

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the Members of Karnavati Finance Limited will be held on Tuesday, September 29, 2020 at 03:30 P.M. IST through video conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following businesses:

Ordinary Businesses:-

1. To receive, consider and adopt audited financial statement of the Company for the financial year ended on March 31, 2020 and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Jay Morzaria (DIN: 02338864), Managing Director of the Company, who retires by rotation and being eligible, seek re-appointment.

Explanation: Based on the terms of appointment, executive directors are subject to retirement by rotation. Mr. Jay Morzaria (DIN 02338864), who was appointed as Managing Director, and is the longest-serving member on the Board, retires by rotation and, being eligible, seeks re-appointment.

To the extent that Mr. Jay Morzaria (DIN: 02338864) is required to retire by rotation, he would need to be reappointed as such. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the reappointment of Mr. Jay Morzaria (DIN: 02338864) as such, to the extent that he is required to retire by rotation."

Special Businesses:-

3. **To appoint Ms. Vinita Ajaybhai Parekh (DIN: 08739757) as Non-executive Independent Director on the board of the Company:**

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 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Ms. Vinita Ajaybhai Parekh (DIN: 08739757), who was appointed as an Additional (Non-Executive Independent) Director of the company with effect from May 06, 2020 and whose term expires at this AGM and in respect of whom the company has received a notice in writing under section 160(1) of the act from a member proposing her candidature for the office of director, be and is hereby appointed as Non-executive Independent Director of the company, not liable to retire by rotation, for a term of five consecutive years, that is, up to the period of May 05, 2025."

"RESOLVED FURTHER THAT the Executive Directors of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Maharashtra, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution."

4. **To appoint Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) as Non-executive Director on the board of the Company:**

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 152 of the Companies Act, 2013 ("the Act") and the companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Mr. Kashyap Bharatkumar Vyas (DIN: 08747756), who was appointed as an Additional (Non-Executive) Director of the company with effect from May 26, 2020 and whose term expires at this AGM and in respect of whom the company has received a notice in writing under section 160(1) of the act from a member proposing his candidature for the office of director, be and is hereby appointed as Non-Executive Director of the company, whose office shall be liable for retire by rotation."

"RESOLVED FURTHER THAT the Executive Directors of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Maharashtra, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution."

5. **To appoint Mr. Vineshkumar Popatlal Makadia (DIN: 00362318) as Non-executive Director on the board of the Company:**

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 152 of the Companies Act, 2013 ("the Act") and the companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Mr. Vineshkumar Popatlal Makadia (DIN: 00362318), who qualifies for being appointed as a non-executive director and in respect of whom the company has received a notice in writing under section 160(1) of the act from a member proposing his candidature for the office of director, be and is hereby appointed as Non-Executive Director of the company subject to the approval of Reserve Bank of India, whose office shall be liable for retire by rotation."

"RESOLVED FURTHER THAT the Executive Directors of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Maharashtra, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution."

6. **To increase the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in suppression of the resolution passed by the shareholders of the company in their duly convened Annual General Meeting held on September 6, 2014 authorizing the Board of Directors of the Company to borrow money from banks/financial institutions and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, and the Rules made there under, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and in accordance with the Articles of Association of the Company, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time such sum or sums of money, by way of loans, issuance of bonds, notes, debentures or other securities whether convertible into equity/ preference shares or not, from banks, financial or other institution(s), investors, mutual fund(s), or any other persons including related parties, group companies, business associates etc., whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise, whether secured or unsecured, as they may deem fit notwithstanding however, that the total borrowings exceed the aggregate of paid-up capital and free reserves of the company, provided however that the aggregate of amounts so borrowed and outstanding at any one time (apart from temporary loans obtained

from the company's bankers in the ordinary course of business) shall not exceed an amount of Rupees 50 Crores (Rupees Fifty Crores) exclusive of interest.

"RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deeds, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution.

7. Restructuring of loans and extension in loan tenure on request of the customers:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT the approval of Members of the Company be and is hereby accorded to the Board of Directors for extending tenure of loan, on the request of the customers and the said extension shall include restructuring of the loan amount on case to case basis with the prior approval of board of directors or any committee made thereof.

RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deeds, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution.

Registered Office

705, Palm Spring Centre, Above Croma, Near New Infinity Mall,
Link Road, Malad (West), Mumbai - 400064, Maharashtra.

By order of the Board
For, Karnavati Finance Limited

Place: Jamnagar

Date: August 31, 2020

Notes:

Jay Morzaria
Managing Director
DIN: 02338864

- In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 22/2020 dated June 15, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 36th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only.

