

Shankarlal Jain & Associates LLP

Chartered Accountants



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To,

The Board of Directors,
Garnet Construction Limited,
Mumbai.

Dear Sir,

Re: **Limited Review of Un-audited Financial Results for the period ended 30th September, 2017 in respect of Garnet Construction Limited**

Introduction

We have reviewed the accompanying statement of Un-audited Financial Results of **Garnet Construction Limited**, for the quarter ended **30th September, 2017**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a Report on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed issued by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed as audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review, conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited quarterly financial results prepared in accordance with recognition and measurement principles laid down in Ind AS 34 "Interim Financial reporting", specified under section 133 of the Companies Act, 2013 and other relevant rules issued there under read with SEBI Circular CIR/CFD/FAC/15/2015 dated November 30, 2015 and CIR/CFD/FAC/ 62/ 2016 dated July 5, 2016 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 read with Part A of schedule IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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We draw attention to the following matters:

- a. We draw attention to Note 3 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1st 2017 and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
- b. We are neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended September 30, 2016 and financial year ended March 31, 2017 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended September 30, 2016 and financial year ended March 31, 2017. As set out in Note 4 to the Statement, these figures have been furnished by the Management.

For **SHANKARLAL JAIN & ASSOCIATES LLP,**
CHARTERED ACCOUNTANTS
Firm Registration No. 109901W/W100082

SATISH JAIN
PARTNER
M. No. 048874



Place : MUMBAI
Dated : 14/12/2017

GARNET CONSTRUCTION LIMITED
 Regd. Office: 501/531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400053
 Unaudited Financial Results for the Quarter and Half Year Ended 30th September, 2017
 Statement of Profit and Loss

(Rs. in Lacs)

| SR. NO. | P A R T I C U L A R S | S T A N D A L O N E | | | | | |
|---------|---|---------------------|-------------|-----------------|-------------|-------------|-------------|
| | | Quarter Ended | | Half Year Ended | | Year Ended | |
| | | 30-Sep-2017 | 30-Jun-2017 | 30-Sep-2016 | 30-Sep-2017 | 30-Sep-2016 | 31-Mar-2017 |
| PART I | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Restated |
| 1 | Income from operations | | | | | | |
| 2 | (a) Net sales/income from operations | 364.09 | 342.31 | 392.53 | 706.40 | 861.49 | 1,397.20 |
| 3 | Other income | 71.04 | 3.61 | - | 74.65 | - | 7.05 |
| 4 | Total Revenue | 435.13 | 345.92 | 392.53 | 781.04 | 861.49 | 1,404.25 |
| | Expenses | | | | | | |
| | (a) Cost of materials consumed | 388.00 | 226.76 | 260.94 | 614.77 | 541.34 | 886.65 |
| | (b) Employee benefits expenses | 15.15 | 22.16 | 13.12 | 37.31 | 46.12 | 63.50 |
| | (c) Finance costs | 37.86 | 36.84 | 38.63 | 74.70 | 73.85 | 165.78 |
| | (d) Depreciation and amortisation expenses | 13.52 | 13.52 | 15.61 | 27.05 | 31.22 | 62.26 |
| | (e) Other expenses | 23.90 | 33.08 | 32.36 | 56.98 | 71.61 | 121.66 |
| 5 | Total expenses | 478.44 | 332.37 | 360.67 | 810.80 | 764.15 | 1,299.85 |
| 6 | Profit before exceptional and tax (3-4) | (43.31) | 13.55 | 31.86 | (29.76) | 97.33 | 104.40 |
| 7 | Exceptional items | - | - | - | - | - | - |
| 8 | Profit before and tax (5-6) | (43.31) | 13.55 | 31.86 | (29.76) | 97.33 | 104.40 |
| | Tax expense | | | | | | |
| | (a) Current tax | - | 4.06 | 1.99 | 4.06 | 6.99 | 33.00 |
| | (b) Deferred tax | (3.05) | - | - | -3.05 | - | -6.86 |
| | (c) (Excess) / short tax related to earlier years | 1.25 | - | - | 1.25 | - | - |
| 9 | Net Profit (Loss) for the period from continuing operations (7-8) | (41.52) | 9.49 | 29.87 | (32.03) | 90.34 | 78.26 |
| 10 | Profit/(loss) from discontinuing operations | - | - | - | - | - | - |
| 11 | Tax expense of discontinuing operations | - | - | - | - | - | - |
| 12 | Net Profit/(loss) from Discontinuing operations (after tax) (10 +-11) | - | - | - | - | - | - |
| 13 | Net Profit / (Loss) for the period / year (9 +-12) | (41.52) | 9.49 | 29.87 | (32.03) | 90.34 | 78.26 |
| 14 | Other Comprehensive Income | | | | | | |
| | A. Amount of items that will not be reclassified to profit and loss | 17.71 | (17.71) | 91.65 | - | - | - |
| | B. Income tax relating to items that will not be reclassified to profit or loss | 3.28 | (3.28) | 16.95 | - | - | - |
| | C. Amount of items that will be reclassified to profit and loss | - | - | - | - | - | - |
| | D. Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| 15 | Total Other Comprehensive Income | 14.43 | (14.43) | 74.69 | - | - | - |
| | Total Comprehensive Income for the period (13+-14) | (27.08) | (4.94) | 104.57 | (32.03) | 90.34 | 78.26 |
| | Details of Equity | | | | | | |
| | Paid-up equity share capital | 1,390.22 | 1,390.22 | 1,390.22 | 1,390.22 | 1,390.22 | 1,390.22 |
| | Face value of equity share capital | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| | Earnings per share for continuing and discontinued operations | | | | | | |
| | (a) Basic earnings (loss) per share from continuing and discontinued operations | (0.30) | 0.07 | 0.21 | (0.23) | 0.65 | 0.56 |

