



# **26<sup>th</sup> Annual Report 2010 - 2011**



**BOARD OF DIRECTORS**

G. R. MORARKA-CHAIRMAN  
S. H. NEVATIA  
K. P. MEDHEKAR  
B. J. MAHESHWARI  
PRIYANKA G. MORARKA

**COMPANY SECRETARY**

Hemal Shah

**AUDITORS**

D. P. Agarwal & Co.  
Chartered Accountants

**BANKERS**

Punjab National Bank

**REGISTERED OFFICE**

511, Maker Chambers V,  
221, Nariman Point  
Mumbai - 400 021.

**SOLICITORS**

Mulla & Mulla & Craigie Blunt & Caroe

**REGISTRAR & SHARE TRANSFER AGENTS**

Universal Capital Securities Pvt. Ltd.  
(Formerly Mondkar Computers Pvt. Ltd.)  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093.

**NOTICE**

**NOTICE** is hereby given that **Twenty-Sixth Annual General Meeting** of the Company will be held on Thursday, 29th September, 2011 at 12.00 noon at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2011, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri. K. P. Medhekar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri S.H. Nevatia, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and fix their remuneration.

By order of the Board  
For **MORARKA FINANCE LIMITED**

Place : Mumbai  
Dated : 30th May, 2011

**HEMAL SHAH**  
Company Secretary

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote and the proxy need not be a member.
2. The instrument of proxy duly completed should be lodged at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 15th September, 2011 to Thursday, 29th September, 2011 (both days inclusive).
4. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in **Form 2B** which can be obtained from the Company's Registrar & Transfer Agents M/s Universal Capital Securities Pvt. Ltd. or can be downloaded from the Company's website.
5. In terms of Article 146 of the Articles of Association of the Company, Shri K. P. Medhekar, & Shri S. H. Nevatia, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of Directors retiring by rotation in terms of requirement under Clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the Report of Corporate Governance forming part of the Annual Report.
6. Members are requested to notify any change in their address immediately, to the Company.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Registered Office well in advance so that the same reaches the company at least ten days

before the date of the meeting to enable the Management to keep the information required readily available.

8. Members holding shares in the same name under different Ledger Folios are requested for consolidation of such folios and send the relevant Share Certificates to the Company.
9. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, as amended and with the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund established by the Central Government. The unclaimed dividend for the financial year 1994-95 has been transferred to the Investor Education Fund and Protection Fund as on 24/10/1998 and no claim shall lie against the said Fund or the Company for the amount of dividend so transferred. Unpaid dividend for following years is due as per the details below for transfer to the Investors Education and Protection Fund. Shareholders who have not yet encashed their dividend warrants are requested to make their claims.

Financial Year	Unpaid Dividend Amount (Rs.) as on 31/03/2011	Due date of transfer to the Investor Education and Protection Fund
2004-05	198094.50	28/10/2012
2005-06	129057	25/10/2013
2006-07	67329	26/10/2014

10. Pursuant to the green initiatives by the Ministry of corporate affairs, the company proposes to send all documents to be sent to shareholders like notices of general meetings together with AGM, Audited financial statements, Directors' Report, Auditors' Report etc. henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to the company by the Depositories. Members may also download these documents from the company's website [www.morarkafinance.in](http://www.morarkafinance.in). The physical copy of annual report will also be made available free of cost to the members on their written request.

Members who have not registered their e-mail addresses hitherto are requested to register their email addresses by sending their details to company or its RTA.

11. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders who are holding shares in electronic mode, are, therefore, requested to submit the PAN to their Depository Participants (DPs) with whom they are having their demat accounts. Shareholders having shares in physical form can submit their PAN details to company / its RTA.