The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 19 and available at the Company's website www.karnavatifinancelimited.com. The deemed venue for the AGM shall be the Registered Office of the Company.

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the special businesses is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard II on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this Annual General Meeting ("AGM") are also annexed.
- Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 8, 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 and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to krishivadvisory@gmail.com with copies marked to the Company at karnavatifinance@gmail.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.co.in.
- 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.
- Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
- In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.karnavatifinancelimited.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.
- Those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted, by following the procedure given below;
 - 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 email to karnavatifinance@gmail.com.
 - 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 karnavatifinance@gmail.com.
 - Alternatively member may send an e-mail request to evoting@nsdl.co.in in for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.
 - It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Satellite Corporate Services Private Limited ("SCSPL"), having its office at Office no. 106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Safedpulp, Sakinaka, Mumbai - 400 072 by following the due procedure.

- (e) Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, SCSPL to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
9. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker, are requested to write to the Company mentioning their name demat account number/folio number, email id, mobile number at karnavatifinance@gmail.com on or before September 19, 2020 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
12. In case of joint holders attending the AGM together, only holder whose name appearing first will be entitled to vote.
13. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of 36th AGM and same will be re-opened from Wednesday, September 30, 2020 onwards.
14. 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 period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, SCSPL for assistance in this regard.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to SCSPL in case the shares are held in physical form.
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members can contact their DP in case the shares are held in electronic form and to SCSPL in case the shares are held in physical form.
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or SCSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
19. **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**
- i. 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 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 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, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
- ii. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of 36th AGM and same will be re-opened from Wednesday, September 30, 2020 onwards. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Tuesday, September 22, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Tuesday, September 22, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- iv. The remote e-voting will commence on 9:00 A.M. on Saturday, September 26, 2020 and will end on 5:00 P.M. on Monday, September 28, 2020. During this period, the members of the Company holding shares as on the Cut-off date i.e. Tuesday, September 22, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Tuesday, September 22, 2020.
- vii. The Company has appointed CS Anand S Lavingia, Practicing Company Secretary (Membership No. ACS: 26458; CP No: 11410), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

The remote e-voting period begins on 9:00 A.M. on Saturday, September 26, 2020 and will end on 5:00 P.M. on Monday, September 28, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

Step 1. Log-in to NSDL e-Voting system at www.evoting.nsdl.com.

Step 2. Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:**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: 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 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:

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 folio number is 001*** and EVEN is 101456 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, you can send a request at evoting@nsdl.co.in or at karnavatifinance@gmail.com mentioning your demat account number/folio number, your PAN, your name and 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.

Details on Step 2 is given below:**How to 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 company for which you wish to cast your vote.
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 to krishivadvisory@gmail.com with copies marked to the Company at karnavatifinance@gmail.com and to National Securities Depository Limited (NSDL) at 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.

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.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING:

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 casted 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.

CONTACT DETAILS

Company	KARNAVATI FINANCE LIMITED "Vraj", 05 th Floor, Opp. Hotel President, Near Bhumi Press, Limda Lane, Jamnagar-361001, Gujarat Phone No.: 0288 2663042; E-Mail ID: karnavatifinance@gmail.com; Website: www.karnavatifinancelimited.com
Registrar and Transfer Agent	SATELLITE CORPORATE SERVICES PRIVATE LIMITED Office no. 106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Safedpul, Sakinaka, Mumbai-400072 E-Mail ID: service@satellitecorporate.com; Phone No.: 022 28520461
E-Voting Agency & VC / OAVM	Email: evoting@nsdl.co.in NSDL help desk 1800-222-990
Scrutinizer	Mr. Anand S Lavingia Email: krishivadvisory@gmail.com; Tel No.: +91 79 - 4005 1702

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at karnavatifinance@gmail.com. The same will be replied by the company suitably.

Annexure to Notice - Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013 and Secretary Standard 2 on General Meetings

Item No. 3**To appoint Ms. Vinita Ajaybhai Parekh (DIN: 08739757) as Non-executive Independent Director on the board of the Company: ORDINARY RESOLUTION**

Ms. Vinita Ajaybhai Parekh (DIN: 08739757) was appointed as an Additional (Non-Executive Independent) Director in accordance with the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors at its Board Meeting held on May 6, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Vinita Ajaybhai Parekh (DIN: 08739757) will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Ms. Vinita Ajaybhai Parekh (DIN: 08739757) for the office of Non-Executive Independent Director of the Company and to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

The Nomination and Remuneration Committee and the Board of Directors has, at their respective meetings held on August 29, 2020, considered and recommended the appointment of Ms. Vinita Ajaybhai Parekh (DIN: 08739757) as a Non-Executive Independent Director of the Company to hold office for a period up to May 5, 2025, not liable to retire by rotation. In the opinion of Nomination and Remuneration Committee and the Board, Ms. Vinita Ajaybhai Parekh (DIN: 08739757), the Non-Executive Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Regulation 16(1)(b) of Listing Regulations and she is independent of the Management.

