



KFL Karnavati Finance Limited

CIN : L695910MH1984PLC034724

Administrative & Corporate Office : "Vraj", 5th Floor, Near Teen Batti, Limda Lane, Jamnagar - 361001 (Gujarat) INDIA
Phone : 0288 2673759, Fax No. 0288 2663042, Mo : +91 99045 61000 Email ID : karnavatifinance@gmail.com

Date: September 05, 2024

To,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai – 400001.

Dear Sir/Madam,

Sub.: Submission of Notice of 40th Annual General Meeting of Company

Ref: Karnavati Finance Limited (Scrip Code/Stripe ID: 538928/KARNAVATI)

With reference to the subject cited above, we wish to inform you that the 40th Annual General Meeting of the company is scheduled to be held on September 28, 2024 at 03:30 PM.

The notice convening the 40th Annual General Meeting is attached herewith and the same shall be uploaded on the website of the company.

Kindly take the same on your records.

Thank you.

Yours Faithfully,

For, Karnavati Finance Limited

JAY RAMAN Digitally signed by JAY
MORZARIA RAMAN MORZARIA
Date: 2024.09.05
19:22:00 +05'30'

Jay Morzaria
Managing Director
DIN: 02338864

Registered Office :

Vraj, 2nd Floor, Simran Centre, Mogra Village, 30H Parsi Panchayat Road, Andheri East, Mumbai-400053.

Phone : 022 2880 9111 Website : www.karnavatifinancelimited.com

NOTICE OF 40TH ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the Members of Karnavati Finance Limited will be held on Saturday, September 28, 2024 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, 2024 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. **Re-appointment of Mr. Raman Morzaria (DIN: 00203310) as a Whole-Time Director of the Company:**

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

"RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable Regulations of SEBI (LODR) Regulations, 2015 including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as "the board" which term shall include Nomination & Remuneration Committee of the Board), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Raman Morzaria (DIN: 00203310) as a Whole-Time Director for further period of five (5) years from the expiry of his present term of office, that is, with effect from July 01, 2024 to June 30, 2029, liable to retire by rotation and on such terms and conditions including salary and perquisites (hereinafter referred to as "remuneration") as set out in the explanatory statement annexed to this notice with the power to the board to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the Remuneration payable to Mr. Raman Morzaria (DIN: 00203310) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the board be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, from time to time and to undertake all such steps, as may be deemed necessary in this matter."

RESOLVED FURTHER THAT in terms of Section 190 of the Companies Act, 2013, no formal contract of service with Mr. Raman Morzaria (DIN: 00203310) will be executed and this resolution along with its explanatory statement be considered as Memorandum setting out terms and conditions of appointment and remuneration of Mr. Raman Morzaria (DIN: 00203310) as Whole-Time Director.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Mumbai, 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. **Re-appointment of Mr. Jay Morzaria (DIN: 02338864) as a Managing Director of the Company:**

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

"RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable Regulations of SEBI (LODR) Regulations, 2015 including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as "the board" which term shall include Nomination & Remuneration Committee of the Board), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Jay Morzaria (DIN: 02338864) as a Managing Director for further period of five (5) years from the expiry of his present term of office, that is, with effect from July 01, 2024 to June 30, 2029, liable to retire by rotation and on such terms and conditions including salary and perquisites (hereinafter referred to as "remuneration") as set out in the explanatory statement annexed to this notice with the power to the board to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the Remuneration payable to Mr. Jay Morzaria (DIN: 02338864) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the board be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, from time to time and to undertake all such steps, as may be deemed necessary in this matter."

RESOLVED FURTHER THAT in terms of Section 190 of the Companies Act, 2013, no formal contract of service with Mr. Jay Morzaria (DIN: 02338864) will be executed and this resolution along with its explanatory statement be considered as Memorandum setting out terms and conditions of appointment and remuneration of Mr. Jay Morzaria (DIN: 02338864) as a Managing Director.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Mumbai, 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. Approval and Ratification of Material Related Party Transactions.

