

ANNUAL REPORT

2018-2019

37th Annual Report



GARNET
INTERNATIONAL

BOARD OF DIRECTORS OF THE COMPANY



Mr. Suresh Gaggar,
Executive Chairman

Mr. Suresh Gaggar has been associated with Garnet International Limited since the day of its inception, bringing with him more than 35 years of business acumen in capital markets and financial services.

Having experienced the peaks and troughs of the business, he has a deep understanding of the intricacies of the Indian financial markets. A post graduate in Commerce from the University of Rajasthan, he has the right mix of strong business roots and a history of courageous business decisions with decades of rich experience in the industry.

With a keen eye for the potentially successful businesses, he invests not only on the USP and the business case, but also people. He can connect with people across generations, making him one of the most dynamic people in the organization, fluidly co-existing with ideas of the past, truth of the present and the potential in the future. His strong analytical bent of mind combined with his rich industry involvement makes him known among his esteemed peers for rock-solid foresight in the equity market.

He believes in the idea of running the organisation like that of a lean start-up with enough fodder for the mind and soul and strives to create an office eco-system conducive to human growth and its potential.

While his heart is entrenched into business cases and bottom-line, he has his soul deep-rooted into the idea of giving back to the world what it gave to him. Engaging in broad realms of philanthropic activities with NGOs and NPOs, his theory in life is that life has no theory and that everyone has their destined purpose.



Mr. Ramakant Gaggar,
Managing Director

Mr. Ramakant Gaggar brings to the organization 23 years of rich experience in the capital markets and financial services.

With robust expertise in areas of compliance, his extensive knowledge and his vigor and zest for keeping the gears moving, he is known to run the everyday operations of the organization.

Possessing complete control over the organization's backend working, he is the coveted expert in arenas of Corporate Governance, Compliance, Company Law and the daily functioning of Garnet International Limited.



Dr. Jaswantsingh Patil,
Non-Executive Independent Director

Dr. Jaswantsingh Dilipsingh Patil is a MBBS, M.D (Chest), B.H.M.S, MD (Alternative Therapies). Dr. Patil is a Mentor & PG Guide at Hanhemann College of Homeopathy, UK Founder & Chief Visionary DEEP GANGA GROUP. Dr. Patil was also an EX-Lecturer in K.E.M Hospital, Mumbai. He has 29 years of experience in Allopathy, 16 years of experience in Homoeopathy and 12 years of experience in different alternative therapies 1999 onwards.

He is a renowned Cardiologist as well as a Celebrated Homeopath. He has successfully treated many patients of Pulmonary Tuberculosis, Multiple Sclerosis and Gynecological disorder.

He is the founder and chairman of Deep Ganga Foundation.

BOARD OF DIRECTORS OF THE COMPANY



Mrs. Sandhya Lotlikar,

Non Executive Independent Women Director

Ms. Sandhya brings together 25 years of rich experience in Investment Compliance and organizational Management. Previously she has held Management positions at an Investment trust Company and leading education conglomerate. She holds a Bachelor of Arts degree from the University of Mumbai.



Mr. Sharad Rathi

Non-Executive Non Independent Director

With 25 years of strong industry experience, Mr. Sharad Rathi brings a competitive edge to the company in matters relating to project finance, working capital, securitization and capital allocation. He is an independent Director of the company.

A graduate in commerce from Mumbai University and a Fellow Chartered Accountant, his expertise includes managing IPOs, private equity and debt assignments across industries such as healthcare, power, textiles, infrastructure, retail and entertainment.

With his career experience in Merchant Banking, Mr. Sharad Rathi had played a pivotal role for several large & reputed corporates across various sectors.

He also manages an advisory firm which provided independent consultancy for financial and equity related matters.



Vishnu Kanth Bhangadia

Non Executive Independent Director

Mr. Vishnu Kant Bhangadia aged about 36 years has done his graduation and has experience in various fields including industrial and pharmaceuticals areas and is also having the knowledge of administrative and compliance related aspects of the Company.

He is whole time director of Shalimar Agencies Limited.