By order of the Board  
For **MORARKA FINANCE LIMITED**

Place : Mumbai  
Dated : 30th May, 2011

**HEMAL SHAH**  
Company Secretary

**REGISTERED OFFICE:**  
511, Maker Chambers V,  
221, Nariman Point,  
Mumbai - 400 021.



## MANAGEMENT DISCUSSION & ANALYSIS

### Industry Structure and Development

There are over 12,630 Non-Banking Finance Companies (NBFCs) in India which are registered with Reserve Bank Of India (RBI). Whereas most of these NBFCs are Non-Deposit taking NBFCs known as NBFC-ND, almost 308 of them are authorized to accept public deposits. There has been sharp decline in Deposit taking NBFCs which has fallen from 624 in 1999 to 308 in 2010. These NBFCs are having total assets of Rs 109,324 crores, having public deposits of Rs 17,247 crores with net owned funds of Rs 16,178 crores as at March 2010. Erstwhile, there were equipment leasing companies, hire purchase companies together with loan companies, investment companies and asset finance companies but post 2006, there are just last three types of NBFCs categorized in India. Of late, fourth category of infrastructure finance was categorized seeing the significance of infrastructure finance in our country. These NBFCs are primarily in the business of financing the purchase of commercial vehicles, passenger cars, multi utility and multi purpose vehicles, two and three wheelers, construction equipments financing and financing of consumer durables and other forms of financing. The segment of NBFC is growing at the steady pace over the period of time confronting stiff competition from banks. While most of the business of NBFCs have been bettered off by the banks which have extended their area of activities, the NBFCs have confined their activities to very limited extent in the recent times. This is on account of reforms in the laws that have taken place over a period of time that have put the banks on the stronger footing and allowing them to caper into almost all the finance related activities. Banks too, in line with this law reforms, have well exploited the benefits by dispersion of their activities manifold. Whereas the NBFCs in India are active only in very limited arenas, they are quite active in other economies like US, UK and Malaysia and have lions share with their peers like banking and other form of financing business. However, in Non-banking financial Institutes (NBFIs), the contribution of NBFCs cant be undermined for providing the financial assistance to common people for whom banks and other FIs are at no patronage.

Global economies which was earlier predicted to post a growth rate at 5 per cent, is now likely to grow at 4.5 per cent as per the prediction of International Monetary Fund (IMF) in their world Economic Outlook. Whereas the inflation is the biggest cause of concern in emerging economies like India and China with no exception to many other economies of the world, the growth has been hampered by the inflationary pressures on account of rate hike more often than not. India, in 2010-11, is expected to grow at scintillating 8.6 per cent pace and this growth momentum is likely to continue at 8.4 per cent for the next five years. The recovery from sub prime crisis is at a snails pace and much lower than expected. It is quite weak, uneven and fragile, with continuity of uncertainty in Europe, USA, UAE, Greece, Portugal, Ireland and Spain which are undergoing throes of economic turmoil. Adding insult to the injury, Japan which is struggling to come back on growth trajectory was further grievously jolted by earth quake and tsunami in March 2011.

The banks were concerned with the subdued credit growth of during the year, the Non Banking Finance Sector (NBFC Sector) continued to face fierce competition from the banking sector which has penetrated in almost all the segments of financial services sector. With liquidity crunch and credit squeeze, the working of Non Banking Finance Companies (NBFCs) also continued to be adversely affected by defaults and absence of proper and faster recovery laws and procedures, such as those available to banks and other financial institutions. In this cut throat competitive environment in which the NBFCs are presently functioning, they have no option but to continue streaming and optimizing their operations to adapt to the emerging scenario.

### Outlook, Risks and Concerns

The year 2010-11 was a year of capital protection and survival against monstrous inflation rather than wealth creation. The cynosure was shifted from wealth creation from various assets class to hedge against inflation. The inflation has led RBI to hike many of the key rates to curb it which induced the banks to pass it on to their customers. The frequent rise in rates has been a cause of concern through out the year not only to the low income people but also to the corporate as their borrowing cost has gone at stature which has pinched their bottom lines negatively. The long term measures are lacking which are required for the satiety of demands of the extravagant populations' needs rather than the short term measures to check the inflation and with such long term measures, the long term growth of the economy can be accomplished. The other big concerns are the scams which have been the talk of the nation through out the year. The scams are not just confined to few of the unscrupulous political leaders but also have extended to top brass of some eminent companies which is being despised and condemned widely.

