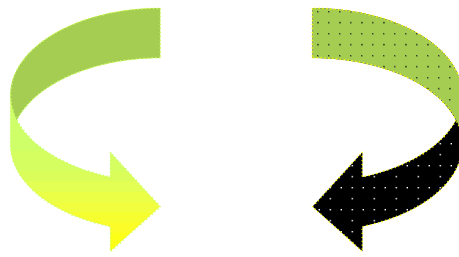


GARBI FINVEST LIMITED



ANNUAL REPORT

2017- 2108



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BOARD OF DIRECTORS:

Rupesh Kumar Pandey
Kripa Shankar Mahawar
Sangita Kar
Hetal Vasant Hakani

CHIEF FINANCIAL OFFICER

Sachin Kumar Sharma

COMPANY SECRETARY

Richa Agarwalla

STATUTORY AUDITOR

S. Ramanand Aiyer & Co., Chartered Accountants
501/502, Umerji house, Next to Crescent Plaza,
Mumbai-400069

INTERNAL AUDITOR

Dipak Lal & Associates, Cost Accountants

SECRETARIAL AUDITOR

N Purohit & Associates, Company Secretaries

BANKERS

Axis Bank
Oriental Bank of Commerce

REGISTRAR & TRANSFER AGENT

Niche Technologies Private Limited
D 511 Bagree Market
71 BRBB Road Kolkata 700001
Phone: 033 2235 7270/ 7271
Fax: 033 2215 6823
E-mail: nichetechpl@nichetechpl.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview

The Indian economy posted a growth of 6.6% in FY2017-18 compared to 7.1% in FY2016-17, as the first round of effects of demonetisation and the implementation of GST played out. The year 2017-18 saw large scale reforms initiatives come into full force. This has created a single market for providers of goods and services. A Single tax on transactions will aid GDP growth by reducing the cost of doing business. The other major reforms were the constitution of National Company Law Tribunal (NCLT) and Insolvency and Bankruptcy Code (IBC). This is likely to reduce the time taken to resolve stressed assets through a timebound resolution programmed for referred accounts. While private activity remained somewhat subdued on account of the fall in consumer sentiment, the government showed its intent by taking long pending tough decisions in the interest of Country failure. Thus, India continued to witness steady economic growth despite a volatile internal and weak external environment.

The Indian financial services sector, comprising of a range of institutions from commercial and co-operative banks, pension funds and Non-Banking Financial Companies (NBFCs) to Mutual Funds, insurance companies, etc., is diverse and expanding rapidly. Over the years, the Government of India has initiated several reforms to liberalise this industry and expand its reach to individuals in the hinterlands and Micro, Small and Medium Enterprises (MSMEs) in need of credit and other financial services. Adding a further dimension, the Government and RBI have also allowed new entities such as Payment Banks and Small Finance Banks to enter the financial sector.

Industry Structure and Development

The Non-Banking Financial Companies (NBFC) sector saw a largely stable outlook for major NBFCs. From the perspective of larger financial system, Scheduled Commercial Banks continued to be the dominant players accounting for 47% in India of the bilateral exposure followed by Asset Management Companies, managing Mutual Funds, (AMC-MFs), Non Banking financial Companies (NBFCs), Insurance Companies and All India Financial Institutions.

The Union Budget 2017-18 referred to review of the refinancing policy and eligibility criteria set out by MUDRA for better refinancing of NBFCs, setting a target of 3 lakh crore for lending under MUDRA for 2018-19, as the targets have been exceeded in all previous years.

Opportunities and Threats and Risks and Concerns:

The NBFC sector in India is large with significant growth potential and has consistently created value for its shareholders. The NBFC sector has a double digit credit market share and has consistently gained market share from banks over the last 10 years. The growth in the sector appears sustainable as India has a low GDP to credit penetration. Further, many structural factors are supportive of NBFC growth namely weak banks,

initiatives of the Reserve Bank of India ("RBI") on policy alignment and latent credit demand in certain segments not catered to by banks. The sector has been delivering on average, approximately 1.5% to 2% better ROEs, as compared to select banks over the last many years. In order for the sector to sustain its advantages, companies in the sector need to grow in a prudent manner while focusing on automation, financial innovation, analytics, digital and adequate risk management systems and procedures.

The RBI constantly issues new regulations and / or modifies existing regulations endeavouring to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns. The RBI, however, implements major changes in a structured manner providing companies operating in the sector adequate time to adapt and adjust.

The threat for the NBFCs come from increased competition from Banking industry, which is in a position to lend at competitive rate due to availability of huge funds at a cheaper cost. The Company expects stable interest rate in the year to come and is confident of meeting the challenges. The management continuously assesses the risks and monitors the business and risk management policies to minimize the risk. The major risk which the Company is presently exposed to is decline in spread due to frequent changes in lending rate. The continuous effort and actions are taken to reduce the cost of funds.