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 Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and such other provisions of law as was applicable and as may be amended from time to time, consent of the Members of the Company, be and is hereby accorded to the Board of Directors and/or duly constituted Committee thereof for the following arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) hitherto entered or to be entered into by the Company and also for every financial year hereafter:

Details of Related Party Transactions/ Arrangements/ Contracts per Financial Year:

Sr. No.	Name of Related Party	Nature of Relationship	Type of Transaction(s)	Maximum Value* of Transaction in every financial year
1.	Mr. Jay Morzaria	Managing Director	Receipt of Unsecured Loan (in ordinary course of business) from him and payment of Interest thereon at rate not exceeding the Bank Rate or 9.00%, whichever is higher	Up to Rs. 10.00 Crore individually or in aggregate and payment of interest thereon not exceeding the Bank Rate or 9.00%, whichever is higher
2.	Mr. Raman Morzaria	Whole-Time Director	Receipt of Unsecured Loan (in ordinary course of business) from him and payment of Interest thereon at rate not exceeding the Bank Rate or 9.00%, whichever is higher	Up to Rs. 10.00 Crore individually or in aggregate and payment of interest thereon not exceeding the Bank Rate or 9.00%, whichever is higher

*Expected maximum value over 3 financial years starting from 2023-24.

“RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company and/or a duly constituted Committee thereof, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties.

RESOLVED FURTHER THAT the consent of the Company, be and is hereby accorded to the Board of Directors of the Company and/or a duly constituted Committee thereof, to severally do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any of the transactions with the related parties and severally execute such contracts, agreements, documents and writings and to make such filings, as may be necessary, expedient or desirable for the purpose of giving full effect to this resolution, in the best interest of the Company.”

Registered Office

Vraj Group, 2nd Floor, Simran Centre, Mogra Village, 30H Parsi Panchayat Road, Andheri East, Andheri, Mumbai - 400053, Maharashtra

By order of the Board
For, Karnavati Finance Limited

Jay Morzaria
Managing Director
DIN: 02338864

Place: Mumbai

Date: September 05, 2024

Notes:

- The Ministry of Corporate Affairs (MCA) vide its circular dated September 25, 2023, December 08, 2022, May 05, 2022, December 14, 2021 read with circulars dated January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020 (collectively referred to as MCA Circulars) and the Securities and Exchange Board of India vide its circulars dated October 07, 2023, January 05, 2023, May 13, 2022 read with January 15, 2021 and May 12, 2020 (collectively referred to as SEBI Circulars) have permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without physical presence of the members at a common venue till 30th September 2024. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 40th AGM of the Company is being held through VC / OAVM. The members can attend and participate in the AGM through VC/OAVM.
- Pursuant to the above referred MCA Circulars, the facility, to appoint a proxy to attend and cast vote, for the members is not available for this AGM. However, the body corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
- In line with MCA Circulars read with circulars issued by Securities Exchange Board of India (SEBI) vide SEBI/ HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (hereinafter referred to as “SEBI Circular for AGM”), the Notice of 40th AGM along with the Annual Report for FY 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company’s Registrar & Share Transfer Agents, M/s. Satellite Corporate Services Private Limited (“RTA”) / Depositories. Hard copies shall be sent to those members who shall request for the same. Members may note that the Notice of the 40th AGM along with the Annual Report for FY 2023-24 is also available for download on the website of the Company at www.karnavatifinancelimited.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of NSDL, www.evoting.nsdl.com.
- Since the AGM is being held through VC / OAVM, physical attendance of shareholders has been dispensed with. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Pursuant to Section 113 of the Act, Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) attending the meeting through VC / OAVM are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM 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 its registered email address to csjitendraparmar@gmail.com with a copy marked to evoting@nsdl.co.in.