Board of Directors

Mr. Suresh Gaggar	Chairman Executive Director
Mr. Ramakant Gaggar	Managing Director
Mr. Sharad Rathi	Non-Executive Non Independent Director
Dr. Jaswantsingh Patil	Non-Executive Independent Director
Mrs. Sandhya Lotlikar	Non-Executive Independent Director
Mr. Vishnu Kanth Bhangadia	Non-Executive Independent Director

Chief Financial Officer

Mr. Sanjay Ravindra Raut

Company Secretary and Compliance officer

Mrs. Deepika Pandey

Registered Office

901, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400 021

Statutory Auditor

M/s. M.V.K & Associates (FRN: 120222W), Chartered Accountants, Mumbai

Banker

HDFC Bank Limited

Registrar & Transfers Agents

Link Intime India Private Ltd, Address: C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai-400083

Phone: 022 49186270, Fax: 022 49186060, e-mail: rnt.helpdesk@linkintime.co.in

Shares Listed on: BSE Limited (code: 512493)

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NOTICE

Notice is hereby given that the 37th Annual General Meeting (AGM) of Members of **Garnet International Limited** will be held on Monday, 30th September, 2019, at 4.00 p.m., at 901, Raheja Chambers, Nariman Point, Free Press Journal Marg, Mumbai - 400021 Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. Audited Standalone Financial Statement for the year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
 - b. Audited Consolidated Financial Statement for the year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon
2. To appoint a director in place of Mr. Ramakant Gaggar (DIN:01019838), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Statutory Auditor to fill casual vacancy:

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(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. B.M Gattani & Co., Chartered Accountants, (Firms Registration No. 113536W), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. MVK Associates, Chartered Accountants, (ICAI Registration No. 120222W).

RESOLVED FURTHER THAT M/s. B.M Gattani & Co., Chartered Accountants, (Firms Registration No. 113536W) be and are hereby appointed as Statutory Auditors of the Company to hold the office from 16th August, 2019, until the conclusion of this Annual General Meeting (37th) of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”

4. Appointment of Statutory Auditor:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution **as an Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. B.M Gattani & Co., Chartered Accountants, (Firms Registration No. 113536W), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting of the Company to be held in the year 2024, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”

5. To Appoint Mrs. Sandhya Lotlikar, as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution **as an Ordinary Resolution**:-

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time, Mrs. Sandhya Lotlikar (DIN 08329535), who was appointed by the Board as an additional Non-Executive Independent director w.e.f 11th January, 2019, pursuant

to provisions of Section 161 of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Independent Director and who has also submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 consecutive years, that is, up to 29th September, 2025.”

6. To Appoint Mr. Vishnu Kanth Bhangadia, as an Independent Director of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution **as an Ordinary Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time, Mr. Vishnu Kanth Bhangadia (DIN 02405217), who was appointed by the Board as an additional Non-Executive Independent director w.e.f. 29th May, 2019, pursuant to provisions of Section 161 of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Independent Director and who has also submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 consecutive years, that is, up to 29th September, 2025.”

7. To Change the designation of Mr. Sharad Rathi, from Non-Executive-Independent Director to Non-Executive-Non-Independent Director of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution **as an Ordinary Resolution**:-

“**RESOLVED THAT** approval of the members of the Company has been granted pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time, for change in designation of Mr. Sharad Rathi, from Non Executive Independent Director to Non Executive Non Independent Director of the Company eligible to retire by rotation.”

8. Approval to grant loan pursuant to Section 185 of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification, the following resolution **as an Special Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other rules, regulations, notifications and circulars issued (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time) and the relevant provisions of the Memorandum and Articles of Association of the Company and in furtherance to the existing loans given, the consent of the Members be and is hereby accorded for grant of loans or issue of Corporate Guarantee or providing Security for an amount not exceeding 100 Crores, in aggregate to Sukartik Clothing Private Limited, a Material Subsidiary of the Company on such terms and conditions as may be mutually agreed upon.

RESOLVED FURTHER THAT Board of Directors of the Company, Mr. Sanjay Raut, Chief Financial Officer and or Mrs. Deepika Pandey, Company Secretary of the Company, be and are hereby severally authorized to negotiate and decide from time to time, the terms and conditions, execute necessary documents, papers, agreements, etc for the aforesaid grant of loans or issue of Corporate Guarantee or providing Security to the subsidiaries of the Company and to do all such acts, deeds and things and to give such directions as may be necessary or expedient in its absolute discretion as it deems fit and such decisions shall be final and binding on the Company and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or any other Officer in this regard.”

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item No(s). 3, 4, 5, 6, 7 and 8 above and the relevant details of the Directors seeking re – appointment under Item No(s). 5 and 6 above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM. The Proxy form, forms a part this Annual Report.