There is a long way to go to meet the increasing demands of middle class people, higher strength of young Indians, robust household consumption and stunning domestic demand. The government is required to grid up its loin to meet this demand. Whereas this would be a time consuming process, the silver line in dark cloud however is that the rainfall in the coming year is expected to be normal as per the prediction of metrological department. This will boost the agriculture output and can check the inflation which is likely to ease after the expected good rainfall. Once the jitters of inflation would disappear, the interest rate would come down and the growth figures shall be excellent to bring over all prosperity of the economy.

The NBFC sector in which your company operates is exposed to stiff competition from the banking sector and with timid credit growth and rising interest rate scenario on account of higher inflation, your company has cut down its exposure to credit operations. The company's operations continued to be focused on capital market related activities. Further, your company will continue to explore additional opportunities in areas related to its operations.



NBFC is exposed to normal industry risk such as credit, interest rate, economic, political, market and operation risks. The company views risk management as integral to its business for creating and maintaining best practices in business operations and administration. Your company follows prudent business and risk management practices to combat these challenges.

Your company is almost a debt-free company. It is persistently pursuing a conservative investment policy over the years and exposure to almost risk free or low risk activities. This approach leads to a larger shareholder value in the long run and is in line with our vision for growth.

**Opportunities and threat:**

For an investment NBFC, the capital market has a significant role to play. For last three years the capital market has remained quite subdued and is tailspinning and given a sheer 10 per cent return. Once the inflation would be around 4 to 5 per cent, the market is going to zoom again to recover the carnage of last three years to gallop its CAGR of 18%. The Earning per share (EPS) of BSE Sensex for FY 2011 is likely to be at Rs 1070 and the expected EPS for 2011-12 and 2012-2013 is Rs 1150 and Rs 1322. Discounting the EPS at 20 times, the sensex is likely to see the levels of 23000 to 26500 in coming time from its current level of 18000. Commodities like gold and silver have given blistering return in 2010 -11 as the investors fraternity rushed to buy these precious metals to hedge against inflation. The credit growth at 20 per cent too was not so encouraging in 2010-11 which would find its momentum once again when the interest rate shall be around 7 to 8 per cent. The market dislikes the political and corporate scams and roaring inflations. Once these negatives are vanished, the sensex is capable to put the gains of 1000 points in just span of 15 to 30 trading sessions. Even on primary market front, the year gone passed has nothing to cheer about. There were only 67 public offerings in 2010-11 through which Rs 55,613 crore is raised. Many companies have either dropped or postponed their fund raising exercise and very few issues have come up in last three years. There are lot of companies in pipeline to raise the money in the upcoming period once the lacklustre is over in the Dalal Street.

**Adequacy of internal control:**

Your company has proper and adequate system of internal control in place to monitor persistently proper recording of the transactions as per the policies and procedures laid down by the company. The company ensures that the regulatory guidelines are duly complied with at all the levels. The internal audit reports are regularly monitored by the Audit Committee.

**Segment wise performance:**

The company is a Non Banking Finance Company; its core business is financial business. Hence, there are no separate segments for reporting as per Accounting Standard-17 issued by the Institute Of Chartered Accountants Of India.

**Discussion on financial performance with respect to operational performance:**

The profit after tax for the current year is Rs 42.10 lacs as against profit after tax of Rs 28.13 lacs in the last year. The company's revenue is derived from the dividend income, profit from sale of investments and interest income from advances etc.

**Human resource and Industrial Relations:**

For enhanced performance of any organization, its important that its human resources are abreast of new developments and possess relevant skill sets. To realize this, the emphasis on training and development activities has been increased. Executives were nominated for various program and seminars at local and national levels by premier institutes.