6. As per Regulation 40 of 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 and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/ HO/MIRSD/ RTAMB/CIR/P/2020/236 dated December 2, 2020, had fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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 are requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile/ phone numbers, PAN, mandates, nominations and bank details etc., to their Depository Participants (“DPs”) in case shares are held by them in electronic form and to M/s. Satellite Corporate Services Private Limited in Form ISR-1 in case the shares are held by them in physical form. Members can contact the Company or the Company’s Registrars and Transfer Agents, M/s. Satellite Corporate Services Private Limited for assistance in this regard.
7. Shareholders desirous of receiving communication from the Company in electronic form may register their email addresses with their respective depository participants. Further, shareholders are also requested to approach their depository participant to register their email address in their demat account details as per the process defined by the respective depository participant. Members, who hold shares in physical form are requested to provide their email addresses to M/s. Satellite Corporate Services Private Limited by sending an e-mail at service@satellitecorporate.com or to the Company at karnavatifinance@gmail.com.
8. As per the provisions of Section 72 of the Act, the facility for making nominations 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 said form can be downloaded from the Company’s website www.karnavatifinancelimited.com. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. Satellite Corporate Services Private Limited, in case the shares are held in physical form. Further, if members desire to opt-out/ cancel the nomination and to record a fresh nomination, are requested to submit Form ISR-3 (in case of shares held in physical form) or SH-14 (in case of shares held in electronic mode).
9. SEBI has mandated listed companies to issue securities in dematerialized form only while processing service requests for the issue of duplicate securities certificates; claims from unclaimed suspense accounts; renewal/ exchange of securities certificates; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; and transmission and transposition. In this regard, members are requested to make requests in Form ISR-4. It may be noted that the service request can be processed only, if the respective folio is KYC Compliant.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. Satellite Corporate Services Private Limited, 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 the requisite changes.
11. In the case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
12. Since the AGM will be held through VC / OAVM, the Route Map does not form part of the Notice. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business at item nos. 3, 4 and 5 above is annexed hereto and forms part of the Notice.
13. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. Members can request the same by sending an email to karnavatifinance@gmail.com till the date of the AGM.
14. Members seeking any information with regard to Financial Statements or any matters to be placed at the AGM, are requested to write to the Company at least 5 days before the date of AGM through email at karnavatifinance@gmail.com. The same will be replied by the Company suitably.
15. 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 Satellite Corporate Services Private Limited in case the shares are held in physical form.
16. **VOTING THROUGH ELECTRONIC MEANS:**
 - 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 (LODR) Regulations, 2015 (as amended) and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-voting Facility provided by Listed Entities, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
 - ii. The members, whose names appear in the Register of Members /list of Beneficial Owners as on Friday, August 30, 2024 are entitled to vote on the resolutions, set forth in this Notice. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the ‘cut-off date’ of Friday, August 30, 2024. Any person holding shares in physical form and non- individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut- off date i.e. Saturday, September 21, 2024 may obtain the login ID and password by sending a request at service@satellitecorporate.com and/ or evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
 - iii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
 - iv. The Board of Directors of the Company have appointed CS Jitendra Parmar, Practising Company Secretary (ICSI M. No. F11336) as the Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

- v. The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and at the meeting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 2 working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- vi. The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Wednesday, September 25, 2024 at 9:00 A.M. and ends on Friday, September 27, 2024 at 5:00 P.M.

The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, September 21, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21, 2024.

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: Access to NSDL e-Voting system

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

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

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

Type of Shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https:// eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https:// eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System ‘Easi Tab’ and then use your existing username & password. 2. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e- Voting option, the user will be able to see the e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

	<p>3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com. They can click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting pages by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the Demat Account. After successful authentication, users will be able to see the e-Voting option where the e-Voting is in progress and also be able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	Users can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, the users will be able to see the e-Voting option. Upon clicking on the e-Voting option, they will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein they can see the e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and they will be redirected to the e-Voting website of NSDL for casting their vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue during login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or calling at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue during login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contacting at toll free no. 1800 22 55 33

B) Login method for e-Voting and joining virtual meetings for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to log-in to the NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-Services i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-Services after using your login 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 a 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 a 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 131133, then user ID is 131133001***

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

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using the 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. 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 is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - 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.com mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting the check box.
 8. Now, you will have to click on the “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join the General Meeting on NSDL e-Voting system.**How to cast your vote electronically and join the General Meeting on NSDL e-Voting system?**

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

General Guidelines for shareholders

1. 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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to csjitendraparmar@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Amit Vishal, Senior Manager, NSDL, 022-2499 4360 or email at amitv@nsdl.co.in or Ms. Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at pallavid@nsdl.co.in at evoting@nsdl.com.

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

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

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

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

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see a link of “VC/OAVM” placed under the “Join meeting” menu against the Company name. You are requested to click on the VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. 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.
6. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at karnavatifinance@gmail.com at least 5 days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely. Once the Member clicks the link for VC/ OAVM in shareholder/members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to by the Company suitably

Annexure to Notice - Explanatory Statement

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

Item No. 3

The Board of Directors of the company ("the board") at its meeting held on June 28, 2019 had appointed Mr. Raman Morzaria (DIN: 00203310) as a Whole-Time Director of the company for a period of 5 years w.e.f. July 01, 2019 to June 30, 2024 and the same was approved by the members of the company in their meeting held on September 25, 2019. The said period of appointment was expired on June 30, 2024. So, the Board of Directors of the company at its meeting held on June 30, 2024 has, subject to the approval of members, re-appointed Mr. Raman Morzaria (DIN: 00203310) as a Whole-Time Director for a further period of five (5) years w.e.f. July 1, 2024 to June 30, 2029, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Raman Morzaria (DIN: 00203310) as a Whole-Time Director, in terms of the applicable provisions of the Act.

