022			
Particulars	Notes	INR	
		As at	
		31st March, 2022	31st March, 2021
<b>ASSETS</b>			
<b>I) Non - Current Assets</b>			
a. Property, Plant and Equipment	3	4,47,76,826	4,77,81,667
b. Financial Assets			
Investments	4	39,000	39,000
Non-current loans	5	55,83,919	55,85,382
Other Non - Current Financial Assets	6	5,04,790	5,75,840
c. Other non-current assets	7	54,80,817	57,34,089
		<b>5,63,85,352</b>	<b>5,97,15,978</b>
<b>II) Current Assets</b>			
a. Inventories	8	63,35,34,170	63,04,65,868
b. Financial Assets			
Trade Receivables	9	36,69,93,744	35,38,48,976
Cash and Cash Equivalents	10	2,20,12,891	7,25,24,657
Current Loans	11	47,58,96,722	45,61,31,538
Other Current Financial Assets	12	-	5,52,26,417
c. Other Current assets	13	12,89,38,996	23,69,52,610
		<b>1,62,73,76,523</b>	<b>1,80,51,50,067</b>
<b>TOTAL ASSETS (I + II)</b>		<b>1,68,37,61,876</b>	<b>1,86,48,66,045</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I) Equity</b>			
a. Equity Share Capital	14	13,90,22,000	13,90,22,000
b. Other Equity	15	78,34,42,140	77,84,28,145
		<b>92,24,64,140</b>	<b>91,74,50,145</b>
<b>II) Liabilities</b>			
<b>i) Non - Current Liabilities</b>			
a. Financial Liabilities			
Borrowings	16	11,13,53,805	16,47,62,689
Other financial liabilities	17	-	5,719
b. Provisions	18	17,27,645	12,01,587
c. Deferred Tax Liabilities [Net]	19	80,81,566	82,39,474
		<b>12,11,63,016</b>	<b>17,42,09,470</b>
<b>ii) Current Liabilities</b>			
a. Financial Liabilities			
Trade Payables	20	2,49,83,680	16,95,79,557
Other financial Liabilities	21	7,94,65,519	7,77,18,888
b. Other current liabilities	22	53,50,65,385	49,54,71,140
c. Provisions	23	6,20,136	3,04,36,846
		<b>64,01,34,720</b>	<b>77,32,06,430</b>
<b>TOTAL EQUITY AND LIABILITIES (I+II)</b>		<b>1,68,37,61,876</b>	<b>1,86,48,66,045</b>
<b>Significant Accounting Policies</b>		1 and 2	
<b>The accompanying notes form an integral part of the financial statements</b>			
<b>As per our attached report of even date</b>			
<b>For M/s Poddar A &amp; Associates</b>		<b>For and on behalf of the Board of Directors</b>	
<b>Chartered Accountants</b>			
<b>Firm Reg. No.131521W</b>			
		<b>Kishan Kumar Kedia</b>	
		<b>Chairman &amp; Managing Director</b>	
<b>Atul Poddar</b>		<b>Arun Kedia</b>	
<b>Proprietor</b>		<b>Marketing Director</b>	
<b>M. No. 107258</b>		<b>Sanjay Kumar Kedia</b>	
<b>Place : Mumbai</b>		<b>Finance Director</b>	
<b>Date : 18<sup>th</sup> May, 2022</b>		<b>Falguni Padiya</b>	
		<b>Neha Verma</b>	
<b>63   Page</b>		<b>Chief Financial Officer</b>	
		<b>Company Secretary</b>	

GARNET CONSTRUCTION LIMITED			
Statement of Profit and Loss for the year ended 31 <sup>st</sup> March, 2022			
Particulars	Notes	INR	INR
		Year Ended	Year Ended
		31st March, 2022	31st March, 2021
<b>INCOME:</b>			
Revenue from operations	24	5,56,57,346	66,85,75,458
Other income	25	2,51,50,374	1,62,37,456
<b>Total Revenue (I)</b>		<b>8,08,07,720</b>	<b>68,48,12,914</b>
<b>EXPENSES</b>			
Operating Costs	26	3,99,29,154	20,89,30,673
Changes in Inventories	27	(30,68,302)	19,78,81,391
Employee benefits expense	28	1,86,62,125	3,69,77,355
Finance cost	29	47,67,505	66,43,257
Depreciation and amortisation	3	34,81,604	33,29,023
Other expenses	30	1,26,38,866	6,10,98,955
<b>Total Expenses (II)</b>		<b>7,64,10,952</b>	<b>51,48,60,654</b>
<b>Profit for the year before tax (I - II)</b>		43,96,768	16,99,52,260
<b>Exceptional items</b>		(27,24,000)	-
<b>Tax Expenses :</b>	32		
Current tax		27,25,000	4,50,00,000
Short/ (Excess) provision of tax in earlier years		(4,05,693)	(3,54,457)
Deferred tax		(2,96,872)	(11,73,756)
		20,22,435	4,34,71,787
		<b>50,98,333</b>	<b>12,64,80,473</b>
<b>OTHER COMPREHENSIVE INCOME:</b>	31		
Re - measurement gains / (losses) on defined benefit plans		(1,13,397)	2,47,767
Income tax effect		29,059	(63,492)
<b>Other Comprehensive Income for the year, net of tax</b>		(84,338)	1,84,275
<b>Total Comprehensive Income for the year net of tax</b>		<b>50,13,995</b>	<b>12,66,64,748</b>
<b>Basic &amp; Diluted Earning per Equity Share [EPS] [in Rupees]</b>	33	0.36	9.11
<b>Significant Accounting Policies 1 and 2</b>			
<b>The accompanying notes form an integral part of the financial statements</b>			
<b>As per our attached report of even date</b>			
<b>For M/s Poddar A &amp; Associates</b>		<b>For and on behalf of the Board of Directors</b>	
<b>Chartered Accountants</b>			
<b>Firm Reg. No.131521W</b>			
		<b>Kishan Kumar Kedia</b>	
		<b>Chairman &amp; Managing Director</b>	
<b>Atul Poddar</b>		<b>Arun Kedia</b>	
<b>Proprietor</b>		<b>Marketing Director</b>	
<b>M. No. 107258</b>		<b>Sanjay Kumar Kedia</b>	
<b>Place : Mumbai</b>		<b>Finance Director</b>	
<b>Date : 18<sup>th</sup> May, 2022</b>		<b>Falguni Padiya</b>	
		<b>Neha Verma</b>	
		<b>Chief Financial Officer Company Secretary</b>	