**Cautionary Statement:**

The statements in above analysis, describing the company's projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable security laws and regulations. The actual results may differ from those expressed or implied. The important factors that may impact the operations of the company may consist of economic developments - globally and locally, government regulations, tax regimes and other related factors.



## DIRECTOR'S REPORT

To

The Shareholders,

### MORARKA FINANCE LIMITED

The Directors are pleased to present their report to the shareholders together with the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2011.

#### 1. FINANCIAL RESULTS:

	[IN RUPEES]	
	For the year Ended 31/03/2011	For the year Ended 31/03/2010
Profit / (Loss) before tax	4,052,540	24,77,255
Less : Provision for taxation for the year	-	-
Provision for taxation for earlier year	-	(88,080)
Deferred Tax	(1,57,372)	(2,48,342)
Fringe Benefit Tax	-	974
Profit / (loss) after tax	4,209,912	28,12,703
Add : Balance b/f from previous years	3,73,95,249	3,45,82,546
	<u>4,16,05,161</u>	<u>3,73,95,249</u>
<b>Amount available for Appropriation</b>	<b>4,16,05,161</b>	<b>3,73,95,249</b>
<b>Appropriations:</b>		
<b>Proposed Dividend :</b>		
- On Equity Shares	-	-
Additional Dividend Tax	-	-
Transfer to General Reserves	-	-
Balance Carried over to next year	4,16,05,161	3,73,95,249
	<u>4,16,05,161</u>	<u>3,73,95,249</u>

#### 2. DIVIDEND:

Considering the overall performance of the Company & the fact that profit in the current year is not huge, it is proposed to skip the dividend & utilize the profits for ploughing back in the company.

#### 3. DIRECTORS:

Shri K P Medhekar & Shri S H Nevatia, Directors retire by rotation and being eligible offer themselves for re-appointment.

#### 4. STATEMENT OF DIRECTOR'S RESPONSIBILITIES:

The Directors are responsible for the preparation of financial statements which comply with the Companies Act, 1956. In preparing those financial statements, the directors have:-

- (a) Selected suitable accounting policies and then applied them consistently.
- (b) Made judgments and estimates those are reasonable and prudent.
- (c) Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- (d) Prepared the financial statements on the going concern basis.
- (e) They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**5. CORPORATE GOVERNANCE:**

Your company is committed to adhere to appropriate standards for good Corporate Governance. Towards this end and in line with the Guidelines recommended by SEBI Committee on Corporate Governance, adequate steps have been taken to ensure that all provisions of the Clause 49 of the Listing Agreement are duly complied with.

A report on the Corporate Governance along with a Certificate from the Statutory Auditors of the Company on the Compliance of the provisions of the Corporate Governance along with the Management Discussion and Analysis Report as stipulated under clause 49 of the Listing Agreement are annexed to this report.

**6. FORMATION OF VARIOUS COMMITTEES:**

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and form part of this report.

**7. EMPLOYEES:**

The company does not have any employee drawing remuneration equivalent to or more than the limit prescribed in terms of provisions of section 217(2A) of the Companies Act, 1956.

**8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO:**

Since your Company is engaged in the activities of dealing in shares, advancing of money, etc, the Board of Directors is advised that the requirements of disclosure for conservation of energy and technology absorption are not applicable to the Company. There are no foreign exchange transactions during the year.

**9. AUDITORS:**

M/s. D.P. Agarwal & Co., Chartered Accountants retire at this Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board of Directors recommend re-appointment of M/s. D.P. Agarwal & Co., Chartered Accountants as statutory auditors of the Company for the Year 2011-2012.

Notes forming part of accounts are self explanatory and therefore do not call for any further comments.

**10. DEPOSITS:**

The Company did not accept or renew any deposits during the year.

**11. LISTING OF SHARES:**

Your Company is listed on the Bombay Stock Exchange. The Listing fees for the financial years 2010-11 & 2011-12 are paid to the Stock Exchange within the prescribed time limits.