Further, in terms of SEBI (Listing Obligations and Disclosure Requirement) Amendment Regulations, 2018 the remuneration of the Promoter Executive Directors shall not exceed Rs. 5,00,00,000 (Rupees Five crore) or 2.5% of net profits whichever is higher or there is more than one Executive Directors, the aggregate annual remuneration to such directors is exceeds 5% of the net profit. The prescribed resolution required approval of Shareholders of the company as special resolution under these regulations.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the minimum Remuneration payable to Mr. Raman Morzaria (DIN: 00203310), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198, 203 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirement) Amendment Regulations, 2018, the re-appointment of Mr. Raman Morzaria (DIN: 00203310) as Whole-Time Director and remuneration payable to is now being placed before the Members for their approval by way of Special Resolution.

Terms and Conditions along with brief details of director seeking re-appointment at the annual General Meeting:

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

General Information

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.

Date or expected date of commencement of commercial production: Not Applicable.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

Financial performance based on given indicators:

(Amount in Lakhs.)

Financial Parameters	Financial year 2023-24	Financial year 2022-23
Gross Income	304.10	277.50
Net Profit as per Profit and Loss Account	-166.81	56.11

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

Foreign Investment and collaborations, if any: Not Applicable.

Information about the Whole-Time Director:

Background Details: Mr. Raman Morzaria aged 61 years is one of the core promoters of the company. He has an overall experience of 37 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 28, 2019 had appointed Mr. Raman Morzaria (DIN: 00203310) as a Whole-Time Director of the company for a period of 5 years w.e.f. July 01, 2019 to June 30, 2024 and the same was approved by the members of the company in their meeting held on September 25, 2019. The said period of

appointment was expired on June 30, 2024. So, the Board of Directors of the company at its meeting held on June 30, 2024 has, subject to the approval of members, re-appointed Mr. Raman Morzaria (DIN: 00203310) as a Whole-Time Director for a further period of five (5) years w.e.f. July 1, 2024 to June 30, 2029, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the board and approved by the board.

Past Remuneration: Rs. 1,00,000 Per Month

Recognition of Award: None

Job Profile and his suitability: Mr. Raman Morzaria has an overall experience of 37 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.

Remuneration Proposed: up to Rs. 1,00,000/- per month (No change in remuneration).

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.

Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel or any other director, if any:

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) & Mr. Kush Morzaria (Chief Financial Officer), he has not directly or indirectly has any relationship with the managerial personnel of the company or any other director of the company.

Other Information:

Reasons for loss or inadequate profit:

Due to increase in Non Performing Assets and their provisioning requirement, the company has incurred loss of Rs. 166.81 in the preceding financial year.

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. Accordingly the company is in process of expanding its portfolio so as to add more business verticals such as auto loans, education loans, business loans and loan against property to its portfolio there by increasing the business of the company. So, taking in to consideration the above mentioned events, it is expected that the performance of the company will accordingly improve as compared to the current situation.

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.

The Board of Directors is of the view that the re-appointment of Mr. Raman Morzaria (DIN: 00203310) as Whole-Time Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

Save and except Mr. Raman Morzaria, Mr. Jay Morzaria, Mr. Kush 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. 3.

The statement of additional information required to be disclosed as per Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

Item No. 4

The Board of Directors of the company ("the board") at its meeting held on June 28, 2019 had appointed Mr. Jay Morzaria (DIN: 02338864) as a Managing Director of the company for a period of 5 years w.e.f. July 01, 2019 to June 30, 2024 and the same was approved by the members of the company in their meeting held on September 25, 2019. The said period of appointment was expired on June 30, 2024. So, the Board of Directors of the company at its meeting held on June 30, 2024 has, subject to the approval of members, re-appointed Mr. Jay Morzaria (DIN: 02338864) as a Managing Director for a further period of five (5) years w.e.f. July 1, 2024 to June 30, 2029, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Jay Morzaria (DIN: 02338864) as a Managing Director in terms of the applicable provisions of the Act.