GARNET CONSTRUCTION LIMITED		
Cash Flow Statement for the year ended 31st March, 2022		
Particulars	INR	INR
	Year Ended	Year Ended
	31st March, 2022	31st March, 2021
<b>A Cash flows from operating activities:</b>		
Profit (Loss) before tax	71,20,768	16,99,52,260
Adjustments for:		
Depreciation, Impairment and Amortisation expenses	34,81,604	33,29,023
Profit on sale of assets [Net]	(1,44,400)	(3,55,406)
Interest income	(2,48,05,974)	(1,58,82,050)
Interest expenses	2,19,13,614	3,36,72,835
Relassification of actuarial gain/loss to OCI	(1,13,397)	2,47,767
Provisions for employee benefits	4,35,784	3,48,140
Total	7,67,231	2,13,60,309
Operating profit before working capital changes	78,87,999	19,13,12,569
Adjustments for:		
Increase/ [Decrease] in trade Payables	(14,45,95,877)	5,58,92,468
Increase/ [Decrease] in provision	(2,97,26,436)	1,77,61,847
Increase/ [Decrease] in other current liabilities	3,02,63,298	(7,64,31,399)
Increase/ [Decrease] in other non current liabilities	(5,719)	(2,44,281)
[Increase]/ Decrease in Inventories	(30,68,302)	19,78,81,391
[Increase]/ Decrease in loans	(1,97,63,721)	(17,98,14,845)
[Increase]/ Decrease in trade receivable	(1,31,44,768)	2,66,40,631
[Increase]/ Decrease in other current assets	16,32,40,032	(6,36,09,293)
[Increase]/ Decrease in other non current assets	3,24,322	48,16,905
Total	(1,64,77,171)	(1,71,06,577)
Cash generated from operations	(85,89,172)	17,42,05,992
Direct taxes paid [Net of refunds]	(21,51,285)	(4,48,13,565)
Net cash from operating activities	(1,07,40,457)	12,93,92,427
<b>B Cash flows from investing activities:</b>		
Purchase of fixed assets	(4,85,668)	(29,15,746)
Proceeds from sale of fixed assets	1,53,305	3,55,406
Interest received	2,48,05,974	1,58,82,050
Net cash used in investing activities	2,44,73,611	1,33,21,710
<b>C Cash flows from financing activities:</b>		
Proceeds / (repayment) of working capital loans	-	(5,45,16,411)
Repayment of Long Term Borrowings	(4,23,31,306)	(2,40,53,586)
Interest paid	(2,19,13,614)	(3,36,72,835)
Net cash used in financing activities	(6,42,44,920)	(11,22,42,832)
<b>Net increase in cash and cash equivalents</b>	(5,05,11,766)	3,04,71,305
<b>Cash and cash equivalents at the beginning of the year</b>	<b>7,25,24,657</b>	<b>4,20,53,352</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,20,12,891</b>	<b>7,25,24,657</b>

**Notes to the Cash Flow Statement**

1 Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7.

2 Figures in bracket indicates outflows.

3 The accompanying notes (1 to 45) are an integral part of the financial statements.

4 Cash and cash equivalents comprise of:

	<u>31st March, 2022</u>	<u>As at 31st March, 2021</u>
a Cash on Hand	1,27,000	91,852
b Balances with Banks	2,18,85,891	7,24,32,805
c Book Overdraft	-	-
<b>Total</b>	<b>2,20,12,891</b>	<b>7,25,24,657</b>

5 **Disclosure as required by Ind AS 7**

**Reconciliation of liabilities arising from financial activities**

<u>31st March, 2022</u>	Opening Balance	Cash Flows	Non cash changes	Closing Balance
Long Term Secured Borrowings	20,20,37,091	(4,23,31,306)	-	15,97,05,784
Short Term Unsecured Borrowings	-	-	-	-
Total Liabilities from Financing Activities	20,20,37,091	(4,23,31,306)	-	15,97,05,784
<u>31st March, 2021</u>	Opening Balance	Cash Flows	Non cash changes	Closing Balance
Long Term Secured Borrowings	27,59,07,088	(7,38,69,997)	-	20,20,37,091
Short Term Unsecured Borrowings	47,00,000	(47,00,000)	-	-
Total Liabilities from Financing Activities	28,06,07,088	(7,85,69,997)	-	20,20,37,091

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

For and on behalf of the Board of Directors

Kishan Kumar Kedia  
Chairman & Managing Director

Arun Kedia  
Marketing Director

Sanjay Kumar Kedia  
Finance Director

Atul Poddar  
Proprietor

M. No. 107258

Place : Mumbai

Date : 18th May, 2022

Falguni Padiya  
Chief Financial Officer

Neha Verma  
Company Secretary

GARNET CONSTRUCTION LIMITED				
Statement of Change in Equity for the year ended 31 <sup>st</sup> March, 2022				
A. Equity Share Capital:				
	Note		No. of Shares	INR
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:	14			
Balance as at 1st April, 2020			1,39,02,200	13,90,22,000
Change in equity share capital during FY 2020-21			-	-
Balance as at 31st March, 2020			1,39,02,200	13,90,22,000
Change in equity share capital during FY 2021-22			-	-
Balance as at 31st March, 2022			1,39,02,200	13,90,22,000
B. Other Equity:				
Particulars	Note	INR		
		Reserves and Surplus		Total
		Securities Premium Reserve	Retained Earnings	
Balance as at 1st April, 2020	15	43,30,00,000	21,87,63,397	65,17,63,397
Changes during the year				
Profit for the year		-	12,64,80,473	12,64,80,473
Other Comprehensive income				
Remeasurement of the net defined benefit liabilities/ assets , net of taxes		-	1,84,275	1,84,275
Balance as at 31st March, 2021	15	43,30,00,000	34,54,28,145	77,84,28,145
Particulars	Note	INR		
		Reserves and Surplus		Total
		Securities premium reserve	Retained Earnings	
Balance as at 1st April, 2021	15	43,30,00,000	34,54,28,145	77,84,28,145
Changes during the year				
Profit for the year		-	50,98,333	50,98,333
Other Comprehensive income				
Remeasurement of the net defined benefit liabilities/ assets , net of taxes		-	(84,338)	(84,338)
Balance as at 31st March, 2022	15	43,30,00,000	35,04,42,141	78,34,42,141
As per our attached report of even date				
For M/s Poddar A & Associates		For and on behalf of the Board of Directors		
Chartered Accountants				
Firm Reg. No.131521W				
		Kishan Kumar Kedia		
		Chairman & Managing Director		
Atul Poddar		Arun Kedia	Sanjay Kumar Kedia	
Proprietor		Marketing Director	Finance Director	
M. No. 107258				
Place : Mumbai				
Date : 18 <sup>th</sup> May, 2022		Falguni Padiya	Neha Verma	
		Chief Financial Officer	Company Secretary	

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2022**

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**Note 1: COMPANY BACKGROUND:**

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

The Company is a Real Estate Development Company that is focused on residential, commercial, retail and other projects, such as mass housing and cluster redevelopment. Information on related party relationships of the Company is provided in Note 34.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 18<sup>th</sup> May, 2022. in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when:

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

All other liabilities are classified as non-current.

