



# **KARNAVATI FINANCE LIMITED**

**33<sup>RD</sup> ANNUAL REPORT**

**F.Y. 2016-17**

# **INDEX**

<b>Content</b>	<b>Page No.</b>
<b>Corporate Information</b>	<b>2</b>
<b>Notice to Shareholders</b>	<b>3</b>
<b>Directors' Report</b>	<b>10</b>
<b>Management Discussion and Analysis Report</b>	<b>29</b>
<b>Independent Auditors' Report</b>	<b>32</b>
<b>Balance sheet</b>	<b>37</b>
<b>Profit and Loss Account</b>	<b>38</b>
<b>Cash Flow Statement</b>	<b>39</b>
<b>Notes to Financial Statement</b>	<b>40</b>
<b>Specimen Letter for updation of Shareholders' Information</b>	<b>48</b>
<b>Attendance Slip &amp; Proxy Form</b>	<b>50</b>

# **Corporate Information**

## **KARNAVATI FINANCE LIMITED**

**CIN: L65910MH1984PLC034724**

<b>Board of Directors</b>	<b>Committees of the Board of Directors</b>
<p>Mr. Jay Morzaria                      Managing Director</p> <p>Mr. Raman Morzaria                Whole-time Director</p> <p>Mr. Jay Somaiya                      Independent Director</p> <p>Ms. Hardika Mandavia              Independent Director</p> <p>Mr. Pinak Soni                        Company Secretary</p>	<p><b>Audit Committee</b></p> <p>Mr. Jay Somaiya</p> <p>Ms. Hardika Mandavia</p> <p>Mr. Jay Morzaria</p> <p><b>Stakeholders' Relationship Committee</b></p> <p>Mr. Jay Somaiya</p> <p>Ms. Hardika Mandavia</p> <p>Mr. Jay Morzaria</p> <p><b>Nomination and Remuneration Committee</b></p> <p>Mr. Jay Somaiya</p> <p>Ms. Hardika Mandavia</p> <p>Mr. Jay Morzaria</p>
<b>Registered Office</b>	
<p>Unit No 2, Sagar Deep Darshan Co Operative Housing Society Limited, S. V. Road, Borivali (West) Mumbai – 400 092, Maharashtra.</p> <p><b>Tel No.:</b> +91 – 73037 98900</p> <p><b>E-Mail:</b> karnavatifinance@gmail.com</p> <p><b>Web:</b> www.karnavatifinancelimited.com</p>	
<b>Corporate Office</b>	
<p>Vraj, 5th Floor, Opp. President Hotel, Near Bhumi Press, Limda Lane, Jamnagar – 361 001, Gujarat.</p> <p><b>Tel No:</b> +91 – 288 – 266 3042</p> <p><b>Fax No:</b> +91 – 288 – 267 3759</p>	
<b>Statutory Auditor</b>	
<p>M/s. Maharishi &amp; Co.,</p> <p>Chartered Accountants</p> <p>"Aparna", Behind Jivandeep Hospital, Limda Lane, Jamnagar – 361 001.</p> <p><b>E-Mail ID:</b> info@maharishiandco.com</p>	
<b>Registrar and Share Transfer Agent</b>	
<p>Satellite Corporate Services Private Limited</p> <p>B-302, Sony Apartment, Opp. St. Judes High School,</p> <p>Off Andheri Kurla Road, Jarimari Sakinaka, Mumbai – 400 072</p> <p><b>Tel No.:</b> +91 – 22 – 2852 0461; <b>Fax No.:</b> +91 – 22 – 2851 1809</p> <p><b>Email:</b> service@satellitecorporate.com; <b>Web:</b> www.satellitecorporate.com</p>	
<b>Banker</b>	
Corporation Bank	
<b>Secretarial Auditor</b>	
<p>Mr. Anand S. Lavingia</p> <p>Practicing Company Secretary</p> <p>415-416, Pushpam Complex, Opp. Seema Hall, Anandnagar Road, Satellite, Ahmedabad – 380 015</p>	

# **Notice to Shareholders**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of Karnavati Finance Limited will be held at the Registered Office of the Company situated at Unit No 2, Sagar Deep Darshan Co Operative Housing Society Limited, S.V. Road, Borivali (West), Mumbai, Maharashtra – 400 092 on Saturday, September 16, 2017 at 04:00 P.M. to transact the following businesses:

## **Ordinary Businesses:-**

1. To receive, consider and adopt audited financial statement of account for the financial year ended on March 31, 2017 and the reports of the Director's and the Auditor's thereon.
2. To appoint a Director in place of Mr. Raman Morzaria (DIN: 00203310), Whole-Time Director of the Company, who retires by rotation and being eligible, seeks re-appointment.
3. Ratification of Appointment of Statutory Auditor and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company hereby ratifies the appointment of M/s. Maharishi & Co., Chartered Accountants (Firm Registration No. 124872W) as Statutory Auditors of the Company to hold office from the conclusion of the this Annual General Meeting till the conclusion of the 34<sup>th</sup> Annual General Meeting to be held in the calendar year 2018, on a remuneration as may be agreed upon by the Board of Directors and the Auditors, apart from out-of-pocket expenses that may be incurred by them for the purpose of audit."

