



NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-Ordinary General Meeting of the members of Karnavati Finance Limited will be held on Wednesday, January 3, 2018 at 11:00 A.M. at the Corporate office of the company at Vraj, 5th Floor, Opp. President Hotel, Near Bhumi Press, Limda Lane, Jamnagar – 361 001, Gujarat to transact the following Special businesses:

1. Appointment of Statutory Auditors to fill casual vacancy caused due to resignation of M/s. Maharishi & Co. Chartered Accountants, Jamnagar (FRN: 124872W):

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

“RESOLVED THAT pursuant to the provisions of section 139(8) and other applicable provisions, if any, of the companies act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or reenactment thereof for the time being in force), as recommended by the board of directors of the company, M/s. Doshi Maru & Associates, Chartered Accountants, Mumbai (FRN: 0112187W) be and hereby appointed as Statutory Auditors of the company to fill the casual vacancy caused by the Resignation of M/s. Maharishi & Co. Chartered Accountants, Jamnagar (FRN: 124872W).

RESOLVED FURTHER THAT M/s. Doshi Maru & Associates, Chartered Accountant, Mumbai (FRN: 0112187W) shall hold the office as Statutory Auditor of the Company till the conclusion of 34th Annual General Meeting on such remuneration as may be fixed by the board of directors in consultation with them.

RESOLVED FURTHER THAT any of the board of directors, be and is, hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with Registrar of Companies.”

2. Revision in Remuneration of Mr. Raman Morzaria (DIN: 00203310) Whole-Time Director of the Company:

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

“RESOLVED THAT in supersession of the resolution passed by the members at the annual general meeting held on September 16, 2017 and pursuant to the provision of section 197, 198 and other applicable provisions, if any, of the companies act, 2013 (the act) and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V of the act and pursuant to article of association of company and subject to such approval(s) of any statutory authorities as may be required, the consent of the Company be and is hereby accorded for revision in the remuneration of Mr. Raman Morzaria, (DIN 00203310), Whole-Time Director, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with effect from January 1, 2018 for the remaining period of his tenure i.e. up to June 30, 2019, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Raman Morzaria, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

3. Revision in Remuneration of Mr. Jay Morzaria (DIN: 02338864) Managing Director of the Company:

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

“RESOLVED THAT in supersession of the resolution passed by the members at the annual general meeting held on September 16, 2017 and pursuant to the provision of section 197, 198 and other applicable provisions, if any, of the companies act, 2013 (the act) and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V of the act and pursuant to article of association of company and subject to such approval(s) of any statutory authorities as may be required, the consent of the Company be and is hereby accorded for revision in the remuneration of Mr. Jay Morzaria, (DIN 02338864), Managing Director, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with



effect from January 1, 2018 for the remaining period of his tenure i.e. up to June 30, 2019, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Jay Morzaria, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board
For, Karnavati Finance Limited**

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Raman Morzaria

Whole-Time Director

DIN: 00203310

Place: Jamnagar

Date: December 8, 2017

Notes:

1. **A Member entitled to attend and vote at the Extra-ordinary General Meeting (EOGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**

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

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 (Forty-Eight) Hours before the commencement of the EOGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company.

2. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In case of joint holders attending the meeting together, only whose name appearing first will be entitled to vote.
5. The route map showing directions to reach the venue of the EOGM is annexed at the end of this Notice and uploaded on the website of the Company.
6. 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.
7. 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 SEBI (LODR) Regulations, 2015, 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. The Performa of updation of Shareholder information is provided at the end of Notice.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services.
9. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to SCSPL.
10. 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.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to 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.