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

**c) Operating Cycle:**

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



**d) Critical accounting estimates and judgements**

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

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

- Fair value measurement of financial instruments: The fair value of financial instruments that are traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of which being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigations provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance sheet date.

**e) Property, Plant and Equipment**

**i) Tangible Assets:**

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

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

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

**ii) Capital Work in Progress and Capital Advances:**

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

**iii) Depreciation:**

Depreciation on Property, Plant and Equipment is provided on a Straight Line basis in accordance with the provisions of Schedule II to the Companies Act, 2013 except depreciation on new sales office, which is considered as a temporary structure and has been amortized over a period of four years on a straight line basis. Structures constructed for purpose of demonstration to prospective

buyers (to be demolished before the project completion) are capitalised as buildings and depreciated over the period by which the respective project is expected to be completed.

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

**f) Impairment of Tangible Assets:**

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

**g) Inventories:**

**a) Construction work in progress**

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

**b) Finished stock of completed projects (ready units)**

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

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

**h) Revenue Recognition:**

**(i) Revenue from contract with customer:**

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

**Revenue from real estate projects**

The Company recognises revenue, on execution of agreement or letter of allotment and when control of the goods or services are transferred to the customer, at an amount that reflects

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

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

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

**(iii) Interest Income:**

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

**(iv) Dividend Income:**

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

**(v) Other income:**

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

i) Financial Instruments:

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

(i) Financial Assets:

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

Financial Assets at Amortised Cost:

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

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

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

Equity Instruments at FVTOCI:

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

Investments in associates, subsidiaries and joint ventures:

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

Derecognition:

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay

to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of Financial Assets:

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

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

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

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

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

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

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

ii) Financial Liabilities:

Initial Recognition and Measurement:

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

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

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

Derecognition:

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

(iii) Offsetting of Financial Instruments:

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

(iv) Equity Instruments:

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

j) Employee Benefits:

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

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

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

**k) Borrowing Costs:**

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

**l) Taxes on Income:**

**Current Income Taxes:**

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

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

**Deferred Taxes:**

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business



combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

**m) Provisions and Contingent Liabilities:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

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

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain

future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

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

**n) Earnings Per Share:**

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

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

**o) Cash and Cash Equivalent:**

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

#### USE OF JUDGEMENTS AND ESTIMATES

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

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

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

GARNET CONSTRUCTION LIMITED Notes to the Financial Statements							
3-Property, Plant & Equipment							
	Office Premises	Plant and Machinery	Computers	Office Equipments	Furniture and Fixtures	Vehicles	INR Total
<b>Gross Block:</b>							
As at 01st April, 2020	4,07,42,064	66,13,265	7,38,830	15,17,438	1,09,61,142	58,21,423	6,63,94,162
Additions	-	-	1,28,597	2,57,264	-	25,35,501	29,21,362
Disposals	-	-	-	-	-	-	-
As at 31st March, 2021	4,07,42,064	66,13,265	8,67,427	17,74,702	1,09,61,142	83,56,924	6,93,15,524
Additions	-	-	1,41,016	3,44,652	-	-	4,85,668
Disposals	-	-	-	(1,78,105)	-	(13,35,753)	(15,13,858)
As at 31st March, 2022	4,07,42,064	66,13,265	10,08,443	19,41,249	1,09,61,142	70,21,171	6,82,87,334
<b>Depreciation and Impairment:</b>							
As at 01st April, 2020	29,24,032	20,93,860	4,90,487	12,72,025	64,96,979	49,21,834	1,81,99,218
Depreciation for the year	7,31,008	5,23,465	1,46,077	1,34,242	12,48,767	5,45,464	33,29,023
Disposals	-	-	-	-	-	5,616	5,616
As at 31st March, 2021	36,55,041	26,17,325	6,36,563	14,06,268	77,45,746	54,72,914	2,15,33,857
Depreciation for the year	7,31,008	5,23,465	1,55,161	2,30,814	12,46,886	5,94,270	34,81,604
Disposals	-	-	-	(1,69,200)	-	(13,35,753)	(15,04,953)
As at 31st March, 2022	43,86,049	31,40,790	7,91,724	14,67,882	89,92,632	47,31,431	2,35,10,508
<b>Net Block:</b>							
As at 31st March, 2021	3,70,87,023	39,95,940	2,30,864	3,68,434	32,15,396	28,84,010	4,77,81,667
As at 31st March, 2022	3,63,56,015	34,72,475	2,16,719	4,73,367	19,68,510	22,89,740	4,47,76,826

Note: Refer to Note 16 in respect of certain fixed assets which are mortgaged against borrowings

Particulars	INR	
	As at	
	31st March, 2022	31st March, 2021
<b>4- Investments</b>		
Investment in Equity Instruments [Valued at cost]:	Face Value	
In fully paid-up equity shares of:		
Callista Realty Limited	Rs. 10	
(Number of shares as on 31.03.2022 - 3900, 31.03.2021 - 3900)		
	39,000	39,000
<b>Total</b>	<b>39,000</b>	<b>39,000</b>
Aggregate Value of unquoted investment	39,000	39,000
<b>5- Non-current loans</b>		
Unsecured, considered good unless otherwise stated		
Security Deposits		
With Others	55,83,919	55,85,382
<b>Total</b>	<b>55,83,919</b>	<b>55,85,382</b>
<b>6- Other Non - Current Financial Assets</b>		
Fixed Deposit	4,57,414	4,56,414
(Having maturity more than 12 months from Balance Sheet date)		
Accrued Interest on Fixed Deposit	47,376	1,19,426
<b>Total</b>	<b>5,04,790</b>	<b>5,75,840</b>