The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before commencement of the AGM. A Proxy form is annexed to the Annual Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital carrying voting rights may appoint single person as a proxy and such person shall not act as proxy for any other member.

A Proxy-holder shall prove his identity at the time of attending the Meeting. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the AGM.

In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

3. **Book Closure:** the Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive), for the purpose of the AGM of the Company.
4. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

SEBI vide Press Release dated 27th March, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of 31st March, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.

5. Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):
 - A Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as “IEPF Rules”), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

- B. During the financial year 2018 – 19, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

Sr. No.	Particular	Amount of Dividend	No of shares
1	Final Dividend for the Financial Year 2009-10 transfer in financial year 2017-18	82,001.00	6425
2	Final Dividend for the Financial Year 2010-11	64771.00	649

The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at <https://garnetint.com/iepf/> and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the Link (www.iepf.gov.in).

6. Members are requested to hand over the Attendance Slip, duly signed in accordance with the specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
7. Documents open for inspection:
- A. During the period beginning 24 (twenty-four) hours before the time fixed for the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 (three) days of advance notice in writing is given to the Company;
- B. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the AGM; and
- C. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM
8. Green Initiative:
- A. Electronic copy of the Notice convening the 37th AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company/Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.
- B. Members, who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
9. Procedure for voting:
- A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:
- (i) by electronic means through the remote e-voting platform provided by the National Securities Depository Limited (NSDL). The remote e-Voting period will commence on Friday, 27th September, 2019 at 9.00 a.m. and will end on Sunday, 29th September, 2019 at 5.00 p.m. The remote e-voting module will be disabled by NSDL for voting thereafter. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 23rd September, 2019, may cast their votes through remote e-Voting. Instructions and information relating to e-voting are as follows:

Instructions

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

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 ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services 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 :

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 holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details 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, your ‘initial password’ is communicated to you on your registered address.
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.
 - b. “Physical User Reset Password?” (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
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 on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail cssiddharthsharma@gmail.com to with a copy marked to evoting@nsdl.co.in.
 2. 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 to reset the password.
 3. 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- A. Members who have cast their votes by remote e-Voting prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again.
 - B. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Monday, 23rd September, 2019.
 - C. The Company has appointed M/s Siddharth Sharma & Associates, Practice Company Secretary Firm, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - D. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
 - E. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website www.garnetint.com and on NSDL website <https://www.evoting.nsdl.com> immediately after the result is declared by the Chairman.
10. All correspondence including share transfer documents should be addressed to the RTA of the Company viz. Link Intime India Private Limited, C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083, Tel:022- 49186000, e-mail: rnt@linkintime.co.in.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
12. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
13. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the AGM.
14. A route map showing directions to reach the venue of the 37th AGM is given along with this Annual Report as per the requirement of the Secretarial Standards - 2 on General Meetings.
15. Members desirous of asking any questions at the AGM are requested to send in their questions so as to reach the Company at least 10 days before the AGM, so that the same can be suitably replied.

By Order of the Board of Directors,

DEEPIKA PANDEY
Company Secretary
ACS No: 41277

Mumbai, 16th August, 2019

Registered Office:

901, Raheja Chambers, Free Press Journal Marg,
Nariman Point Mumbai 400021
CIN: L74110MH1995PLC093448
Email ID: secretarial@garnetint.com
Website: www.garnetint.com

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned from Item Nos. 3 to 8 of the accompanying Notice dated 16th August, 2019.

ITEM NO. 3:

The Members of the Company at its 36th AGM held on Monday, 10th September, 2018 had appointed M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W) as the Statutory Auditors of the Company for second term to hold office from the conclusion of this Meeting till the conclusion of the 40th Annual General Meeting of the Company.

M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W) vide their letter dated 16th August, 2019 have resigned from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 16th August, 2019 as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed M/s. B.M Gattani & Co., Chartered Accountants, (Firms Registration No. 113536W), to hold office as the Statutory Auditors of the Company till the conclusion of 37th AGM and to fill the casual vacancy caused by the resignation of M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W) subject to the approval by the members at the 37th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.

The Company has received consent letter and eligibility certificate from M/s. B.M Gattani & Co., Chartered Accountants, (Firms Registration No. 113536W), to act as Statutory Auditors of the Company in place of M/s. MVK Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 120222W) along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members

ITEM NO. 4

The Board of Directors at its meeting held on 16th August, 2019, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s. B.M Gattani & Co., Chartered Accountants, (Firms Registration No. 113536W), as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 37th AGM, till the conclusion of the 42nd AGM of the Company to be held in the year 2024, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.