Ms. Vinita Ajaybhai Parekh (DIN: 08739757), aged 33 years, has completed her Inter CA (PE-II) from the renounced Institute of Chartered Accountants of India (ICAI) and having Bachelor Degree of Commerce from University of Mumbai. Further, she is holding various certificates in Finance and Insurance sector. Furthermore, she is currently practices as a financial advisor and also providing services in matters of Tax Planning, Retirement Planning and Wealth planning and possessing overall 7 years of experience in the same field.

The Company has received from Ms. Vinita Ajaybhai Parekh (DIN: 08739757) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

A copy of the draft letter for the appointment of Ms. Vinita Ajaybhai Parekh (DIN: 08739757) as Non-Executive Independent Director setting out the terms and conditions are uploaded on the website of the Company.

The resolution seeking the approval of members for the appointment of Ms. Vinita Ajaybhai Parekh (DIN: 08739757) as Non-Executive Independent Director of the Company to hold office for a period up to May 5, 2025, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations and the Rules made thereunder is proposed by the Board of Directors. Further, she will not be liable to retire by rotation.

The Board recommends the matter and the resolution set out under Item No. 3 for the approval of the Members by way of passing Ordinary Resolutions.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

Item No. 4**To appoint Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) as Non-executive Director on the board of the Company: ORDINARY RESOLUTION**

The Board of Directors has, at its meeting held on May 26, 2020, appointed Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) as Professional - Additional (Non-Executive) Director of the Company w.e.f. May 26, 2020 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) for the office of Professional - Non-Executive Director, to be appointed as such under the provisions of Section 152 of the Companies Act, 2013 and under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Mr. Kashyap, aged 28 years, has completed his Post Graduate Diploma in International Business Management from H.L. Centre for Professional Excellence. Further, he has completed his Bachelor of Commerce from Saurashtra University. He has an overall experience of 6 years in the field of sales and consulting services.

The Company has received from Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

A copy of the draft letter for the appointment of Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) as Non-Executive Director setting out the terms and conditions is available on the website of the Company on www.karnavatifinancelimited.com for inspection by the members.

The resolution seeking the approval of members is proposed for the appointment of Mr. Kashyap Bharatkumar Vyas (DIN: 08747756) as Professional - Non-Executive Director of the Company pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will be liable to retire by rotation.

The Nomination and Remuneration Committee and the Board recommends the resolution set forth in Item no. 4 for the approval of the members.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

Item No. 5**To appoint Mr. Vineshkumar Popatlal Makadia (DIN: 00362318) as a Non-executive Director on the board of the Company: ORDINARY RESOLUTION**

The Board of Directors are intending to appoint Mr. Vineshkumar Popatlal Makadia (DIN: 00362318) as a non-executive director subject the approval of Reserve Bank of India, Board of Directors and any other statutory approval as required in this regards and the same has been communicated to the stock exchange on August 15, 2020.

In this regards, the company will make an application to the Reserve Bank of India in due time for appointment of Mr. Vineshkumar Popatlal Makadia (DIN: 00362318) and company shall appoint him only after receiving prior written approval from Reserve Bank of India (RBI) as required under Reserve Bank of India Master director having reference number DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015.

Further, the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Mr. Vineshkumar Popatlal Makadia (DIN: 00362318) for the office of Professional - Non-Executive Director, to be appointed as such under the provisions of Section 152 of the Companies Act, 2013 and under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Mr. Vineshkumar Popatlal Makadia, aged 57 years, has an overall experience of seven years in the field of financing and has already served to our company as a director for a period of seven years from September 30, 2006 to July 03, 2014.

The Company has received from Mr. Vineshkumar Popatlal Makadia (DIN: 00362318) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Declaration that the proposed Director and the unincorporated bodies that he/she is associated with have complied with Section 45 S of RBI Act, 1934 (iv) Declaration that the Proposed Director is not involved in any criminal cases including under Section 138 of N I Act, 1881 (V) Declaration from the Proposed Director that he has not been on the Board of any company whose application for registration was rejected by the Bank or an NBFC whose certificate of registration was cancelled or it has been declared as vanishing company by RBI (VI) Declaration that the Proposed Director has not violated any provisions of Companies Act 1956 and 2013.