KARNAVATI FINANCE LIMITED

CIN: L65910MH1984PLC034724



Regd. Off: Unit No 2, Sagar Deep Darshan Co Operative Housing Society Limited, S.V. Road, Borivali (West), Mumbai – 400 092

Corp. Off: Vraj, 5th Floor, Opp. President Hotel, Near Bhumi Press, Limda Lane, Jamnagar – 361001, Gujarat

Phone: +91 – 022 – 3190 8900, +91 – 288 – 266 3042; **Fax:** +91 – 288 – 267 3759; **E-mail:** karnavatifinance@gmail.com

Web: www.karnavatifinancelimited.com

12. 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. The Nomination Form can be obtained from the SCSPL. Members holding shares in physical form may submit the same to SCSPL. Members holding shares in electronic form may submit the same to their respective depository participant.
13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request every member to update their email address with concerned Depository Participant and SCSPL to enable us to send you the communications via email.
14. The Notice of the EOGM is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice will also be available on the Company's website viz. www.karnavatifinancelimited.com.
15. The Ministry of Corporate Affairs ('MCA') on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is not applicable to the Company as the Company has not declared any dividend. Further, the Company does not have any unpaid or unclaimed dividend amount outstanding as on the closure of financial year 2016-17. Therefore, the Company is not required to upload the details of Unpaid and unclaimed dividend amounts. Further, during the year, the Company has not transferred any amount to IEPF.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Extra-ordinary General Meeting.
17. 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 Extra-ordinary General Meeting.
18. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Extra-ordinary General Meeting.
19. In compliance with the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting and voting at the EOGM is/are deemed to have been passed as if they have been passed at the EOGM.
20. 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. Wednesday, December 27, 2017, shall be entitled to avail the facility of remote e-voting as well as voting at the EOGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
21. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the EOGM and prior to the Cut-off date and holds share as on cut-off date i.e. Wednesday, December 27, 2017 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the EOGM by following the procedure mentioned in this part.
22. The remote e-voting will commence on Sunday, December 31, 2017 (09:00 A.M.) and will end on Tuesday, January 02, 2018 (05:00 P.M.) During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Wednesday, December 27, 2017, 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.
23. 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.
24. The facility for voting through Poll Paper would be made available at the EOGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the Meeting, but shall not be entitled to cast their vote again.
25. 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. Wednesday, December 27, 2017.
26. The Company has appointed CS Anand 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 voting through Poll Paper at the EOGM, in a fair and transparent manner.
27. The Chairman shall, at the EOGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of ballot paper for all those members who are present at the EOGM but have not cast their votes by availing the remote e-voting facility.
28. The Scrutinizer shall after the conclusion of voting at the EOGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the EOGM, a consolidated scrutiner's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

KARNAVATI FINANCE LIMITED

CIN: L65910MH1984PLC034724



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Web: www.karnavatifinancelimited.com

29. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.karnavatifinancelimited.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

30. The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

Step 1. Open email and open PDF file viz; “Karnavati Finance Limited remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

Step 2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>

Step 3. Click on Shareholder – Login.

Step 4. Put user ID and password as initial password/PIN noted in step 1 above. Click Login.

Step 5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step 6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

Step 7. Select “REVEN” of Karnavati Finance Limited.

Step 8. Now you are ready for remote e-voting as Cast Vote page opens.

Step 9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted. Upon confirmation, the message “Vote cast successfully” will be displayed.

Note that once you have voted on the resolution, you will not be allowed to modify your vote.

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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to karnavatifinance@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of EOGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:

Step 1. Initial password is provided as below/at the bottom of the Attendance Slip for the EOGM:

REVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
108066		

Step 2. Please follow all steps from Step 2 to Step 9 above, to cast vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of EOGM and holding shares as on the cut-off date i.e. Wednesday, December 27, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com.



Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard 2 on General Meeting)

Item No. 1

Appointment of Statutory Auditors to fill casual vacancy caused due to resignation of M/s. Maharishi & Co. Chartered Accountants, Jamnagar (FRN: 124872W):

The Company had received Resignation letter from M/s. Maharishi & Co. Chartered Accountants, Jamnagar (FRN: 124872W), the then existing statutory auditor of the Company, intending that they are not willing to act as statutory auditor of the Company from October 4, 2017.

The Board of Directors at its meeting held on October 4, 2017 and as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139, 140(4), 142 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 M/s. Doshi Maru & Associates, Chartered Accountants, Mumbai (FRN: 0112187W) as statutory auditor of the Company to fill up the casual vacancy caused due to resignation of M/s. Maharishi & Co. Chartered Accountants (FRN: 124872W) Jamnagar.