The Company has received consent letter and eligibility certificate from M/s. B.M Gattani & Co., Chartered Accountants, (Firms Registration No. 113536W) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members.

Item No.5:

Pursuant to the provisions of section 149 of Companies Act 2013, and Rule 4 of the Companies (appointment and qualification of Directors) Rules, 2014 every listed Company shall have at least two directors as Independent Directors, on their Board who are not liable to retire by rotation.

The Board of Directors vide resolution dated 11th January, 2019 has appointed Mrs. Sandhya Lotlikar, as Additional Non Executive Independent Director of the Company, who is holding office till the conclusion of the this Annual General Meeting and who has also submitted a declaration that they meet the criteria of independence as prescribed under Section 149 of the Act and Listing Regulation. Hence on the recommendation of Nomination, Remuneration and compensation committee and Board of Directors Mrs. Sandhya Lotlikar is appointed as Independent director of the Company for a period of five consecutive years. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mrs. Sandhya Lotlikar, as Independent Directors is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The profile of Mrs. Sandhya Lotlikar is given below in Annexure-I

Item No. 6:

Pursuant to the provisions of section 149 of Companies Act 2013, and Rule 4 of the Companies (appointment and qualification of Directors) Rules, 2014 every listed Company shall have at least two directors as Independent Directors, on their Board who are not liable to retire by rotation.

The Board of Directors vide resolution dated 29th May, 2019 has appointed Mr. Vishnu Kanth Bhangadia, as Additional Non Executive Independent Director of the Company, who is holding office till the conclusion of the this Annual General Meeting and who has also submitted a declaration that they meet the criteria of independence as prescribed under Section 149 of the Act and Listing Regulation. Hence on the recommendation of Nomination, Remuneration and compensation committee and Board of Directors Mr. Vishnu Kanth Bhangadia is appointed as Independent director of the Company for a period of five consecutive years. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Vishnu Kanth Bhangadia, as Independent Directors is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The profile of Mr. Vishnu Kanth Bhangadia is given below in Annexure-I.

Item No.7:

Mr. Sharad Rathi, who was acting as Independent Director of the Company, has given declaration to the Company on 29th May, 2019 that he ceases the criteria of being Independent Director of the Company, as required pursuant to provisions of the Section 149 of the Companies Act, 2013. In view of such declaration and pursuant to recommendation of Nomination and Remuneration of the Committee of the Company it was decided to change the designation of Mr. Sharad Rathi, from Non executive Independent Director to Non -Executive Non Independent Director of the Company eligible to retire by rotation. Hence in accordance with the provision of the Companies Act, 2013 the matter for change in designation of Mr. Sharad Rathi is placed before the members of the Company for their approval.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.7.

Item No.8:

The Company is currently in the phase of growth by itself and through its subsidiary Company i.e. Sukartik Clothing Private Limited, for which there is an ongoing requirement for funds, loans by the subsidiaries. Also, various loans obtained by subsidiaries require the holding company to provide security or give guarantee for these said loans.

Accordingly, in order to meet these funding requirements and ensure necessary compliances of the provisions of The Act, the Board of Directors, hereby proposes to grant loans or provide guarantee/security to Subsidiary Sukartik Clothing Private Limited i.e. upto an aggregate amount of Rs.100 Crores.

In view of the recent amendments to Section 185 of the Act, vide the Companies (Amendment) Act, 2017, no Company shall grant any loan to any person or body corporate or give any guarantee or provide any security to any loan taken by any person or body corporate the Board of Directors whereof are accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company without the prior approval of the Shareholders by means of a Special Resolution

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in anyway, concerned or interested, financially or otherwise, in the aforesaid Special Resolution set out at Item No. 8 of this Notice

The Board recommends the Special Resolutions set out at Item No. 8 of the Notice for approval by the members.

By Order of the Board of Directors,

DEEPIKA PANDEY
Company Secretary and Compliance officer
ACS No: 41277

Mumbai, 16th August, 2019

Registered Office:

901, Raheja Chambers, Free Press Journal Marg,
Nariman Point Mumbai 400021
CIN: L74110MH1995PLC093448
Email ID: secretarial@garnetint.com
Website: www.garnetint.com
Tel No: 91-022-22820714