Particulars	INR					
	As at					
	31st March, 2022	31st March, 2021				
7- Other non-current assets						
Advances other than Capital Advances						
With Government Authorities	-	2,53,272				
Security Deposits	50,00,000	50,00,000				
Other Investment	4,80,817	4,80,817				
Total	54,80,817	57,34,089				
8- Inventories						
Finished goods	7,57,20,260	9,30,73,475				
Land	45,11,65,347	45,53,86,288				
Construction Work-in-Process	10,66,48,563	8,20,06,105				
Total	63,35,34,170	63,04,65,868				
Inventories and work-in-progress are stated at the lower of cost and net realisable value. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal. Finished goods are valued at raw material cost plus costs of construction, comprising labor costs and an attributable proportion of administration overheads.						
Inventory comprising of unsold identified 17 Bungalow of Magic Hill at Khalapur is mortgaged with Bank and NBFC.						
Industrial land 12,06,856 square feet (Honad village) at Khalpaur is mortgage to Bank for availing term loan and 56,040 square feet Land of Isambe village at Khalapur is mortgage to Bank for availing dropline overdraft facility from Bank.						
9- Trade Receivables						
Unsecured and Considered good						
(i) Undisputed Trade Receivables – considered good	36,69,93,744	35,38,48,976				
(ii) Disputed Trade Receivables – considered good	-	-				
Total	36,69,93,744	35,38,48,976				
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director is a member.						
Trade receivables are non-interest bearing and are generally on terms as per the contract / agreement.						
9.1 Trade Receivables ageing schedule						
Particulars	Outstanding for following periods from Due date of payment					Total
	Less than 6 Months	6 months to 1 year	1 - 2 years	2-3 years	More Than 3 Year	
March 31, 2022	3,30,15,608	36,37,686	89,02,500	8,84,46,805	23,29,91,145	36,69,93,744
March 31, 2021	2,32,44,143	6,13,500	8,95,56,285	1,60,85,365	22,43,49,684	35,38,48,976

Particulars	INR	
	As at	
	31st March, 2022	31st March, 2021
<b>10- Cash and Cash Equivalents</b>		
Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")		
Cash on Hand	1,27,000	91,852
Balances with Banks	2,18,85,891	7,24,32,805
<b>Total</b>	<b>2,20,12,891</b>	<b>7,25,24,657</b>
<b>11- Current Loans</b>		
[Financial assets stated at amortised cost]		
Unsecured, considered good unless otherwise stated		
Security Deposits	6,00,000	6,00,000
Other Loans and advances	47,52,96,722	45,55,31,538
<b>Total</b>	<b>47,58,96,722</b>	<b>45,61,31,538</b>
<b>12- Other Current Financial Assets (at amortised cost)</b>		
Fixed Deposit	-	5,52,26,000
(FD with maturity Less than 12 months from Balance Sheet date)		
Accrued Interest on Fixed Deposit	-	417
<b>Total</b>	<b>-</b>	<b>5,52,26,417</b>
<b>13- Other Current assets</b>		
Advances other than Capital Advances		
Prepaid Expenses	1,28,077	6,62,468
Advance to Employees	15,95,600	2,25,000
Advance to Vendors	1,07,65,880	1,11,22,419
Advance against investments/property	11,05,18,950	21,88,43,950
With Government Authorities ( tax credit receivable)	59,30,489	60,98,773
<b>Total</b>	<b>12,89,38,996</b>	<b>23,69,52,610</b>

14-Equity Share Capital:		INR			
		As at			
		31st March, 2022	31st March, 2021		
<b>Authorised:</b> 5,80,00,000/- (31.03.2021- 5,80,00,000/-)Equity Shares of Rs. 10/- each fully paid up.		58,00,00,000	58,00,00,000		
		58,00,00,000	58,00,00,000		
<b>Issued, Subscribed and Paid-up:</b> 1,39,02,200/- (31.03.2021- 1,39,02,200/-) Equity Shares of Rs. 10/- each fully paid up.		13,90,22,000	13,90,22,000		
<b>Total</b>		13,90,22,000	13,90,22,000		
A The reconciliation in number of shares is as under:					
Number of shares at the beginning of the year		1,39,02,200	1,39,02,200		
Shares Issued during the year on conversion of fully convertible debenture		-	-		
Shares Issued during the year on conversion of share warrants		-	-		
Number of shares at the end of the year		1,39,02,200	1,39,02,200		
Rights, Preferences and Restriction of Share holders: The company has only one class of Equity shares having par value of Rs.10/- each. The equity shares have rights, Preferences and restrictions which are in accordance with the provision of law, in particular the Companies Act 2013. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.					
C Details of Shareholders holding more than 5% of aggregate Equity Shares of INR 10/- each					
		31st March, 2022		31st March, 2021	
Name of share holder	Number of	% to total	Number of	% to total	
	Shares	share holding	Shares	share holding	
Sanjay Kumar Kedia	22,20,173	15.97	22,01,173	15.83	
Kusumdevi Kedia	21,12,464	15.20	19,78,326	14.23	
Arun Kumar Kedia	22,18,055	15.95	19,69,117	14.16	
Kishan Kumar Kedia	19,70,445	14.17	17,59,100	12.65	
D Details of Shareholding of promoters					
	31st March, 2022		31st March, 2021		% Change during the year
Name of share holder	Number of	% to total	Number of	% to total	
	Shares	share holding	Shares	share holding	
Sanjay Kumar Kedia	22,20,173	15.97	22,01,173	15.83	0.14
Kusumdevi Kedia	21,12,464	15.20	19,78,326	14.23	0.97
Arun Kumar Kedia	22,18,055	15.95	19,69,117	14.16	1.79
Kishan Kumar Kedia	19,70,445	14.17	17,59,100	12.65	1.52
Narendra Kedia	100	0.00	100	-	-
E Shares held by Holding Company - NA					
F Particulars of shares issued for consideration other than cash, shares bought back and bonus shares in last five years:					
i. Shares bought back -- NIL					
ii. Issue of bonus shares – NIL.					
iii. Shares issued on account of merger -- NIL					
G There are no shares reserved for issue under options, contracts / commitments for sale of Shares/ disinvestments other than represented in clause (j) below.					
H There are no shares forfeited during the year.					
I Particulars of calls in arrears by directors and officers of the company. – NIL					
J Security convertible into equity shares: - NIL					