The Company has also received consent and eligibility certificate from M/s. Doshi Maru & Associates, Chartered Accountants, Mumbai (FRN: 0112187W), 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.

In terms of provisions of Section 139(8) of the Companies Act, 2013; M/s. Doshi Maru & Associates, Chartered Accountants, Mumbai (FRN: 0112187W) shall hold office as statutory auditor of the Company till the conclusion of 34th Annual General Meeting of the Company.

The Board recommends the Ordinary Resolution for approval of the Members and accordingly, consent of the members is sought for passing Ordinary Resolution for appointment of M/s. Doshi Maru & Associates, Chartered Accountants, Mumbai (FRN: 0112187W) as statutory auditor of the Company.

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

Item no. 2

Revision in Remuneration of Mr. Raman Morzaria (DIN: 00203310) Whole-Time Director of the Company:

The Board of Directors of the Company in their Meeting held on June 10, 2014 has appointed Mr. Raman Morzaria as Whole-Time Director of the Company for a period of 5 years w. e. f. July 1, 2014 and the same was approved by the Members of the Company in their Meeting held on July 5, 2014. In accordance with Section 196, 197 read with Schedule V to the Companies Act, 2013, the remuneration approved in accordance with Schedule V to the Companies Act, 2013 shall be valid for a period not exceeding 3 years from the date of appointment of Whole-Time Director. Therefore, the remuneration approved by the Members of the Company was valid till June 30, 2017. Mr. Raman Morzaria aged 54 years is one of the core promoters. He has an overall experience of 30 years in the field of finance and real estate development and he is driving operational growth, maximizing business opportunities and ensuring compliance with regulatory requirements. He is on our Board since acquisition and is responsible for strategic planning and administration of our Company. Therefore, the Board of Directors, pursuant to recommendation of Nomination and Remuneration Committee, has decided to remunerate Mr. Raman Morzaria with the same remuneration that has been approved by the Members of the Company in their meeting held on July 5, 2014 i.e. Rs. 25,000/- per month for remaining period of his tenure. Further the directors are of the opinion that Mr. Raman Morzaria's knowledge and experience has benefited the company great extent and for this benefit, the company wants to reward Mr. Raman Morzaria in terms of monetary rewards, for his sincere and honor services rendered to the company, so the board of directors after due discussion with Nomination & Remuneration Committee has suppressed the resolution passed in the annual general meeting of the company held on September 16, 2017 and revised the remuneration of whole-time director i.e. Rs. 50,000/- per month with effect from January 01, 2018. Further, all the remaining terms and condition of appointment of Mr. Raman Morzaria remain same as approved by the members in their meeting held on July 5, 2014. Looking to the contribution made by Mr. Raman



Morzaria for the growth of the Company, the Board of Directors of the Company commends the passing of resolution mentioned in Item No. 2 of the Notice as an Ordinary Resolution.

Disclosure as required under Schedule V of the Companies Act, 2013

1. General Information

(a) Nature of Industry:

Company is basically a Non-banking Finance Company registered with Reserve Bank of India under section 45IA of the RBI Act, 1934 having certificate number 13.00064 dated February 24, 1998.

(b) Date of Commercial Production:

Not Applicable.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(d) Financial performance based on given indicators:

(Rs. in Lakh)

Financial Parameters	Period ended on September 30, 2017 (Unaudited)	Financial year 2016-17 (Audited)
Gross Income	62.68	122.70
Net profit as per Profit and Loss account	39.33	75.43

(e) Export performance and net foreign exchange:

During the year under review, the company does not have any export performance and net foreign exchange earnings.

(f) Foreign Investment and collaborations, if any:

Not Applicable.