For GARNET CONSTRUCTION LIMITED

Director

| | | | | | | | |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|
| | (b) Diluted earnings (loss) per share from continuing and discontinued operations | (0.30) | 0.07 | 0.21 | (0.23) | 0.65 | 0.56 |
| PART II INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017 | | | | | | | |
| A | PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 | Public Shareholding : | | | | | | |
| | - Number of Shares | 76,28,123 | 76,28,123 | 76,28,123 | 76,28,123 | 76,28,123 | 76,28,123 |
| | - Percentage of Shareholding | 54.87 | 54.87 | 54.87 | 54.87 | 54.87 | 54.87 |
| 2 | Promoters and Promoters Group Shareholding | | | | | | |
| | a) Pledged/ Encumbered | | | | | | |
| | - Number of Shares | - | - | - | - | - | - |
| | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - | - | - |
| | - Percentage of Shares (as a % of the total share capital of the company) | - | - | - | - | - | - |
| | b) Non-encumbered | | | | | | |
| | - Number of Shares | 62,74,077 | 62,74,077 | 62,74,077 | 62,74,077 | 62,74,077 | 62,74,077 |
| | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | - Percentage of Shares (as a % of the total share capital of the company) | 45.13 | 45.13 | 45.13 | 45.13 | 45.13 | 45.13 |
| B | INVESTOR COMPLAINTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017 | | | | | | |
| | Pending at the beginning of the quarter | | - | | | | |
| | Received during the quarter | | - | | | | |
| | Disposed of during the quarter | | - | | | | |
| | Remaining unresolved at the end of the quarter | | - | | | | |

FOR GARNET CONSTRUCTION LIMITED

Director

GARNET CONSTRUCTION LIMITED

Regd. Office: 501/ 531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (W),
Mumbai - 400053

Statement of Assets and Liabilities as at 30th September, 2017

(Rs. In Lacs)

| Sr. No. | Particulars | S T A N D A L O N E | |
|----------|--|-----------------------------------|------------------------------|
| | | As at 30-Sep-2017 UnAudited | As at 31-Mar- Restated |
| A | ASSETS | | |
| 1 | <u>Non-current assets</u> | | |
| | (a) Property, Plant and Equipment | 582.56 | 609.61 |
| | (b) Financial Assets | | |
| | (i) Investments | 307.31 | 307.31 |
| | (ii) Loans | 94.34 | 94.34 |
| | Sub-total- Non- current assets | 984.21 | 1,011.26 |
| 2 | <u>Current Assets</u> | | |
| | (a) Inventories | 9,889.26 | 8,943.93 |
| | (b) Financial Assets | | |
| | (i) Trade receivables | 1,501.19 | 6,283.57 |
| | (ii) Cash and Cash equivalents | 1.29 | 45.22 |
| | (iii) Short-term loans and advances | 2,090.88 | 1,765.38 |
| | (c) Other current assets | 0.83 | 0.83 |
| | Sub-total- current assets | 13,483.45 | 17,038.94 |
| | TOTAL ASSETS | 14,467.66 | 18,050.19 |
| B | <u>EQUITY AND LIABILITIES</u> | | |
| 3 | <u>EQUITY</u> | | |
| | (a) Equity Share Capital | 1,390.22 | 1,390.22 |
| | (b) Other Equity | 6,112.84 | 6,144.87 |
| | Sub-total- Equity | 7,503.06 | 7,535.09 |
| | <u>LIABILITIES</u> | | |
| 4 | <u>Non-current liabilities</u> | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 3,347.69 | 2,687.22 |
| | (b) Deferred tax liabilities (net) | 116.57 | 119.62 |
| | (c) Other non-current liabilities | 1.00 | 1.00 |
| | Sub-total- Non- current liabilities | 3,465.27 | 2,807.84 |
| 5 | <u>Current liabilities</u> | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 70.00 | 74.86 |
| | (ii) Trade payables | 949.72 | 551.65 |
| | (b) Other current liabilities | 2,275.74 | 6,909.56 |
| | (c) Short-term provisions | 203.87 | 171.19 |
| | Sub-total- current liabilities | 3,499.33 | 7,707.26 |
| | TOTAL -EQUITY AND LIABILITIES | 14,467.66 | 18,050.19 |