Notes to the Financial Statements		
Particulars	INR	
	As at	
	31st March, 2022	31st March, 2021
<b>15- Other Equity</b>		
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	43,30,00,000	43,30,00,000
Add/Less: During the year	-	-
	43,30,00,000	43,30,00,000
<b>Retained Earnings:</b>		
Balance as per last Balance Sheet	34,54,28,145	21,87,63,397
Adjusted from Retained Earnings on transition to Ind AS	-	-
Profit for the year	50,98,333	12,64,80,473
Items of Other comprehensive income recognised directly in retained earnings	-	-
- Transfer to retained earning of re-measurement gains/(Losses) on defined benefit plans, net of taxes	(84,338)	1,84,275
Adjstment on account of consolidation	-	-
Tax Impact of Ind AS adjustments	-	-
Balance as at the end of the year	35,04,42,140	34,54,28,145
<b>Total</b>	<b>78,34,42,140</b>	<b>77,84,28,145</b>
<b>Securities Premium Reserve</b>		
Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.		
<b>16- Borrowings</b>		
Secured loans (at amortised cost)		
Term loans		
From bank	5,51,44,655	9,68,00,315
From financial institution/NBFC	5,62,09,150	6,79,62,374
Amount disclosed under Current Borrowings as 'Current maturities of long-term borrowings' (refer note 21)		
<b>Total</b>	<b>11,13,53,805</b>	<b>16,47,62,689</b>
<p>a) In September 2017, the company has availed working capital credit limit of Rs. 1700 Lakh from State Bank of India for meeting working capital requirements of under projects. The said facility is restructured in working capital term loan dated 16-01-2021 of Rs. 2.22 Lakh repayable in 24 Month.</p> <p>b) In April 2017, the company has availed Term Loan from Reliance Home Finance Limited of Rs. 500 Lakh balance amount is repayable in 144 equal monthly installments from 10th June, 2017. The loan is secured by mortgage of the identified residential units in one of the project at Magic Hill, Khalapur.</p> <p>c) In July 2016, the company has availed Term Loan from PNB Housing Finance Ltd of Rs. 546 Lakh, balance amount is repayable in 84 equal monthly installments from 30th July, 2016. The Loan is secured by mortgage of identified commercial offices of Laxmi Industrial Estate- , Andheri (w) .</p> <p>e) In January 2015, the company has availed Term Loan from United Bank of India of Rs. 450 Lakh, balance amount is repayable in 120 equal monthly installments starting from 07th Feb, 2015. The loan is secured by mortgage of the identified residential units in one of the project at Magic Hill, Khalapur.</p> <p>f) In March 2014, the company has availed Term Loan from Union Bank of India of Rs. 1367 Lakh balance amount is repayable in 120 installment starting from 01st April, 2014. The loan is secured by Industrial land of 12,06,856 sq ft (Honad village) at Khalpaur.</p>		

Notes to the Financial Statements						
Particulars	INR					
	As at					
	31st March, 2022	31st March, 2021				
17- Other financial liabilities (at amortised cost)						
Security Deposit (Security Deposits received are interest free and are repayable after completion of lease term)	-	5,719				
Total	-	5,719				
18- Provisions						
Provision for Employee Benefits Gratuity	17,27,645	12,01,587				
Total	17,27,645	12,01,587				
19- Deferred Tax Liabilities [Net]						
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:						
Particulars	As at	Charge	As at			
	31st March	for	31st March			
	2021	year	2022			
Deferred Tax Liabilities [A]	-	-	-			
Deferred Tax Assets:						
Provision for leave salary/gratuity	(3,19,737)	29,059	(2,90,678)			
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	(80,87,760)	2,96,872	(77,90,888)			
MAT Credit	1,68,022	(1,68,022)	-			
Total [B]	(82,39,475)	1,57,909	(80,81,566)			
Net Deferred Tax Asset/ ( Liabilities) [B-A]	(82,39,475)	1,57,909	(80,81,566)			
20- Trade Payables						
Total outstanding dues of micro enterprises and small enterprises *	-	-				
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,49,83,680	16,95,79,557				
Total	2,49,83,680	16,95,79,557				
* Amount due to micro enterprises and small enterprises units has not been segregated in view of non-availability of requisite information for the purpose of ascertaining the liability, if any, under the “Interest on Delayed payments to Small Scale & Ancillary Undertaking Act, 1993”. However there is no liability towards interest on delay payment to such creditors as these are within the agreed terms of payment.						
20 .1 Trade Payable ageing schedule						
Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2-3 years	More Than 3 Year	
March 31, 2022	37,77,661	8,03,985	9,05,598	22,09,953	1,72,86,483	2,49,83,680
March 31, 2021	71,81,820	7,10,00,960	6,72,81,010	23,52,836	2,17,62,931	16,95,79,557



Notes to the Financial Statements		
Particulars	INR	
	As at	
	31st March, 2022	31st March, 2021
<b>21- Other financial Liabilities</b>		
Current maturities of long-term borrowings		
Term loans		
From bank	3,66,90,115	2,69,41,363
From financial institution/NBFC	1,16,61,865	1,03,33,038
	4,83,51,980	3,72,74,401
Interest Accrued but not due on Borrowings	37,500	37,500
Statutory Dues Payable	7,69,410	29,68,101
Other financial liabilities	3,03,06,630	3,74,38,885
<b>Total</b>	<b>7,94,65,519</b>	<b>7,77,18,888</b>
<b>22- Other current liabilities</b>		
Advance received from customers	44,76,08,777	48,87,50,628
Other Current Liability	8,74,56,608	67,20,512
<b>Total</b>	<b>53,50,65,385</b>	<b>49,54,71,140</b>
<b>23- Provisions</b>		
Development Expenses for Plot Construction at Dhamni	5,34,312	5,34,312
Provision for Taxation (Net of Advance Tax)	8,114	2,98,47,947
Gratuity	77,710	54,587
<b>Total</b>	<b>6,20,136</b>	<b>3,04,36,846</b>
<b>24- Revenue from operations</b>		
Sale of units	5,18,14,346	6,01,20,849
Sale of land / plots	38,43,000	60,79,25,750
Rent on immovable property	-	5,28,859
<b>Total</b>	<b>5,56,57,346</b>	<b>66,85,75,458</b>
<b>25- Other income</b>		
Interest income on amotized cost basis at EIR		
Fixed deposit with bank	10,79,564	26,10,245
Others	2,37,26,410	1,32,71,805
Other Income	3,44,400	3,55,406
<b>Total</b>	<b>2,51,50,374</b>	<b>1,62,37,456</b>
<b>26- Land and Construction Cost</b>		
Land and other Expenses	-	15,28,53,300
Construction Cost		
Material	56,61,130	1,42,90,579
Approval Cost	40,38,930	-
Borrowing Cost	1,71,73,069	2,71,14,842
Professional Fee	10,70,000	4,60,000
Salary	1,07,28,303	9,77,500
Other Administration Cost	12,57,722	1,32,34,452
<b>Total</b>	<b>3,99,29,154</b>	<b>20,89,30,673</b>