## **Special Businesses:-**

4. **Revision in remuneration of Mr. Raman Morzaria (DIN 00203310) Whole-Time Director of the Company for his remaining period of appointment:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 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), resolution passed on July 5, 2014 by the members and on recommendation of Nomination and Remuneration Committee and as agreed by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), consent of the Company be and is hereby accorded for revision in the remuneration of Mr. Raman Morzaria, (DIN 00203310), Whole-Time Director, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with effect from July 1, 2017 for the remaining period of his tenure i.e. up to June 30, 2019, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Raman Morzaria, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

5. **Revision in remuneration of Mr. Jay Morzaria (DIN 02338864) Managing Director of the Company for his remaining period of appointment:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 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), resolution passed on July 5, 2014 by the members and on recommendation of Nomination and Remuneration Committee and as agreed by the Board of Directors

(hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), consent of the Company be and is hereby accorded for revision in the remuneration of Mr. Jay Morzaria, (DIN 02338864), Managing Director, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with effect from July 1, 2017 for the remaining period of his tenure i.e. up to June 30, 2019, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Jay Morzaria, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

**Registered Office**

Unit No. 2, Sagar Deep Darshan Co. Op.  
Housing Society Limited, S. V. Road, Boriwali (West)  
Mumbai – 400 092, Maharashtra

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

**Jay Morzaria**  
**Managing Director**  
**DIN: 02338864**

**Place:** Jamnagar

**Date:** August 22, 2017

**Notes:**

- A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**  
A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.  
The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 (Forty-Eight) Hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.  
During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company.
- Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- In case of joint holders attending the meeting together, only whose name appearing first will be entitled to vote.
- The Register of Members and Share Transfer Books of the Company will be closed from Sunday, September 10, 2017 to Sunday, September 17, 2017 (both days inclusive) and same will be re-opened from Monday, September 18, 2017 onwards.
- The route map showing directions to reach the venue of the thirty-third AGM is annexed at the end of this Annual Report and uploaded on the website of the Company.
- To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- The members who holds shares of the Company in Physical form are informed that the company is in process of updating records of the shareholders in order to reduce the physical documentation as far as possible. In line with new SEBI (LODR) Regulations, 2015, it is mandatory for all the investors including transferors to complete their KYC information. Hence, members are requested to update and intimate their PAN, phone no., e-mail id and such other information to the Company's Registrars and Transfer Agents, Satellite Corporate Services Private Limited (SCSPL). Members are further requested to update their current signature in SCSPL system. The Performa of updation of Shareholder information is provided at the end of Annual Report.
- Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services.
- The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to SCSPL.

11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact SCSPL for assistance in this regard.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to SCSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Nomination Form can be obtained from the SCSPL. Members holding shares in physical form may submit the same to SCSPL. Members holding shares in electronic form may submit the same to their respective depository participant.
14. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request every member to update their email address with concerned Depository Participant and SCSPL to enable us to send you the communications via email.
15. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. [www.karnavatifinancelimited.com](http://www.karnavatifinancelimited.com).
16. The Ministry of Corporate Affairs ('MCA') on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is not applicable to the Company as the Company has not declared any dividend. Further, the Company does not have any unpaid or unclaimed dividend amount outstanding as on the closure of financial year 2016-17. Therefore, the Company is not required to upload the details of Unpaid and unclaimed dividend amounts. Further, during the year, the Company has not transferred any amount to IEPF.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
18. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
19. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Annual General Meeting.
20. In compliance with the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting and voting at the AGM is/are deemed to have been passed as if they have been passed at the AGM.
21. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Saturday, September 9, 2017, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
22. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date and holds share as on cut-off date i.e. Saturday, September 9, 2017 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
23. The remote e-voting will commence on Wednesday, September 13, 2017 at 09:00 A.M. and will end on Friday, September 15, 2017 at 05.00 P.M. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Saturday, September 9, 2017, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
24. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
25. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the Meeting, but shall not be entitled to cast their vote again.
26. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Saturday, September 9, 2017.
27. The Company has appointed CS Anand Lavingia, Practicing Company Secretary (Membership No. ACS: 26458; CP No: 11410), to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll Paper at the AGM, in a fair and transparent manner.
28. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
29. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the

total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

**31. The instructions for e-voting are as under:**

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

- Step 1. Open email and open PDF file viz; "Karnavati Finance Limited remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- Step 2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- Step 3. Click on Shareholder – Login.
- Step 4. Put user ID and password as initial password/PIN noted in step 1 above. Click Login.
- Step 5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Step 6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- Step 7. Select "REVEN" of Karnavati Finance Limited.
- Step 8. Now you are ready for remote e-voting as Cast Vote page opens.
- Step 9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed.