FOR GARNET CONSTRUCTION LIMITED

Director

GARNET CONSTRUCTION LIMITED

Note 9: 1) Reconciliation of Balance Sheet as per previous IGAAP and Ind AS *

(Rs. In Lacs)

| PARTICULARS | Reference Explanation | As at March 31, 2017 | | |
|--|--------------------------|----------------------|------------|----------|
| | | Previous IGAAP | Adjustment | Ind AS |
| ASSETS | | | | |
| Non-current assets | | | | |
| (a) Property, Plant and Equipment | | 609.61 | 0.00 | 609.61 |
| (b) Financial Assets | | | | |
| (i) Investments | | 307.31 | 0.00 | 307.31 |
| (ii) Loans | | 94.34 | 0.00 | 94.34 |
| Total Non Current Assets | | 1011.26 | 0.00 | 1011.26 |
| Current Assets | | | | |
| (a) Inventories | Note 3 | 10379.10 | -1435.17 | 8943.93 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | Note 3 | 3991.90 | 2291.68 | 6283.57 |
| (ii) Cash and Cash equivalents | | 45.22 | 0.00 | 45.22 |
| (iii) Short-term loans and advances | | 1765.38 | 0.00 | 1765.38 |
| (c) Other current assets | | 0.83 | 0.00 | 0.83 |
| Total Current Assets | | 16182.43 | 856.51 | 17038.94 |
| Total Assets | | 17193.68 | 856.51 | 18050.19 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| (a) Equity Share Capital | | 1390.22 | 0.00 | 1390.22 |
| (b) Other Equity | Note 3 | 5446.82 | 698.06 | 6144.87 |
| Sub-total- Equity | | 6837.04 | 698.06 | 7535.09 |
| Non-current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | | 2687.22 | 0.00 | 2687.22 |
| (b) Deferred tax liabilities (net) | | 119.62 | 0.00 | 119.62 |
| (c) Other non-current liabilities | | 1.00 | 0.00 | 1.00 |
| Sub-total- Non- current liabilities | | 2807.84 | 0.00 | 2807.84 |
| Current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | | 74.86 | 0.00 | 74.86 |
| (ii) Trade payables | | 551.65 | 0.00 | 551.65 |
| (b) Other current liabilities | | 6909.56 | 0.00 | 6909.56 |
| (c) Short-term provisions | Note 3 | 12.74 | 158.45 | 171.19 |
| Sub-total- current liabilities | | 7548.81 | 158.45 | 7707.26 |
| Total Equity & Liabilities | | 17193.68 | 856.51 | 18050.19 |

* for the purpose of the above disclosure, figures for the previous GAAP have been reclassified to conform presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule III of the Companies Act 2013

For GARNET CONSTRUCTION LIMITED

Director

GARNET CONSTRUCTION LIMITED

Note 9: 2) Reconciliation of total comprehensive income for the year ended March 31, 2017

(Rs. In Lacs)