2. Information about the Whole-Time Director:

(a) Background Details:

Mr. Raman Morzaria aged 54 years is one of the core promoter of the company. He has an overall experience of 30 years in the field of finance and real estate development and he is driving operational growth, maximizing business opportunities and ensuring compliance with regulatory requirements. He is on our Board since acquisition and is responsible for strategic planning and administration of our Company. The Board of Directors of the Company in their Meeting held on June 10, 2014 has appointed Mr. Raman Morzaria as Whole-Time Director of the Company for a period of 5 years w. e. f. July 1, 2014 and the same was approved by the Members of the Company in their Meeting held on July 5, 2014.

(b) Past Remuneration:

Mr. Raman Morzaria as a Whole-time Director, for the initial period of three years commenced from July 05, 2014 to June 30, 2017 entitled to the remuneration of Rs. 25,000/- per month and the same remuneration has been approved by the Members of the Company in their meeting held on September 16, 2017 for remaining period of his tenure.

(c) Recognition of Award:

None

(d) Job Profile and his suitability:

Mr. Raman Morzaria has an overall experience of 30 years in the field of finance and real estate development and he is driving operational growth, maximizing business opportunities and ensuring compliance with regulatory requirements. He is the right person for dealing and managing the whole affairs of the company and therefore the board of directors has appointed him as a whole- time director of the company.

(e) Remuneration Proposed:



Rs. 50,000/- per month with effect from January 01, 2018 for remaining period of his tenure as Whole-Time Director of the Company.

(f) Comparative remuneration profile with respect to Industry, Size of the company, Profile of the position and person:

Mr. Raman Morzaria has a very vast experience in the field of finance and real estate development. The present job of Mr. Raman Morzaria is to manage the whole affairs of the company under the supervision of Board. Accordingly, keeping in the view present market scenario of pay package being offered by NBFC, the proposed remuneration package matches to the prevailing remuneration package in the concerned industry, size of the company, profile of the person.

(g) Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel:

Except to the extent of his employment and holding of his shares in the company, Mr. Raman Morzaria is Father of Mr. Jay Morzaria (Managing director of the company), except for above mentioned matters, he has not directly or indirectly have any relationship with the managerial personnel of the company.

3. Other Information:

(a) Reasons for loss or inadequate profit:

Company has not incurred any loss in the preceding financial year.

(b) Steps taken or proposed to be taken for improvement:

Company is Non-banking Finance Company registered with RBI under section 45IA of RBI Act, 1934 and has taken FFMC Licence from RBI for acting as a Full Fledged Money Changer. Company is also shifted to the main board of BSE Limited w.e.f August 09, 2017. So, taking in to consideration about the two major events took place in a short span of time, it is expected that the performance of the company will accordingly improve as compared to the current situation.

(c) Expected increase in productivity and profits in measurable terms:

The company expects a significant increase in turnover as well as the profitability on accounts of the steps mentioned above.

Save and except Mr. Raman Morzaria, Mr. Jay Morzaria and relatives of Mr. Raman Morzaria to the extent their shareholding in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 2.

Item no. 3

Revision in Remuneration of Mr. Jay Morzaria (DIN: 02338864) Managing Director of the Company:

The Board of Directors of the Company in their Meeting held on June 10, 2014 has appointed Mr. Jay Morzaria as Managing Director of the Company for a period of 5 years w.e.f. July 1, 2014 and the same was approved by the Members of the Company in their Meeting held on July 5, 2014. In accordance with Section 196, 197 & 203 read with Schedule V to the Companies Act, 2013, the remuneration approved in accordance with Schedule V to the Companies Act, 2013 shall be valid for a period not exceeding 3 years from the date of appointment of Managing Director. Therefore, the remuneration approved by the Members of the Company was valid till June 30, 2017. Mr. Jay Morzaria aged 27 years is core promoter of our company. He has completed bachelor of commerce from Mumbai University and law graduation in the year 2012 from Mumbai University. He has an overall experience of four years in the field of finance and construction business. Therefore, the Board of Directors, pursuant to recommendation of Nomination and Remuneration Committee, has decided to remunerate Mr. Jay Morzaria with the same remuneration that has been approved by the Members of the Company in their meeting held on July 5, 2014 i.e. Rs. 25,000/- per month for remaining period of his tenure. Further the directors are of the opinion that Mr. Jay Morzaria's knowledge and experience has benefited the company great extent and for this benefit, the company wants to reward Mr. Jay Morzaria in terms of monetary rewards, for his sincere services rendered to the company, so the board of directors after due discussion with Nomination & Remuneration Committee has suppressed the resolution passed in the annual general meeting of the company held on September 16, 2017 and revised the remuneration of Managing Director i.e. Rs. 50,000/- per month with effect from January 01, 2018. Further, all the remaining terms and condition of appointment of Mr. Jay Morzaria remain same as approved by the members in their meeting held on July 5, 2014. Looking to the contribution made by Mr. Jay Morzaria in the