Further, in terms of SEBI (Listing Obligations and Disclosure Requirement) Amendment Regulations, 2018 the remuneration of the Promoter Executive Directors shall not exceed Rs. 5,00,00,000 (Rupees Five crore) or 2.5% of net profits whichever is higher or there is more than one Executive Directors, the aggregate annual remuneration to such directors is exceeds 5% of the net profit. The prescribed resolution required approval of Shareholders of the company as special resolution under these regulations.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the minimum Remuneration payable to Mr. Jay Morzaria (DIN: 02338864), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198, 203 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirement) Amendment Regulations, 2018, the re-appointment of and remuneration payable to Mr. Jay Morzaria (DIN: 02338864) as a Managing Director is now being placed before the Members for their approval by way of Special Resolution.

Terms and Conditions along with brief details of director seeking re-appointment at the annual General Meeting:

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

General Information

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.

Date or expected date of commencement of commercial production: Not Applicable.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

Financial performance based on given indicators:

(Amount in Lakhs.)

Financial Parameters	Financial year 2023-24	Financial year 2022-23
Gross Income	304.10	277.50
Net Profit as per Profit and Loss Account	-166.81	56.11

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

Foreign Investment and collaborations, if any: Not Applicable.

Information about the Managing Director:

Background Details: Mr. Jay Morzaria aged 35 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 twelve years in the field of finance and construction business. The Board of Directors of the Company in their meeting held on June 28, 2019 had appointed Mr. Jay Morzaria (DIN: 02338864) as a Managing Director of the company for a period of 5 years w.e.f. July 01, 2019 to June 30, 2024 and the same was approved by the members of the company in their meeting held on September 25, 2019. The said period of appointment was expired on June 30, 2024. So, the Board of Directors of the company at its meeting held on June 30, 2024 has, subject to the approval of members, re-appointed Mr. Jay Morzaria (DIN: 02338864) as a Managing Director for a further period of five (5) years w.e.f. July 1, 2024 to June 30, 2029, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the board and approved by the board.

Past Remuneration: Rs. 1,00,000 Per Month

Recognition of Award: None

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 twelve 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.

Remuneration Proposed: up to Rs. 1,00,000/- per month. (No change in Remuneration)

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

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.

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 son of Mr. Raman Morzaria (Whole-Time director of the company) & brother of Mr. Kush Morzaria (Chief Financial Officer), he has not directly or indirectly has any relationship with the managerial personnel of the company.

Other Information:

Reasons for loss or inadequate profit:

Due to increase in No Performing Assets and their provisioning requirement, the company has incurred loss of Rs. 166.81 in the preceding financial year.

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. Accordingly the company is in process of expanding its portfolio so as to add more business verticals such as auto loans, education loans, business loans and loan against property to its portfolio there by increasing the business of the company. So, taking in to consideration the above mentioned events, it is expected that the performance of the company will accordingly improve as compared to the current situation.

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.

The Board of Directors is of the view that the re-appointment of Mr. Jay Morzaria (DIN: 02338864) as a Managing Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

Save and except Mr. Jay Morzaria, Mr. Raman Morzaria, Mr. Kush 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. 4.

The statement of additional information required to be disclosed as per Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

Item No. 5

The Company enters into various Non-Banking Financial Transactions with Related Parties from time to time. These transactions usually occur on a repetitive basis and are expected to exceed the prescribed threshold limits under the Listing Regulations so as to qualify as Material Related Party Transactions.

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 ("Listing Regulations") read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated 08th April, 2022, all Related Party Transactions shall require prior approval of the Audit Committee and all Material Transactions with related parties require approval of the Members of the Company through Ordinary Resolution. A transaction with a Related Party shall be considered material under the Listing Regulations, if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a Financial Year,

exceeds 10% of the Annual Consolidated Turnover of the Company as per the last Audited Financial Statements of the Company or any other materiality threshold prescribed by any other applicable law.

Further, Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis.

The Company proposes to enter into transactions with Related Parties as provided in Resolution No. 5, from time to time, at the agreed terms of the transactions between the parties. The said transactions with the Related Parties as per Resolution No. 5 are to be held at arm's length and in the ordinary course of business of the Company.

The Audit Committee has approved the said Related Party Transactions which were placed before it at its meeting held on 28th May, 2024 and has noted that these transactions are in the ordinary course of business and all the transactions are at arm's length. Further, the said transactions qualify as Material Related Party Transactions under the Listing Regulations. Accordingly, the Members' approval is sought for the same which shall be valid from a period of three financial year started from 2023-24 to 2025-26, subject to the ratification of the same at every annual general meeting proposed to be held during the said three financial years. Information relating to transactions viz. names of the related parties and relationships, monetary value of the transactions are mentioned in the resolution. The terms are determined from contract to contract, as agreed between the parties.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution except Mr. Jay Morzaria and Mr. Raman Morzaria.