Particulars	INR	
	Year Ended	
	31st March, 2022	31st March, 2021
<b>27- Changes in Inventories</b>		
<b>a) Inventories at the end of the year:</b>		
Flat	44,56,935	44,56,935
Land	45,11,65,347	45,53,86,288
Completed Units	7,12,63,325	8,86,16,540
Work - In - Progress	10,66,48,563	8,20,06,105
	<b>63,35,34,170</b>	<b>63,04,65,868</b>
<b>b) Inventories at the beginning of the year:</b>		
Flat	44,56,935	44,56,935
Land	45,53,86,288	59,61,42,621
Completed Units	8,86,16,540	14,07,60,784
Work - In - Progress	8,20,06,105	8,69,86,919
	<b>63,04,65,868</b>	<b>82,83,47,259</b>
<b>Change in Inventories and Work In Progress</b>	<b>(30,68,302)</b>	<b>19,78,81,391</b>
<b>28- Employee benefits expense</b>		
Salaries and wages*	1,78,96,652	3,63,04,032
Staff welfare expenses	3,29,689	3,25,183
Provision for Gratuity	4,35,784	3,48,140
<b>Total</b>	<b>1,86,62,125</b>	<b>3,69,77,355</b>
*Includes Directors Remuneration of Rs. 90,00,000 (Previous year Rs. 1,80,00,000)		
<b>29- Finance cost</b>		
Interest expenses on amortised cost at EIR	2,19,13,614	3,36,72,835
Other borrowing cost	26,960	85,264
	<b>2,19,40,574</b>	<b>3,37,58,099</b>
Less: allocated to projects / capitalised	1,71,73,069	2,71,14,842
<b>Total</b>	<b>47,67,505</b>	<b>66,43,257</b>

Particulars	INR	
	Year Ended	
	31st March, 2022	31st March, 2021
<b>30- Other expenses</b>		
Advertisement expenses	1,69,448	1,49,872
Auditors remuneration (Refer Note No. 38 )	5,40,000	5,60,000
Bank charges	16,231	56,938
Business promotion expenses	-	49,059
Commission and Brokerage	-	25,97,645
Electricity expenses	2,12,615	3,74,306
Legal and professional fees	11,33,976	51,02,945
Membership fees and entrance fees	3,93,000	4,56,719
Rent	44,71,120	49,50,000
Maintenance charges	2,72,617	2,67,014
Rates and taxes	11,77,552	1,23,75,721
Repairs to		
Building	-	-
Others	5,63,249	3,79,773
Telephone and communication expenses	1,51,567	2,79,358
Travelling and conveyance expenses	3,32,982	15,36,870
Insurance	6,87,731	6,99,223
CSR expenses	19,88,087	7,00,000
Bad Debt expenses	-	2,26,90,026
Miscellaneous expenses	5,28,690	78,73,486
<b>Total</b>	<b>1,26,38,866</b>	<b>6,10,98,955</b>
<b>31- Other comprehensive income Not to be reclassified to profit or loss in subsequent periods</b>		
<b>Particulars</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Remeasurements of the defined benefit plans	(1,13,397)	2,47,767
Tax effects on above	29,059	(63,492)
Net Total	(84,338)	1,84,275
<b>Total Income not to be reclassified</b>	<b>(1,13,397)</b>	<b>2,47,767</b>
<b>Tax Impact in above</b>	<b>29,059</b>	<b>(63,492)</b>

<b>32- Tax Expenses</b>		
a) Tax charge / (credit) recognised in profit or loss		
<b>Particulars</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
<b>Current tax:</b>		
Current tax on profit for the year	27,25,000	4,50,00,000
Charges / (Credit) in respect of current tax for earlier years	(4,05,693)	(3,54,457)
Minimum alternate tax credit entitlement	-	-
<b>Total Current Tax</b>	<b>23,19,307</b>	<b>4,46,45,543</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(2,96,872)	(11,73,756)
Income Tax expenses reported in the statement of profit and loss	<b>20,22,435</b>	<b>4,34,71,787</b>
(b) A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense/ (credit) for the year indicated are as follows:		
<b>Particulars</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Accounting profit before Income tax	43,96,768	16,99,52,260
Statutory income tax rate	25.17%	25.17%
Tax at statutory income tax rate	11,06,579	4,27,73,585
<b>Tax effect of amounts which are not deductible (Taxable) in calculating taxable</b>		
Tax impact of expenses which will be not allowed	(6,22,876)	(3,12,615)
Tax Impact of expenses which are allowable	(3,04,511)	(1,94,838)
Other	11,530	(1,90,749)
	<b>20,22,435</b>	<b>4,34,71,787</b>
<b>33- Earning Per Shares (EPS)</b>		
<b>Particulars</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
<b>Net Profit attributable to equity</b>		
Net Profit for the year	50,13,995	12,66,64,748
Nominal value of equity shares	10	10
Weighted average number of equity shares in calculating basic and diluted EPS	1,39,02,200	1,39,02,200
Basic EPS	0.36	9.11
Diluted EPS	0.36	9.11

**34 Related Party Disclosure****List of Related Parties only with whom transactions are executed.**

<b>a) Key Management Personnel/Relative of Managerial Person</b>	
Kishan Kumar Kedia	Chairman & Managing Director
Arunkumar Kedia	Marketing Director
Sanjay Kumar Kedia	Finance Director
Kusumdevi Kedia	Relative of Director
<b>b) Associate Concern</b>	
Aditya Industrial Estate	Associate Concern
Neelkant Industrial Estate	
S K Investment	
Panchdeep Industrial Estate	
Kedia Industrial Development Corporation	

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

Particulars of transactions	Relative	Opening balance	Transaction during the year		Closing balance
Remuneration	Key Management Personnel	Nil (Nil)	90 (180)	Nil (Nil)	Nil (Nil)
Interest		Nil Nil	Nil Nil	Nil Nil	Nil Nil
Loan Received		Nil Nil	26.5 (2.08)	26.5 (2.08)	Nil Nil
Advance Given	Associate Concerns	Nil Nil	348.57 (8.05)	348.57 (8.05)	Nil (Nil)

**Note:1)Related parties are identified by the company & relied upon by the auditor.****2)Figures in bracket pertains to previous year.****35- Revenue from contracts with customers****35.1 Revenue from operations**