success of the Company, the Board of Directors of the Company commends the passing of resolution mentioned in Item No. 3 of the Notice as an Ordinary Resolution.

Disclosure as required under Schedule V of the Companies Act, 2013

1. General Information

(a) Nature of Industry:

Company is basically a Non-banking Finance Company registered with Reserve Bank of India under section 45IA of the RBI Act, 1934 having certificate number 13.00064 dated February 24, 1998.

(b) Date of Commercial Production:

Not Applicable.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(d) Financial performance based on given indicators:

(Rs. in Lakh)

Financial Parameters	Period ended on September 30, 2017 (Unaudited)	Financial year 2016-17 (Audited)
Gross Income	62.68	122.70
Net profit as per Profit and Loss account	39.33	75.43

(e) Export performance and net foreign exchange:

During the year under review, the company does not have any export performance and net foreign exchange earnings.

(f) Foreign Investment and collaborations, if any:

Not Applicable.

2. Information about the Managing Director:

(a) Background Details:

Mr. Jay Morzaria aged 27 years is core promoter of our company. He has completed bachelor of commerce from Mumbai University and law graduation in the year 2012 from Mumbai University. He has an overall experience of four years in the field of finance and construction business.

(b) Past Remuneration:

Mr. Jay Morzaria as a Managing Director, for the initial period of three years commenced from July 05, 2014 to June 30, 2017 entitled to the remuneration of Rs. 25,000/- per month and the same remuneration has been approved by the Members of the Company in their meeting held on September 16, 2017 for remaining period of his tenure.

(c) Recognition of Award:

None

(d) Job Profile and his suitability:

Mr. Jay Morzaria has completed bachelor of commerce from Mumbai University and law graduation in the year 2012 from Mumbai University. He has an overall experience of four years in the field of finance and construction business. He is the right person for dealing and managing the affairs of the company and therefore the board of directors has appointed him as a managing director.

(e) Remuneration Proposed:

Rs. 50,000/- per month with effect from January 01, 2018 for remaining period of his tenure as Whole-Time Director of the Company.

(f) Comparative remuneration profile with respect to Industry, Size of the company, Profile of the position and person:

KARNAVATI FINANCE LIMITED

CIN: L65910MH1984PLC034724



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Corp. Off: Vraj, 5th Floor, Opp. President Hotel, Near Bhumi Press, Limda Lane, Jamnagar - 361001, Gujarat

Phone: +91 - 022 - 3190 8900, +91 - 288 - 266 3042; **Fax:** +91 - 288 - 267 3759; **E-mail:** karnavatifinance@gmail.com

Web: www.karnavatifinancelimited.com

Mr. Jay Morzaria has a very vast experience in the field of finance and construction business. The present job of Mr. Jay Morzaria is to manage the affairs of the company under the supervision of Board. Accordingly, keeping in the view present market scenario of pay package being offered by NBFC, the proposed remuneration package matches to the prevailing remuneration package in the concerned industry, size of the company, profile of the person.

(g) Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel:

Except to the extent of his employment and holding of his shares in the company, Mr. Jay Morzaria is a son of Mr. Raman Morzaria (Whole-Time director & core promoter), except for above mentioned matters, he has not directly or indirectly have any relationship with the managerial personnel of the company.

3. Other Information:

(a) Reasons for loss or inadequate profit:

Company has not incurred any loss in the preceding financial year.