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

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [karnavatifinance@gmail.com](mailto:karnavatifinance@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

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

REVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN
107144		

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

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

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

Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. Saturday September 9, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

32. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment or re-appointment as Director under Item No. 2, 4 & 5 of the Notice are provided hereunder;

Particulars	Mr. Raman Morzaria	Mr. Jay Morzaria
Date of Birth	November 26, 1962	August 14, 1989
Date of Appointment at current designation and term	September 29, 2001	September 15, 2010
Educational Qualifications	-	B.com & LL.B
Expertise in specific functional areas - Job profile and suitability	Mr. Raman Morzaria aged 54 years is one of the core promoter and Whole Time Director of our company and has taken over our Company in the year 2001. He has an overall experience of 30 years in the field of finance and real estate development and he is driving operational growth, maximizing business opportunities and ensuring compliance with regulatory requirements. He is on our Board since acquisition and is responsible for strategic planning and	Mr. Jay Morzaria aged 27 years is core promoter of our company and has been appointed as Managing Director of our company with the effect from July 01, 2014. He has completed bachelor of commerce from Mumbai University and law graduation in the year 2012 from Mumbai University. He has an overall experience of four years in the field of finance and construction business.

	administration of our Company.	
Directorships held in other public companies	-	-
Memberships / Chairmanships of committees of public companies including our Company	-	Member – 2
Inter-se Relationship with other Directors.	Mr. Raman Morzaria is the Father of Mr. Jay Morzaria.	Mr. Jay Morzaria is son of Mr. Raman Morzaria.

### Annexure to Notice

#### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

##### **Item No. 4**

The Board of Directors of the Company in their Meeting held on June 10, 2014 has appointed Mr. Raman Morzaria as Whole-Time Director of the Company for a period of 5 years w.e.f. July 1, 2014 and the same was approved by the Members of the Company in their Meeting held on July 5, 2014.

In accordance with Section 196, 197 read with Schedule V to the Companies Act, 2013; the remuneration approved in accordance with Schedule V to the Companies Act, 2013 shall be valid for a period not exceeding 3 years from the date of appointment of Whole-Time Director. Therefore, the remuneration approved by the Members of the Company was valid till June 30, 2017.

Mr. Raman Morzaria aged 54 years is one of the core promoter. He has an overall experience of 30 years in the field of finance and real estate development and he is driving operational growth, maximizing business opportunities and ensuring compliance with regulatory requirements. He is on our Board since acquisition and is responsible for strategic planning and administration of our Company.

Therefore, the Board of Directors, pursuant to recommendation of Nomination and Remuneration Committee, has decided to remunerate Mr. Raman Morzaria with the same remuneration that has been approved by the Members of the Company in their meeting held on July 5, 2014 i.e. Rs. 25,000/- per month for remaining period of his tenure. Further, all the remaining terms and condition of appointment of Mr. Raman Morzaria remain same as approved by the members in their meeting held on July 5, 2014.

Looking to the contribution made by Mr. Raman Morzaria for the growth of the Company, the Board of Directors of the Company commends the passing of resolution mentioned in Item No. 4 of the Notice as an Ordinary Resolution.

Save and except Mr. Raman Morzaria, Mr. Jay Morzaria and relatives of Mr. Raman Morzaria to the extent their shareholding in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

##### **Item No. 5**

The Board of Directors of the Company in their Meeting held on June 10, 2014 has appointed Mr. Jay Morzaria as Managing Director of the Company for a period of 5 years w.e.f. July 1, 2014 and the same was approved by the Members of the Company in their Meeting held on July 5, 2014.

In accordance with Section 196, 197 read with Schedule V to the Companies Act, 2013; the remuneration approved in accordance with Schedule V to the Companies Act, 2013 shall be valid for a period not exceeding 3 years from the date of appointment of Managing Director. Therefore, the remuneration approved by the Members of the Company was valid till June 30, 2017.

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

Therefore, the Board of Directors, pursuant to recommendation of Nomination and Remuneration Committee, has decided to remunerate Mr. Jay Morzaria with the same remuneration that has been approved by the Members of the Company in their meeting held on July 5, 2014 i.e. Rs. 25,000/- per month for remaining period of his tenure. Further, all the remaining terms and condition of appointment of Mr. Jay Morzaria remain same as approved by the members in their meeting held on July 5, 2014.

Looking to the contribution made by Mr. Jay Morzaria in the success of the Company, the Board of Directors of the Company commends the passing of resolution mentioned in Item No. 5 of the Notice as an Ordinary Resolution.

Save and except Mr. Jay Morzaria, Mr. Raman Morzaria and relatives of Mr. Jay Morzaria to the extent their shareholding in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 5.

**Registered Office**

Unit No. 2, Sagar Deep Darshan Co. Op.  
Housing Society Limited, S. V. Road, Boriwali (West)  
Mumbai – 400 092, Maharashtra

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

**Place:** Jamnagar  
**Date:** August 22, 2017

**Jay Morzaria**  
**Managing Director**  
**DIN: 02338864**

**Route map to the venue of Annual General Meeting**