The Directors recommend the Resolution No. 5 of the Notice for approval of the Members by way of an Ordinary Resolution.

Additional Information on the proposed Related Party Transactions under the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 for Item No. 5

a. Justification why the proposed transaction is in the interest of the Company:

The Company being an NBFC, provides personal loans, unsecured business loans, education loans, auto loans, mortgage loans and various other loans to different entities/individuals in its normal course of business. Therefore, All the proposed transactions for receiving the loans from the related parties which are to be entered into by the Company with its Related Parties in the ordinary course of business and at arm's length contributes to the business of the Company and so are commercially beneficial to the Company.

b. Valuation report or other external report relied upon in relation to the proposed transaction:

The Company has been regularly transacting with the parties on the basis of various external information and market practices in relation to the proposed transactions.

c. Information if the transaction relates to loans, ICD, Advances or Investments:

i. Whether any indebtedness is incurred to make or give loans, etc.:

The Company being an NBFC has incurred indebtedness which is in the ordinary course of business and in furtherance to its main business activity. There is no specific indebtedness incurred in relation to the proposed transactions.

ii. Applicable terms of the proposed transactions:

a. Tenure: The approval sought shall be valid from a period of three financial years started from 2023-24 to 2025-26, subject to the ratification of the same at every annual general meeting proposed to be held during the said three financial years. however, the proposed transactions are continuous in nature and are generally made on demand.

b. Interest Rate: As stated in proposed resolution as mentioned in item no. 5

c. Repayment: On demand

d. Secured / Unsecured: Unsecured

e. Nature of security: Unsecured

iii. The purpose for which the funds will be utilised by the ultimate beneficiary of such funds:

The funds shall be utilised by the ultimate beneficiary towards its main business activity.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out in Item No. 5 of the accompanying Notice. This resolution enables the Board of Directors and/or their duly constituted committees of the Company to approve related party transactions, as may be required by the Company, from time to time, and also ratification of existing arrangements/ transactions/ contracts entered into by the Company till the date of the said resolution coming into effect.

Moreover, by the proposed resolution, approval of the members is also sought for the material related party arrangements/ transactions/ contracts for the financial years from 2023-24, 2024-25 and 2025-25 respectively with the various specified related parties.

Accordingly the Board of Directors recommends the Resolution as an Ordinary Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Registered Office

Vraj Group, 2nd Floor, Simran Centre, Mogra Village, 30H Parsi Panchayat Road, Andheri East, Andheri, Mumbai - 400053, Maharashtra

By order of the Board
For, Karnavati Finance Limited

Jay Morzaria
Managing Director
DIN: 02338864

Place: Mumbai

Date: September 05, 2024

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. 3 and 4:

Particulars / Name	Mr. Jay Morzaria	Mr. Raman Morzaria
Date of Birth	August 14, 1989	November 26, 1962
Qualification	B.Com & L.L.B	S.S.C
Experience - Expertise in specific functional areas - Job profile and suitability	<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>He has an overall experience of 37 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.</p> <p>He is on our Board since acquisition and is responsible for strategic planning and administration of our Company. With the best efforts of Mr. Morzaria, KFL reaches to the new heights with the strong market position having a good customer based relationship and a great market reputation among other competitors in the field of Financing.</p>
No. of Shares held	11573500 Equity Shares	29388810 Equity Shares
Terms & Conditions	No change in existing terms and conditions	No change in existing terms and conditions
Remuneration Last Drawn	Up to Rs. 1,00,000/- per month	Up to Rs. 1,00,000/- per month
Remuneration sought to be paid	No change in existing terms and conditions	No change in existing terms and conditions
Number of Board Meetings attended during the Financial Year 2023-24	7 out of 7	7 out of 7
Date of Original Appointment	September 15, 2010	May 06, 2020
Date of Appointment in current terms	July 01, 2024	July 01, 2024
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>	<p>Mr. Raman Morzaria is a Father of Mr. Jay Morzaria (Managing Director of the company) and Mr. Kush Morzaria (Chief Financial Officer of the company)</p>

Registered Office

Vraj Group, 2nd Floor, Simran Centre, Mogra Village, 30H Parsi Panchayat Road, Andheri East, Andheri, Mumbai - 400053, Maharashtra

By order of the Board
For, Karnavati Finance Limited

Jay Morzaria
Managing Director
DIN: 02338864

Place: Mumbai
Date: September 05, 2024