(b) Steps taken or proposed to be taken for improvement:

Company is Non-banking Finance Company registered with RBI under section 45IA of RBI Act, 1934 and has taken FFMC Licence from RBI for acting as a Full Fledged Money Changer. Company is also shifted to the main board of BSE Limited w.e.f August 09, 2017. So, taking in to consideration about the two major events took place in a short span of time, it is expected that the performance of the company will accordingly improve as compared to the current situation.

(c) Expected increase in productivity and profits in measurable terms:

The company expects a significant increase in turnover as well as the profitability on accounts of the steps mentioned above.

Save and except Mr. Jay Morzaria, Mr. Raman Morzaria and relatives of Mr. Jay Morzaria to the extent their shareholding in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 3.

**By order of the Board
For, Karnavati Finance Limited**

**Raman Morzaria
Whole-Time Director
DIN: 00203310**

Place: Jamnagar

Date: December 8, 2017



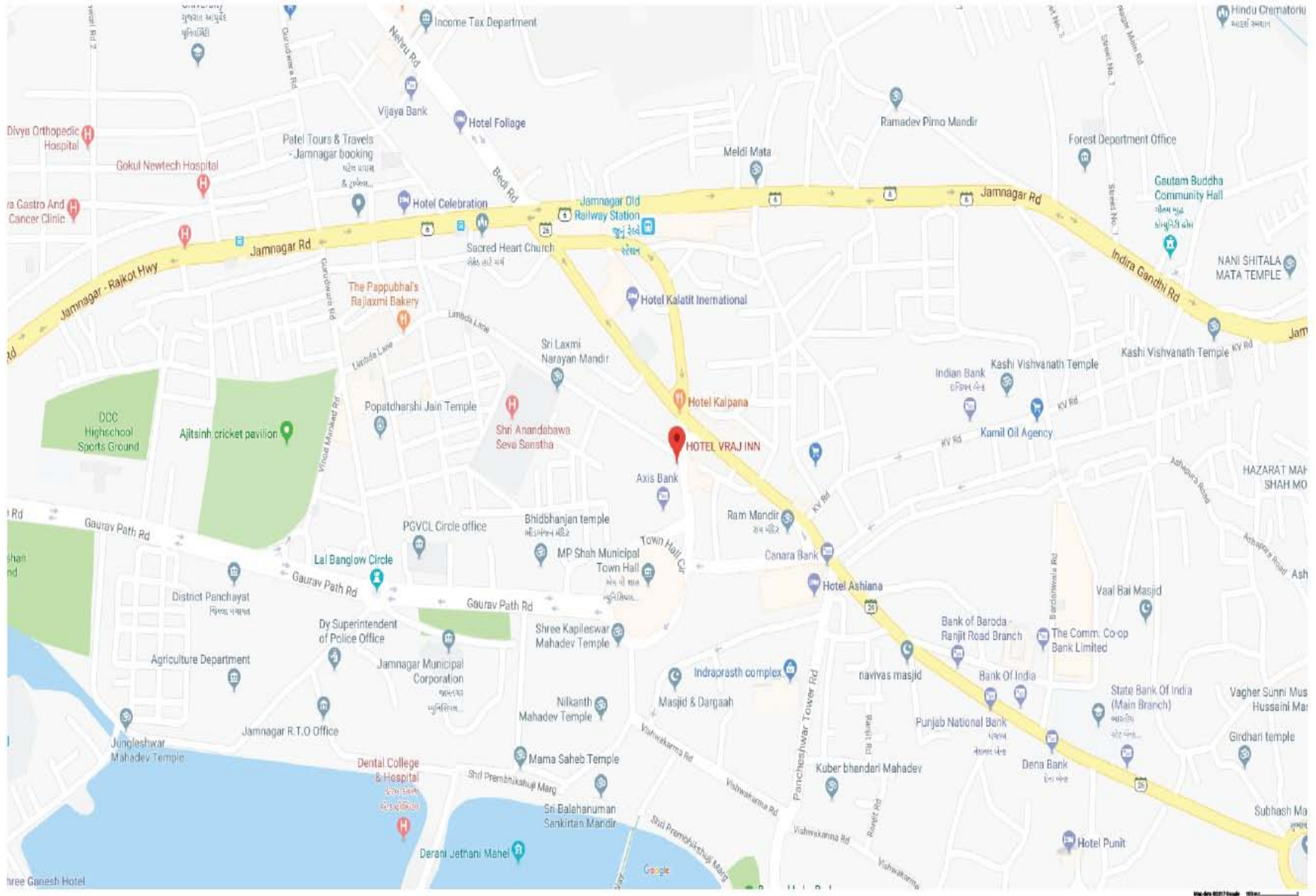
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Route map to the venue of Extra-Ordinary General Meeting