Newer regulatory updates pose a constant challenge for smooth operations of the Company. The Company needs to be equipped to quickly adapt to the constant changes in regulations and competitive landscape. With new entities like payment banks, small banks, new universal banks and fin-tech companies entering the market place, the Company needs to maintain its competitive edge through constant adaptation and creating strategies to protect its niche. The implementation of and the IND AS will pose its own set of challenges for the Company and NBFC sector as a whole.

Internal Control and their Adequacy:

The company has an adequate system of internal controls commensurate with the size and nature of business. The company is complying with all the mandatory requirements of Corporate Governance as laid down in the Listing Agreement. This has improved the management of the affairs of the company and strengthened transparency and accountability. The Audit Committee reviews the internal control system and look into the observations of the statutory auditor very closely.

Discussions on Financial performance.

The financial performance of the Company for the year has been discussed in the Director's Report and Cash Flow Statement annexed with the Annual Accounts.

Developments in Human Resources:

The Company has potential appraisal systems for identifying and developing talent of Employees. The Company is confident of attracting, developing and nurturing the best talent in the industry in view of the company's inherent strengths gained over the years. As in the past, the Company has enjoyed cordial relations with the employees at all levels.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the company's present position, objectives, expectations or predictions may be "forward looking" statements within the meaning of applicable laws and regulations.

For and on behalf of the Board

Date: 30.05.2018

Place: Mumbai

Sd/-

Rupesh Kumar Pandey

Managing Director

DIN: 00150561

Sd/-

Kripa Shankar Mahawar

Director

DIN: 01158668

NOTICE

NOTICE is hereby given that 36th Annual General Meeting of the members of the company will be held on Saturday, the 22nd day of September, 2018 at 11:00 AM at 08, Rayfreda, 2nd Floor, Opp. H.P.Petrol Pump, Andheri (East) Mumbai Maharashtra 400093 to transact with or without modification(s), as may be permissible, the following businesses:

AS ORDINARY BUSINESS

Item No.1 – Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2018 together with the report of the Directors' and Auditors' thereon.

Item No.2 – Appointment of director in place of retiring director

To consider re-appointment of Mr. Kripa Shankar Mahawar (DIN: 001158668), who retires by rotation, and being eligible, offer himself for re-appointment.

Item No.3 – Re-Appointment of Statutory Auditor of the company

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

RESOLVED THAT pursuant to the provisions of section 139 and 141 of the Companies Act, 2013 M/s S. Ramanand Aiyar & Co., Chartered Accountants (FRN: 000990N), be and are hereby re-appointed as Statutory Auditors of the Company for

a term of 4 (Four) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 40th Annual General Meeting to be held in the year 2022 and in this regard the Board of Directors of the company be and are hereby authorized to fix their remuneration plus travelling and other out of pocket expenses incurred by them in connection with statutory audit and also such other remuneration, as may be decided to be paid by the Board of Directors or Committee of the Board of Directors, for performing duties other than those referred to herein above.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies, in order to be valid and effective, must be delivered at the registered/ corporate office of the company not later than forty-eight hours before the commencement of the meeting.
3. Pursuant to provisions of section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Only bonafide members of the company whose names appear on the register of members/ proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The register of member and share transfer register of the company will remain closed from

September 17, 2018 to September 22, 2018 (both days inclusive).

8. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Niche Technologies Pvt. Ltd. or the Secretarial Department of the company immediately.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. The Nomination Form SH-13 prescribed by the government can be obtained from M/s. Niche Technologies Pvt. Ltd. or the Secretarial Department of the company at its registered office.
10. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the depository. Members who have not registered their e-mail address with the company are requested to submit their request with their valid e-mail address to M/s. Niche Technologies Pvt. Ltd. Members holding shares in demat form are requested to register/ update their e-mail address with their Depository Participant(s) directly. Members of the company who have registered their email address, are entitled to receive such communication in physical form upon request.
11. All documents referred to in the accompanying Notice shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
12. Details of Directors seeking appointment/ re-appointment at the Annual General Meeting of

the company to be held on September 22, 2018 and are provided in **Annexure A** of this Notice.

13. VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The process and manner for remote e-voting are as under:

- (i) The remote e-voting period commences on September 19, 2018 (10:00 AM) and ends on September 21, 2018 (05:00 PM). During this period members of the company, holding shares either in physical form or in

dematerialized form, as on the cut-off date of September 15, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
Bank Account Number (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

(ix) Members holding shares in physical form will then directly reach the Company selection Screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company Name i.e. **GARBI FINVEST LTD** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A