**12. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to place on record their appreciation for the co-operation received from Employees and overwhelming support extended by the shareholders.

By order of the Board  
For **MORARKA FINANCE LIMITED**

**G. R. MORARKA**  
Chairman

**B. J. MAHESHWARI**  
Director

Place : Mumbai  
Dated : 30th May, 2011



## REPORT ON CORPORATE GOVERNANCE

Introduction: Corporate Governance is the mechanism by which the values, principles, management policies and procedures of a corporation are made manifest in the real world. Corporate Governance contemplates fairness, transparency, accountability and responsibility in the functioning of the management and the board of companies. Corporate Governance represents moral framework, the ethical framework and the value framework under which an enterprise takes decisions.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company has implemented and continuously tries to improve the Corporate Governance Practices which attempt to meet stakeholders' expectations' and company's commitment to society through high standards of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and finally with strict compliance with regulatory guidelines on corporate governance.

"Transparency, honesty, efficiency, complete and timely disclosure and sustained enhancement of shareholders value, justice to vendors, employees and the society at large are the cardinal principles of Corporate Governance for your Company"

#### CLAUSE 49 OF THE LISTING AGREEMENT

Clause 49 of the Listing Agreement with the Stock Exchange sets up the norms and disclosures that are to be met by the Company on the Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause, vide this report. Certificate of the Statutory Auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement with the Stock Exchange, is enclosed.

### 2. COMPOSITION OF BOARD OF DIRECTORS

As at 31st March, 2011, the Board of Directors comprised 5 Directors as under:

- ❖ All 5 Non-Executive Directors.
- ❖ All Directors are Independent Non-Executive Directors except Mr. G. R. Morarka, who is promoter & Non-Executive Chairman & Ms Priyanka G. Morarka, being daughter of Mr. G. R. Morarka.
- ❖ Ms Priyanka G. Morarka is daughter of Shri G. R. Morarka. Other Directors are not related to each other.

During the year, 8 Board Meetings were held on : May 28, 2010, August 10, 2010, September 13, 2010, September 18, 2010, September 29, 2010, October 29, 2010, January 31, 2011 and February 23, 2011.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2010-2011 are as under:

Name of Director	Category	Attendance Board Meeting	Last AGM	Other Board Representation*	
				Directorships	Committees
Shri G. R. Morarka	Promoter, Chairman & Non-Executive Director	8	No	5	-
Shri S. H. Nevatia	Independent Non-Executive Director	0	No	-	-
Shri B. J. Maheshwari	Independent Non-Executive Director	8	Yes	4	2
Shri K. P. Medhekar	Independent Non-Executive Director	0	No	1	2
Ms. Priyanka G. Morarka	Promoter Non-Executive Director	8	Yes	2	-

\* In accordance with Clause 49, Memberships and Chairmanships of only Audit Committee and Shareholders / Investors Grievance Committee of all Public Limited Companies (excluding Morarka Finance Limited) have been considered.

### 3. COMMITTEES OF BOARD

#### A. AUDIT COMMITTEE

Pursuant to Clause 49 II of the Listing Agreement and also pursuant to the provisions of the Companies Act, 1956, the Committee was reconstituted on 26th September, 2000, to comprise two Independent Non-Executive Directors and one Promoter Non-Executive Director. Members of Audit Committee are eminent persons in their field. The Company Secretary acts as the secretary to the Committee.





Terms of Reference: The Audit Committee reviews and reports to the Board on the following:

- Overseeing the financial reporting process.
- Appointment and remuneration of Auditors.
- Reviewing the financial and risk management policies.
- Reviewing the adequacy of internal control systems.
- Compliance with listing and other legal requirements.
- Changes in accounting policies and practices and reasons for the same.
- Periodical and yearly financial results of the Company.

The Committee also reviews the observations of the Internal and Statutory Auditors, along with the comments and action taken thereon by the Management and invites senior executives to its Meetings as necessary.

