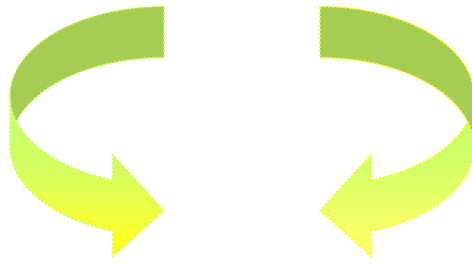


GARBI FINVEST LIMITED



ANNUAL REPORT

2019- 2020



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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

KSN & Company, Company Secretaries

BANKERS

Axis Bank
Oriental Bank of Commerce

REGISTRAR & TRANSFER AGENT

Niche Technologies Private Limited
3A, Auckland Place, 7th Floor,
Room No-7A & 7B, Kolkata-700017
Phone: 033 2280 6616/6617
Fax: 033 2215 6823
E-mail: nichetechpl@nichetechpl.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview

The Indian economy grew at 4.2 per cent in 2019-20, lower than the 6.1 per cent figure registered in 2018-19, as the Covid-19 pandemic adversely impacted economic activity in the last month of the fiscal year, especially manufacturing and construction. The full-year GDP growth is the lowest India has registered in 11 years. The Central Statistics Office had earlier forecast that the economy would grow at 5 per cent in 2019-20. In the January-March quarter, GDP grew at 3.1 per cent as against 5.7 per cent in the corresponding year-ago period. These are the first set of GDP numbers showing the impact of the Covid-19 pandemic and the nationwide lockdown, which came into effect from 25 March. Economists expect a massive contraction in the first quarter of 2020-21 due to the two-month lockdown, which is likely to pull down the full-year growth to a 5-7 per cent contraction. The Reserve Bank of India's monetary policy committee refrained from providing any growth projections for the first time in its history, citing the huge uncertainties around the pandemic and its impact on various sectors.

Indian Financial Services Industry

The country's financial services sector consists of capital markets, insurance sector and non-banking financial companies (NBFCs). India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.50 per cent in 2019. In 2019, US\$ 2.5 billion was raised across 17 initial public offerings (IPOs). The number of Ultra High Net Worth Individuals (UHNWI) are estimated to increase to 10,354 in 2024 from 5,986 in 2019. India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020 report. The asset management industry in India is among the fastest growing in the world. In March 2019, corporate investors Assets Under Management (AUM) stood at Rs 9.55 lakh crore (US\$ 136.59 billion), while HNWI and retail investors reached Rs 7.52 lakh crore (US\$ 107.55 billion) and Rs 6.30 lakh crore (US\$ 90.12 billion), respectively. In the Asia-Pacific region, India is among the top five countries in terms of HNWI. The number of HNWI in India reached 263,000 by end of 2019. Between 2014 and 2019, number of HNWI in India saw a steady rise, growing at a CAGR of 3.9 per cent. Mutual Fund (MF) industry's AUM grew from Rs 10.96 trillion (US\$ 156.82 billion) in October 2014 to Rs 25.48 trillion (US\$ 361.59 billion) in June 2020. Inflow in India's mutual fund schemes via the Systematic Investment Plan (SIP) route reached Rs 82,453 crore (US\$ 11.70 billion) in 2019. Equity mutual funds registered a net inflow of Rs 8.04 trillion (US\$ 114.06 billion) by end of December 2019.

Industry Structure and Development

It is evident that the economic slowdown is real, consumer confidence is declining and RBI has pegged the GDP growth rate at 4.5%. Lenders are finding ways to manage their books, demand and stay in the business in long-run. New age non-bank lenders focusing on processes and models driven aided by superior technology express their learning in 2019 and their outlook for 2020. The Government has taken a series of measures to generate demand and ease the liquidity by ensuring public sector banks lend further to NBFCs, introducing partial credit guarantee scheme, organizing loan mela etc. The slowdown that has begun can't be turned around that easily for which a booster shot is required. Structurally, the government can make it easier for MSMEs to survive the environment by providing more subsidies to some sectors and build more platforms for small-scale industries to expand. Government should consider relaxing and easing some compliances, for e.g. reforms on taxes or entry requirements for DFIs. Every fundamental indicates towards a higher growth and better future next year, reflecting strong optimism going into 2020.

Opportunities and Threats and Risks and Concerns

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 major opportunities are Demographic Changes, large untrapped rural and urban Markets and Use of digital solutions for business/collections.

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.

High cost of funds, Rising Non-performing Assets (NPAs), restrictions on deposit taking NBFCs, Competition from other NBFCs and banks. and Growing number of Fintech companies are major threats for the Industry.

A company in its normal course of working takes on many risks. For a Non-Banking Finance Company the risks that are most important are operational risk, credit risk and competition risk. The identification, monitoring and mitigation of these risks are integral to the success of the company. The Company has framed a Risk Management Policy for the Company in order to detect, mitigate and prevent risk both internal and peripheral arising to the Company.

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

Sd/-

Rupesh Kumar Pandey
Managing Director
DIN: 00150561

Sd/-

Kripa Shankar Mahawar
Director
DIN: 01158668

Date: 29.07.2020
Place: Mumbai

NOTICE

NOTICE is hereby given that 38th Annual General Meeting of the members of the company will be held on Wednesday, the 30th day of September, 2020 at 03:00 PM at 08, RAYFREDA, 2ND FLOOR, OPP. H.P.PETROL PUMP, CHAKALA, ANDHERI (EAST), MUMBAI- 400093 IN 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, 2020 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.

AS SPECIAL BUSINESS

Item No.3 – To re-appoint Ms. Sangita Kar as Woman Independent 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 provisions of Section 149, 150, and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Sangita Kar (DIN: 07145123) be and is hereby re-appointed as the Woman Independent Director of the Company with effect from 01.04.2020.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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 24, 2020 to September 30, 2020 (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 30, 2020 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 27, 2020 (09:00 AM) and ends on September 29, 2020 (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 23, 2020 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

- Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- 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) Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.

- 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).

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

(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'