The resolution seeking the approval of members is proposed for the appointment of Mr. Vineshkumar Popatlal Makadia (DIN: 00362318) as Professional - Non-Executive Director of the Company pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will be liable to retire by rotation.

The Nomination and Remuneration Committee and the Board recommends the resolution set forth in Item no. 5 for the approval of the members.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

Item No. 6

To increase the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013: SPECIAL RESOLUTION

The members of the Company in their duly convened Annual General Meeting held on September 6, 2014 has approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rupees 20 Crores (Rupees Twenty Crores).

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, as set out at Item No. 5 of the Notice, to enable the Board of Directors to borrow money upto Rs. 50 Crores (Rupees Fifty Crores) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company, if require so.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

Item no. 7

Restructuring of loans and extension in loan tenure on request of the customers: ORDINARY RESOLUTION

Due to Covid -19 Pandemic and as per RBI moratorium period the board of directors of the company has decided to provided certain relaxations to its customers, as, Majority of customers are regular paying their dues. So, in this pandemic situation rather than giving new loan to unknown customers of company and to minimize risk, we can increase the timeline of loan to the customers whoever demand after considering other situation/s in case to case basis thereby restructuring the loans of the customers.

The Board recommends the Ordinary Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

Registered Office

705, Palm Spring Centre, Above Croma, Near New Infinity Mall,
Link Road, Malad (West), Mumbai - 400064, Maharashtra.

By order of the Board
For, Karnavati Finance Limited

Place: Jamnagar
Date: August 31, 2020

Jay Morzaria
Managing Director
DIN: 02338864

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI for Item No. 2 and 3:

Particulars / Name	Mr. Jay Morzaria	Ms. Vinita Ajaybhai Parekh
Date of Birth	August 14, 1989	May 09, 1986
Qualification	B.Com & L.L.B	Inter CA (PE-II), B.Com, Certification in Mutual Fund and Insurance Sector
Experience - Expertise in specific functional areas - Job profile and suitability	<p>Mr. Jay Raman Morzaria aged 31 years is core promoter of our company and has been appointed as a Managing Director of our company with effect from July 01, 2014 and whose term of office expired on June 30, 2019 and was reappointment by the members of the company from July 01, 2019 as a Chairman & Managing director for a further period of five years subject to retire by rotation.</p> <p>He is a commerce graduate and Law graduate from reputed NM Collage under Mumbai University. A calculated risk taker with deep technical and legal knowledge of the market, he started his career in real estate sector at a young age of 19.</p> <p>Mr. Jay Morzaria being a managing director of our company manages the day to day affairs of the company along with strategic planning regarding internal & external risk about market vulnerabilities and other risk associated to market. He has helped the company to bring a positive worth applauding in competitive market.</p>	<p>Ms. Vinita, aged 33 years, has completed her Inter CA (PE-II) from the renounced Institute of Chartered Accountants of India (ICAI) and having Bachelor Degree of Commerce from University of Mumbai.</p> <p>Further, she is holding various certificates in Finance and Insurance sector.</p> <p>Furthermore, she is currently practices as a Financial advisor and also providing services in matters of Tax Planning, Retirement Planning and Wealth planning and possessing overall 7 years' experience in the same field.</p>
No. of Shares held	1157350 Equity Shares	--
Terms & Conditions	No change in existing terms and conditions	As per Explanatory Statement for Item No. 3
Remuneration Last Drawn	--	--
Remuneration sought to be paid	No change in existing terms and conditions	--
Number of Board Meetings attended during the Financial Year 2019-20	6 out of 6	Not Applicable
Date of Original Appointment	September 15, 2010	May 06, 2020
Date of Appointment in current terms	July 01, 2019	May 06, 2020
Directorships held in other public companies including deemed public companies	--	--
Memberships / Chairmanships of committees of public companies*	Membership - 2 Committees	--
Inter-se Relationship with other Directors.	<p>Mr. Jay Morzaria is a son of Mr. Raman Morzaria (Whole-Time Director of the company)</p> <p>Mr. Jay Morzaria is a brother of Mr. Kush Morzaria (Chief Financial Officer of the company)</p>	No Relation

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Link Road, Malad (West), Mumbai - 400064, Maharashtra.