| PARTICULARS | Reference Explanation | Regrouped IGAAP | Adjustment | Ind AS |
|---|--------------------------|--------------------|------------|----------|
| Continuing operations | | | | |
| Income from operations | Note 3 | 1,135.20 | 262.01 | 1,397.20 |
| (a) Net sales/income from operations | | | | |
| Other income | | 7.05 | - | 7.05 |
| Total Revenue | | 1,142.25 | 262.01 | 1,404.26 |
| Expenses | | | | |
| (a) Cost of materials consumed | Note 3 | 567.93 | 318.72 | 886.65 |
| (b) Employee benefits expenses | | 63.50 | | 63.50 |
| (c) Finance costs | | 165.78 | | 165.78 |
| (d) Depreciation and amortisation expenses | | 62.26 | | 62.26 |
| (e.) Other expenses | | 121.66 | | 121.66 |
| Total expenses | | 981.13 | 318.72 | 1,299.85 |
| Profit before and tax | | 161.12 | (56.72) | 104.40 |
| Tax expense | | | | |
| (a) Current tax | | 33.00 | | 33.00 |
| (b) Deferred tax | | (5.48) | | (5.48) |
| (c.) (Excess) / short tax related to earlier years | | (1.38) | | (1.38) |
| Total tax expenses | | 26.14 | - | 26.14 |
| Profit for the year | | 134.98 | (56.72) | 78.26 |
| Other comprehensive income | | | | |
| A) Items that will not be reclassified to Profit & Loss | | | | |
| -Remeasurement of post employment benefit Obligation | | - | | - |
| -Fair Value changes in Financial Assets | | - | | - |
| -Income tax relating to these items | | - | | - |
| Total comprehensive income for the year | | 134.98 | (56.72) | 78.26 |

* The IGAAP figures have been reclassified to confirm to the Ind AS presentation requirements for the purpose of this note

For GARNET CONSTRUCTION LIMITED

Director

GARNET CONSTRUCTION LIMITED

Note 9: 3) Reconcilisation of Total Equity as at 31st March 2017

| | | (Rs. In Lacs) |
|--|------------|--------------------------|
| PARTICUALRS | Refer Note | As at 31st March 2017 |
| Other equity as per previous GAAP | | 5,446.82 |
| Changes on account of Change in Accounting Policy (Impact for the year) | Note 3 | (56.72) |
| Changes on account of Change in Accounting Policy (Impact for previous years) | Note 3 | 754.77 |
| Other Equity as per Ind AS | | 6,144.87 |
| The Equity share capital componet of Total Equity has no change from previous GAAP, Hence not considered above | | |

For GARNET CONSTRUCTION LIMITED

Director

GARNET CONSTRUCTION LIMITED

Regd. Office: 501/531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400053

Notes:

- 1 The above unaudited results for the quarter and half year ended 30th September, 2017 have been reviewed by the Audit Committee of the Board and subsequently approved by the Board of Directors at its meeting held on 14 December, 2017 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further the same have been reviewed by Statutory Auditors of the Company.
- 2 The Cost of materials consumed for the quarter ended 30th September, 2017 contains sales returns during the same period of Rs. 1075.72 lacs
- 3 The Company adopted Indian Accounting Standard ("Ind AS") from April 1, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. Financial results for all period presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34. As per Ind AS 11, the revenue recognition has been done by the company on the basis of percentage basis completion method for project under development which was not followed in past.
- 4 The financial results for the quarter and half year ended 30th September, 2016 and financial year ended 31st March, 2017 have not been reviewed or audited and have been presented based on the information compiled by the Management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS.
- 5 During the period ended 30th September 2017, the company is in process to introduce its first defined benefit plans for the permanent employees. Till the period ended March 2017, the company was accounting the post-employment employee benefits outflow on cash basis. The plan is in process and not implemented thus impact analysis shall be provided in subsequent quarters.
- 6 During the period ended 30th September 2017, the Company has carried its investments at cost which is also considered as the fair value in the absence of necessary details to arrive at the fair value. The company would review the position in the subsequent quarters.
- 7 In the terms of Accounting Standard -17 "Segmental Reporting", the Company operates in a single business segment i.e. "Real Estate \ Real Estate Development" and substantial activities are carried out in India.
- 8 Reconciliation between Standalone financial results as previously reported (referred to as 'Previous GAAP') and Ind AS for quarter and half year ended September 30, 2016
 - A. For the quarter ended 30th September 2016, the revenues are on the basis of percentage completion method for project under development is increased by Rs. 93.03 lacs & cost of material on the same is increased by Rs. 65.72 lacs
 - B. For the half ended 30th September 2016, the revenues are on the basis of percentage completion method for project under development is increased by Rs. 253.27 lacs cost of material on the same is increased by Rs. 193.68 lacs
- 9 Reconciliation between Standalone financial results as previously reported (referred to as 'Previous GAAP') and Ind AS for year ended 31st March, 2017 is given as
 1. Reconciliation of Balance Sheet as per previous GAAP and Ind AS *
 2. Reconciliation of total comprehensive income for the year ended March 31, 2017
 3. Reconciliation of Total Equity as at 31st March 2017

**For GARNET CONSTRUCTION LIMITED
For and on behalf of Board of Directors**

Date: 14th December, 2017
Place: Mumbai

Kishan Kumar P. D. K.
Chairman & Managing Director