Particulars	31st March, 2022	31st March, 2021
Revenue from contract with customers as per Note 24	5,56,07,346	66,80,46,599
Add: Rent Income and Other Charges	50,000	5,28,859
<b>Total revenue as per contracted price</b>	<b>5,56,57,346</b>	<b>66,85,75,458</b>

## 36 - Financial Instruments – Fair Values And Risk Management

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

Financial Assets :	Refer Note	Amount in Rs.			
		31st March, 2022		31st March, 2021	
		Cost / Amortised Cost	FVTOCI	Cost / Amortised Cost	FVTOCI
<b>Investment in Jointly Owned Entity</b>					
Quoted Investments					
Unquoted Investments	4.a	39,000	-	39,000	-
<b>Investments in Equity Instruments</b>					
Quoted Investments					
Unquoted Investments	4.b	-	-	-	-
(Level 3: See note below)					
<b>Cash &amp; Cash Equivalents</b>					
Cash & Bank	10	2,20,12,891	-	7,25,24,657	-
<b>Bank balances other than cash and cash equivalents</b>	6 & 12	5,04,790	-	5,58,02,257	-
<b>Trade Receivables</b>	9	36,69,93,744	-	35,38,48,976	-
<b>Loans and advances</b>	5 & 11	48,14,80,641	-	46,17,16,920	-
<b>Other Financial Assets</b>					

Note : 1) Investments in unquoted equity shares of Callista Realty Limited.

Financial Liabilities :	Refer Note	Amount in Rs.			
		31st March, 2022		31st March, 2021	
		Cost / Amortised Cost	FVTOCI	Cost / Amortised Cost	FVTOCI
<b>Borrowings</b>					
Long term Borrowings	16	11,13,53,805	-	16,47,62,689	-
Short Term Borrowings	21	4,83,89,480	-	3,73,11,901	-
<b>Trade Payables</b>	20	2,49,83,680	-	16,95,79,557	-
<b>Other Financial Liabilities</b>	17 & 21	7,69,410	-	29,73,820	-

## B Fair Value Hierarchy

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

## Financial assets and liabilities measured at fair value

Particulars	31st March, 2022			31st March, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Investment in Jointly Owned Entity</b>						
Quoted Investments	-	-	-	-	-	-
Unquoted Investments	-	-	39,000	-	-	39,000
<b>Investments in Equity Instruments</b>	-	-		-	-	
Quoted Investments	-	-		-	-	
Unquoted Investments	-	-	-	-	-	-
<b>Cash &amp; Cash Equivalents</b>	-	-		-	-	
Cash & Bank	-	-	2,20,12,891	-	-	7,25,24,657
<b>Bank balances other than cash and cash equivalents</b>	-	-	5,04,790	-	-	5,58,02,257
<b>Trade Receivables</b>	-	-	36,69,93,744	-	-	35,38,48,976
<b>Loans and advances</b>	-	-	48,14,80,641	-	-	46,17,16,920
<b>Other Financial Assets</b>	-	-	-	-	-	-

Particulars	31st March, 2022			31st March, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Borrowings</b>						
Long term Borrowings	-	-	11,13,53,805	-	-	16,47,62,689
Short Term Borrowings	-	-	4,83,89,480	-	-	3,73,11,901
<b>Trade Payables</b>	-	-	2,49,83,680	-	-	16,95,79,557
<b>Other Financial Liabilities</b>	-	-	7,69,410	-	-	29,73,820

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

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

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

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

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

### C Financial Instruments : Financial Risk Management

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

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

#### Risk management framework

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

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

#### i. Credit risk

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

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

#### Trade and other receivables

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

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

**Cash and cash equivalents**

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

**ii. Liquidity risk**

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

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

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

**Exposure to liquidity risk**

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

31st March, 2022	Contractual Cash Flows				
	Carrying Amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings :					
Long term Borrowings	15,97,05,784	4,83,51,980	4,41,30,676	5,13,32,060	1,58,91,068
Trade Payables	2,49,83,680	2,49,83,680	-	-	-
Other Financial Liabilities	3,11,13,540	3,11,13,540	-	-	-

31st March, 2021	Contractual Cash Flows				
	Carrying Amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings :					
Long term Borrowings	20,20,37,091	3,72,74,401	5,40,74,510	10,25,21,984	81,66,195
Trade Payables	16,95,79,557	16,95,79,557	-	-	-
Other Financial Liabilities	4,04,50,205	4,04,50,205	-	-	-

**iii. Market risk**

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



**Interest rate risk**

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

**Exposure to interest rate risk**

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

Particulars	31st March, 2022	31st March, 2021
Floating rate Borrowings	15,97,05,784	20,20,37,091

**Fair value sensitivity analysis for floating-rate instruments**

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

31st March, 2022	Increase / decrease in basis points	Effect on profit before tax
INR- Increase	100	15,97,058
INR- Decrease	100	(15,97,058)
31st March, 2021		
INR- Increase	100	20,20,371
INR- Decrease	100	(20,20,371)

**Capital management**

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

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

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

Particulars	31st March, 2022	31st March, 2021
Total Liabilities *	15,97,43,284	20,20,74,591
Less: Cash and cash equivalents	2,20,12,891	7,25,24,657
Adjusted net debt	13,77,30,393	12,95,49,934
Total equity	92,24,64,140	91,74,50,145
Adjusted equity	92,24,64,140	91,74,50,145
Adjusted net debt to adjusted equity ratio	0.15	0.14

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

**37 - Retirement Benefit Obligation****Retirement Benefits**

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

**A) Defined Benefit Plans**

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

Particulars	GRATUITY	
	31st March, 2022	31st March, 2021
Discount Rate (per annum)	7.00%	6.85%
Expected rate of return of plan assets	0.00%	0.00%
Rate of salary increase	7.00%	7.00%
Rate of employee turnover	10.00%	10.00%

**I) Change in Defined Benefit Obligation (DBO)**

Particulars	GRATUITY	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	12,56,174	11,55,801
Interest cost	84,178	72,228
Current Service Cost	3,51,606	2,75,912
Liabilities transfer in/Acquisitions		
Past Service Cost	-	-
Benefit Paid	-	-
Actuarial (Gain) / Losses on Obligation -Due to change in Financial Assumptions	(25,626)	(6,219)
Actuarial (Gain) / Losses on Obligation -Due to change in demographic assumption	-	-
Actuarial (Gain) / Losses on Obligation -Due to Experience	1,39,023	(2,41,548)
Closing Balance of Present Value of Obligation	<b>18,05,355</b>	<b>12,56,174</b>