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To,

Satellite Corporate Services Private LimitedB-302, Sony Apartment, Opp. St. Jude High School,
90 ft. Road, Off Andheri Kurla Road, Jarimari,
Sakinaka, Mumbai - 400 072

Dear Sir/Ma'am,

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		No of Shares Held	
Name of the Shareholder	1. 2.		
Address of The First Holder			
Email Id			
PAN		Telephone No(s)	
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.

Place:**Date:****Note:**

1. Shareholders who hold the shares in demat mode are requested to update the details with their Depository Participant.
2. 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.
3. Attach following documents along with form;
 - a) Attested copy of the PAN card.
 - b) Attested copy of Aadhar Card/Passport/ration Card/Driving Licence/Voter Id (any one) (If PAN card is not obtained)
 - c) Attested copy of latest utility Bill (Telephone/Electricity/Gas) (any one) (if the address is changed)
 - d) In case of death of any holder kindly send attested copy of the death certificate.

Signature of sole/ First Holder

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ATTENDANCE SLIP

Regd. Folio No./DP Id No.*/Client Id No.*	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS) (Applicable for investor holding shares in electronic form.)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the Extra-ordinary General Meeting of the Members of Karnavati Finance Limited held on Wednesday, January 3, 2018 at 11:00 A.M. at the Corporate office of the company at Vraj, 5th Floor, Opp. President Hotel, Near Bhumi Press, Limda Lane, Jamnagar – 361 001, Gujarat.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Notes: Please fill up this attendance slip and hand it over at the entrance of the venue of meeting.**REMOTE ELECTRONIC VOTING PARTICULARS**The e-voting facility is available at the link <https://www.evoting.nsdl.com>. The electronic voting particulars are set out as follows:

EVEN	USER ID	PASSWORD
108066		

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Sunday, December 31, 2017 (09:00 A.M.)	Tuesday, January 02, 2018 (05:00 P.M.)

-----Please tear here-----

PROXY FORM

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 Rules made there under)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/Client Id	

I/We, being the member (s) of.....shares of the above named company, hereby appoint

- Name: _____
Address: _____
E-mail Id: _____ Signature: _____ or failing him
- Name: _____
Address: _____
E-mail Id: _____ Signature: _____ or failing him
- Name: _____
Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-ordinary General Meeting of the Members of Karnavati Finance Limited to be held on Wednesday, January 3, 2018 at 11:00 A.M. at the Corporate office of the company at Vraj, 5th Floor, Opp. President Hotel, Near Bhumi Press, Limda Lane, Jamnagar – 361 001, Gujarat and/or any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary businesses				
1.	Appointment of Statutory Auditors to fill casual vacancy caused due to resignation of M/s. Maharishi & Co. Chartered Accountants, Jamnagar (FRN: 124872W):			
2.	Revision in Remuneration of Mr. Raman Morzaria (DIN: 00203310) Whole-Time Director of the Company:			
3.	Revision in Remuneration of Mr. Jay Morzaria (DIN: 02338864) Managing Director of the Company:			

Signed this.....day of.....2018

Signature of shareholder

Signature of Proxy holder(s)

Note:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before January 1, 2018 at 11:00 a.m.)
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Affix
Revenue
Stamp of not
less than
Rs. 1

KARNAVATI FINANCE LIMITED

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