



# **KARNAVATI FINANCE LIMITED**

SINCE 1984

**34<sup>th</sup>**

**ANNUAL REPORT**

**2017 - 2018**

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## Corporate Information

**Karnavati Finance Limited**  
**CIN: L65910MH1984PLC034724**

Registered Office	Corporate Office
Unit No. 2, Sagar Deep Darshan Co-Operative Housing Society Limited, S.V.Road, Borivali (West), Mumbai-400092, Maharashtra. Contact No. : 022 28999100 E-Mail ID: karnavatifinance@gmail.com Website : www.karnavatifinancelimited.com	“Vraj”, 05 <sup>th</sup> Floor, Opp. Hotel President, Near Bhumi Press, Limda Lane, Jamnagar-361001, Gujarat. Contact No. : 0288 2663042 E-Mail ID: karnavatifinance@gmail.com Website : www.karnavatifinancelimited.com

BOARD OF DIRECTORS			
Sr. No.	Name	Director Identification Number (DIN)	Designation
1.	Mr. Jay Morzaria	02338864	Managing Director
2.	Mr. Raman Morzaria	00203310	Whole-Time Director
3.	Mr. Jay Somaiya	06933178	Independent Director
4.	Miss Hardika Mandavia*	05115162	Independent Director
5.	Mrs. Brimda Bilimoria**	08196034	Additional Independent Director

**Note:** \* Ms. Hardika Mandavia (DIN: 05115162) has resigned from the board w.e.f. August 13, 2018.

\*\* Mrs. Brimda Bilimoria (DIN: 08196034) has been appointed as a Non-Executive Additional Women Independent director on the board w.e.f. August 13, 2018.

KEY MANAGERIAL PERSONNEL			
Sr. No.	Name	DIN/PAN	Designation
1.	Mr. Kush Morzaria	BAJPM1377E	Chief Financial Officer
2.	Miss Nitixa Ramanuj	BVBPR8851B	Company Secretary & Compliance Officer

REGISTRAR & SHARE TRANSFER AGENT - Satellite Corporate Services Private Limited
Unit No. 2, Building No. 13 A-B, 2 <sup>nd</sup> Floor, Samhita Commercial Co-Op. Soc. Limited, Off. Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai-400072 E-Mail ID : service@satellitecorporate.com; Contact No. : 022 28520461

## COMMITTEES OF BOARD OF DIRECTORS

Audit Committee

Sr. No.	Name	Designation
1.	Mr. Jay Somaiya	Chairperson
2.	Mr. Jay Morzaria	Member
3.	Miss Hardika Mandavia	Member

Stakeholder's Relationship Committee

Sr. No.	Name	Designation
1.	Mr. Jay Morzaria	Chairperson
2.	Mr. Jay Somaiya	Member
3.	Miss Hardika Mandavia	Member

Nomination & Remuneration Committee

Sr. No.	Name	Designation
1.	Mr. Jay Morzaria	Chairperson
2.	Mr. Jay Somaiya	Member
3.	Miss Hardika Mandavia	Member

## DETAILS OF AUDITORS

Statutory Auditor	Internal Auditor	Secretarial Auditor
M/S. Doshi Maru & Associates Chartered Accountant Office No. 10, Vihang Vihar, Opp. Gautam Park, Panchpakhdi, Thane (West) - 400602	M/S. Suresh Tejawani & Co. Chartered Accountant 109, 110 City Arcade, Near D.S.P. Bungalow, Tin Batti-361001, Jamnagar-361001, Gujarat.	Mrs. Ankita Patel Practicing Company Secretary 3/B, Shyamal Row House, Besides Sanjay Tower, Satellite, Ahmedabad - 380 015

## BANKER

Corporation Bank
Address: Manek Centre, Nehru Marg, Jamnagar-361001, Gujarat.

## Letter to Shareholders

Dear Shareholders,

I, **Jay Morzaria**, Managing Director of the Company, heartily welcome you all to this 34<sup>th</sup> Annual General Meeting to be held at Mumbai.

We have successfully completed one year of listing on Main Board of BSE Limited and I am happy to inform you that top line of your company has been improved due to increase in financing activities.

This improvement in performance was possible mainly on account of continued support of strategic investors and farsighted leadership provided by the Board of Directors. This was supplemented by support at all the levels of operations by all the staff members of your Company.

I would like to thank the entire management team, the entire work force, the Bankers and also Business Associates for enabling your Company to grow. I have also taken this opportunity to thank my fellow Directors for their immense efforts in formulating and steering your Company' strategies and policies.

This year, as the previous one, witnessed high volatility in market conditions. Your Company could withstand this only on account of efforts at all levels. Your Company is presently focusing on improving efficiency and also on tackling vibrant and volatile market conditions by adopting different business models. I am confident that your Company will achieve greater heights in the times to come and also will deliver long term value addition to our shareholders.

Yours sincerely,

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

## Notice to Shareholders

Notice is hereby given that the 34<sup>th</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 Thursday, September 20, 2018 at 10:00 A.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, 2018 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.
3. To appoint Statutory Auditor and 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 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Doshi Maru & Associates., Chartered Accountants (Firm Registration No. 0112187W) be and is hereby appointed as a Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of thirty ninth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the board of directors of the company."

### **Special Businesses:-**

#### **4. Appointment of Mr. Parth Maniar as an Independent director of the company**

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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Parth Maniar (DIN: 07980886), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to thirty ninth Annual General Meeting."

#### **5. Appointment of Mrs. Brimda Bilimoria as an Independent director of the company**

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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Brimda Bilimoria (DIN: 08196034), who was appointed as an Non-Executive (additional & independent) director of the company with effect from August 13, 2018 and whose term expires at this AGM and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to the period of August 12, 2023."



**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:** Mumbai

**Date:** August 13, 2018

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

**Notes:**

1. **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/herself 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.

2. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In case of joint holders attending the meeting together, only whose name appearing first will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 14, 2018 to Thursday, September 20, 2018 (both days inclusive) and same will be re-opened from Friday, September 21, 2018 onwards.
6. The route map showing directions to reach the venue of the 34<sup>th</sup> (thirty-fourth) AGM is annexed at the end of this Annual Report and uploaded on the website of the Company.
7. 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.
8. 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 Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, 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, Bank details including bank name, bank account number, branch details MICR number and IFSC code 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 updating of Shareholder information is provided at the end of Annual Report as an "*Annexure - VII*"

9. 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.
10. 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 at earliest.
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 2017-18 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 2017-18 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 2017-18. 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. Wednesday, September 12, 2018, 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. Wednesday, September 12, 2018 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 Monday, September 17, 2018 at 09:00 A.M. and will end on Wednesday, September 19, 2018 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. Wednesday, September 12, 2018, 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. Wednesday, September 12, 2018.
27. The Company has appointed CS Aanand S. 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
109291		

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. Wednesday, September 12, 2018, 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 re-appointment as Director under Item No. 2 of the Notice are provided hereunder;

Particulars	Mr. Jay Morzaria
Date of Birth	August 14, 1989
Date of original Appointment at current designation and term	September 15, 2010
Educational Qualifications	B.com & LL.B