By order of the Board
For, Karnavati Finance Limited

Place: Jamnagar
Date: August 31, 2020

Jay Morzaria
Managing Director
DIN: 02338864

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI for Item No. 4 and 5:

Particulars / Name	Mr. Kashyap Bharatkumar Vyas	Mr. Vineshkumar Popatlal Makadia
Date of Birth	March 12, 1992	April 07, 1962
Qualification	Post Graduate Diploma in International Business Management Bachelor of Commerce (B.Com)	HSC
Experience - Expertise in specific functional areas - Job profile and suitability	Mr. Kashyap, aged 28 years, has completed his Post Graduate Diploma in International Business Management from H.L. Centre for Professional Excellence. Further, he has completed his Bachelor of Commerce from Saurashtra University. He has an overall experience of 6 years in the field of sales and consulting services.	Mr. Vineshkumar Popatlal Makadia, aged 57 years, possesses seven years' experience for managing the affairs of Non-banking finance companies and he has served Karnavati Finance Limited for a period of seven years as a director from September 30, 2006 to July 03, 2014.
No. of Shares held	--	2
Terms & Conditions	As per Explanatory Statement for Item No. 4	As per Explanatory Statement for Item No. 5
Remuneration Last Drawn	--	--
Remuneration sought to be paid	--	--
Number of Board Meetings attended during the Financial Year 2019-20	Not Applicable	Not Applicable
Date of Original Appointment	May 26, 2020	Not Applicable
Date of Appointment in current terms	May 26, 2020	Not Applicable
Directorships held in other public companies including deemed public companies	--	--
Memberships / Chairmanships of committees of public companies*	--	--
Inter-se Relationship with other Directors.	No Relation	No Relation

*Includes only Audit Committee and Stakeholders' Grievances and Relationship Committee.

Registered Office

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Link Road, Malad (West), Mumbai - 400064, Maharashtra.

By order of the Board
For, Karnavati Finance Limited

Place: Jamnagar
Date: August 31, 2020

Jay Morzaria
Managing Director
DIN: 02338864

REQUEST LETTER FOR UPDATING RECORDS

To,

Satellite Corporate Services Private Limited

Office no. 106 & 107, Dattani Plaza,
East West Compound,
Andheri Kurla Road, Safedpul
Sakinaka, Mumbai-400072, Maharashtra

Dear Sir/Madam,

Sub: Updation of Shareholder Information**Ref: Karnavati Finance Limited (CIN: L65910MH1984PLC034724)**

I/we request you to record the following information against my/our folio no.;

Folio Number/DP ID/ Client ID		No of Shares Held	
Name of the Shareholder	1. 2.		
Address of The First Holder			
Email Id			
PAN		Telephone No(s)	
Bank Name			
Branch Address			
Bank Account Number			
MICR Code		IFSC Code	
Specimen Signature(s)	1. 2.		
Attestation By Bank Under Their Stamp			
Name of the officer			
Authorization Code Number			
Contact Number			

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete/incorrect information, I/we would not hold the Company /RTA responsible. I/We understand that the above details shall be maintained till I/we hold the securities under above folio number. Pursuant to Section 101 of the Companies Act, 2013 read with Rule made thereunder, I also give consent to the company to send the Notices, Annual Reports etc. through electronically.

Note:

- Shareholders who hold the shares in demat mode are requested to update the details with their Depository Participant.
- Members who hold shares in physical mode are requested to send this form duly filled and signed with their signature which shall be duly attested by their banker under their name, authorization code number, contact number and Account number with the bank.
- Attach following documents along with form.
 - Attested copy of the PAN card.
 - Attested copy of Aadhar Card/Passport/ration Card/Driving Licence/Voter Id (any one) (If PAN card is not obtained)
 - Attested copy of latest utility Bill (Telephone/Electricity/Gas) (any one) (if the address is changed)
 - In case of death of any holder kindly send attested copy of the death certificate.
 - Copy of Cancel Cheque

The members who holds shares of the Company in Physical form are informed that the company is in process of updating records of the shareholders in order to reduce the physical documentation as far as possible. In line with new BSE listing agreement and SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, it is mandatory for all the investors including transferors to complete their KYC information. Hence, members are requested to update and intimate their PAN, phone no., e-mail id and such other information to the Company's Registrars and Transfer Agents, Satellite Corporate Services Private Limited (SCSPL). Members are further requested to update their current signature in SCSPL system.

In accordance with BSE Circular No. LIST/COMP/15/2018-19 dated July 5, 2018 and other related circulars issued by SEBI, all shareholders are hereby informed that with effect from April 1, 2019, the shares lodged for transfer shall must be in dematerialized form only and no physical shares can be lodged for transfer. Hence, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact SCSPL for assistance in this regard.

Place:

Date:

Signature of sole/ First Holder