**II) Change in the Fair Value of Plan Assets**

Particulars	GRATUITY	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of plan assets	-	-
Interest Income	-	-
Contribution by Employer	-	-
Assets transfer in/Acquisitions	-	-
Benefit Paid (-)	-	-
Expected Return of Plan Assets	-	-
Fair Value of Plan Assets as at 31st March	-	-

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

Particulars	GRATUITY	
	31st March, 2022	31st March, 2021
Present value of Funded Obligation	18,05,355	12,56,174
Fair Value of Plan Assets	-	-
Assets/(Liability) recognised in the Balance Sheet	(18,05,355)	(12,56,174)

**IV) Expenses Recognised in Statement of Profit & Loss Account**

Particulars	GRATUITY	
	31st March, 2022	31st March, 2021
Current Service Cost	3,51,606	2,75,912
Net Interest cost	84,178	72,228
Actuarial (Gain)/Loss	-	-
Total Expenses/(Gain) recognised in the Profit & Loss Account	4,35,784	3,48,140

**V) Expenses Recognised in Other Comprehensive Income (OCI)**

Particulars	GRATUITY	
	31st March, 2022	31st March, 2021
Actuarial (Gain) / Losses on obligation for the year	1,13,397	(2,47,767)
Return on plan assets excluding interest income	-	-
Net (Income) Expenses for the year Recognised in OCI	1,13,397	(2,47,767)

**VI) Balance Sheet Reconciliation**

Particulars	GRATUITY	
	31st March, 2022	31st March, 2021
Opening Net Liability	11,55,801	11,22,925
Expenses Recognised in statement of Profit & Loss Account	4,35,784	2,30,910
Expenses Recognized in OCI	1,13,397	(1,98,034)
Employer's Contribution	-	-
Net Liability/ (Asset) Recognised in the Balance Sheet	17,04,982	11,55,801

**Gratuity - Sensitivity Analysis :**

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

Particulars	31st March, 2022	31st March, 2021
Change in Discounting rate (delta effect of +/- 0.5%)	↑17,24,428	↑11,96,809
	↓18,93,367	↓13,20,836
Change in rate of Salary increase Rate (delta effect of +/- 0.5%)	↑18,72,671	↑13,09,382
	↓17,38,339	↓12,08,460
Change in rate of Employee Turnover (delta effect of +/- 10%)	↑18,10,460	↑12,56,146
	↓17,94,898	↓12,55,621

**38- Corporate Social Responsibility**

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, for FY 2021-22 the Company was required to spend Rs. 18,60,272/- (Rs 824,805/-) on Corporate Social Responsibility (CSR) activities.

Amount spent during the year on :

Particulars	Amount Spent in cash	Amount yet to be paid in cash	Total Amount
<b>31st March, 2022</b>			
Promote Social, Educational and Cultural development of the society	19,88,087	-	19,88,087
<b>31st March, 2021</b>			
Promote Social, Educational and Cultural development of the society	7,00,000	1,24,805	8,24,805

\*includes Rs. 124805 pertaining to previous year

**39- Ratio Analysis And Its Elements**

Sr. No.	Ratio	Numerator	Denominator	31st March, 2022	31st March, 2021	Reasons for Variance
1	Current ratio	Current Assets	Current Liabilities	2.54	2.33	
2	Debt- Equity Ratio	Total Debt	Total Networkth	0.17	0.22	Decrease in Debt is due to repayment of Debt
3	Debt Service Coverage ratio	Earnings for debt service (NPAT + Finance Costs - Interest Income+ Depreciation and amortisation)	Debt service (Interest and Principal Repayments made during the year	0.09	1.31	
4	Return on Equity ratio (%)	Net Profits after taxes	Average Shareholder's Equity	0.55%	13.81%	
5	Inventory Turnover Ratio (in days)	Cost of Goods Sold (Operating costs + changes in Inventories)	Average Inventory * 365	21	204	Due to COVID construction activity is slowdown
6	Trade Receivable Turnover Ratio (in days)	Average Trade Receivables * 365	Revenue from operations (The billing during the year is considered for revenue from projects)	2,364	200	Due to decrease in revenue from operation Trade Receivable is deffered

## 39- Ratio Analysis And Its Elements

Sr. No.	Ratio	Numerator	Denominator	31st March, 2022	31st March, 2021	Reasons for Variance
7	Trade Payable Turnover Ratio (in days)	Average Trade Payables * 365	Operating Costs and other expenses (Operating Costs include Operating Costs capitalised to projects)	487	101	Increase in Trade Payables ratio is on account of decrease in operating cost
8	Net Capital Turnover Ratio (%)	Revenue from operations	Working Capital	5.6%	64.8%	
9	Net Profit ratio (%)	Net Profits after taxes	Total Revenue	6.2%	18.5%	
10	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	0.01	0.16	
11	Return on Investment (%)	Net Profits after taxes	Total Assets	0.003	0.068	

## 40- Payments to Auditors

Particulars	31st March, 2022	31st March, 2021
As auditor		
Audit fee	4,50,000	4,50,000
Tax audit fee	50,000	50,000
In other capacity	40,000	60,000
<b>Total</b>	<b>5,40,000</b>	<b>5,60,000</b>

## 41- Contingent Liabilities, Capital Commitments And Other Commitments

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

Particulars	31st March, 2022	31st March, 2021
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledge as debts *		
<b>Commitments</b>		
Advance against Property	1,43,67,664	1,36,35,250

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

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

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

**43- Leases**

The lease expenses for cancellable and non-cancellable operating leases was Rs. 44,71,120/- ( For the F.Y. 2020-21 Rs. 49,50,000/-) for the year ended 31st March, There is no future minimum lease payments under non-cancellable operating lease.

**44- Other Statutory Information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - (ii) The Company does not have any transactions with companies struck off.
  - (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or
- (v) entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign (vi) entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

**As per our attached report of even date**

**For M/s Poddar A & Associates**

**Chartered Accountants**

**Firm Reg. No.131521W**

**For and on behalf of the Board of Directors**

**Kishan Kumar Kedia**

**Chairman & Managing Director**

**Atul Poddar**

**Proprietor**

**M. No. 107258**

**Place : Mumbai**

**Date : 18<sup>th</sup> May, 2022**

**Arun Kedia**

**Marketing Director**

**Falguni Padiya**

**Chief Financial Officer**

**Sanjay Kumar Kedia**

**Finance Director**

**Neha Verma**

**Company Secretary**

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