During the year, 4 Audit Committee Meetings were held on : May 28, 2010, August 10, 2010, October 29, 2010, January 31, 2011.

The composition and details of attendance of the Audit Committee are as under:

		<b>Status</b>	<b>No. of Meetings Attended</b>
Mr. G. R. Morarka	Non Executive	Member	1
Mr. S. H. Nevatia	Non Executive	Member	3
Mr. B. J. Maheshwari	Non Executive	Member	4

#### **B. REMUNERTION COMMITTEE**

The Board of Directors of the Company at their meeting held on 4th March, 2003, constituted a remuneration committee of Directors, to comprise three Independent Non-Executive Directors as members and one Promoter Non-Executive Director as chairman. The Company Secretary acts as the secretary to the Committee.

The Remuneration Committee is required to be constituted for deciding the terms and conditions of appointment, remuneration and related matters of Managerial Personnel such as Managing Director, Executive Director & Directors etc.

The composition and name of members of the Remuneration Committee are as under:

1. Shri G. R. Morarka Non-executive Promoter Director  
(Chairman of the Board)
2. Shri S. H. Nevatia Non-executive Independent Director
3. Shri B. J. Maheshwari Non-executive Independent Director
4. Shri K. P. Medhekar Non-executive Independent Director

The Chairman of the Remuneration Committee is to be elected by its members from amongst themselves.

Sitting fees @ Rs. 250 is payable to a member for attending meeting of the remuneration committee and in an event the meeting is held out side Mumbai, additionally out of pocket expenses of Rs. 250 per meeting is payable.

#### **C. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The Board has constituted a Shareholders/Investors Grievance Committee as a step to achieve the objectives of Corporate Governance, consisting of the following directors:

1. Shri G. R. Morarka Non-executive Promoter Director  
(Chairman of the Board)
2. Shri S.H. Nevatia Non-executive Independent Director
3. Shri B.J. Maheshwari Non-executive Independent Director
4. Shri K. P. Medhekar Non-executive Independent Director

The scope of Shareholders / Investors Grievance Committee is as follows:

1. To attend to investors grievances or shareholders grievances.
2. To appoint Registrar and Share Transfer Agents.



3. To transfer, transmit, consolidate, issue duplicate share certificates, split share certificates, etc.
4. To attend to complaints of Shareholders regarding non-receipt of Balance Sheet and non-receipt of Declared dividend etc.
5. To do all such acts, things, deeds as may be required to be done in the above regard.

The sitting fees @ Rs. 250/- per meeting is payable to a member for attending the committee meeting.

The Shareholders / Investors Grievance Committee is also required to submit their reports / suggestions to the Board of Directors of the Company from time to time.

#### Investor Services

Your Company has appointed M/s Universal Capital Securities Pvt.Ltd; (Formerly, Mondkar Computers Pvt. Ltd.) as Registrar and Share Transfer Agents, which have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.

#### 4. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are as under:

Financial Year	Location	Date	Time
2007-08	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020	29/09/2008	12.00 noon
2008-09	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020	29/09/2009	12.00 noon
2009-10	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020	29/09/2010	12.00 noon

#### 5. CODE OF BUSINESS CONDUCT AND ETHICS

In keeping with its proactive approach to achieve best governance standards, your company has laid down the Code of Business Conduct and Ethics pursuant to Clause 49 of the Listing Agreement. The code has been posted on the website of the company.

#### 6. DISCLOSURES

- The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board.
- The Company has complied with all requirements of the Listing Agreement with the Stock Exchange as well as the Regulations and Guidelines prescribed by SEBI and statutory authorities related to the capital market, during the last three years. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.
- Disclosure of Related party transactions  
All related party transactions have been entered into in the Ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis.
- Disclosure of Accounting Treatment  
All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- Risk Management:  
The Company has in place mechanism to inform the Board Members about the Risk Assessment and Minimisation procedures and periodical reviews, to ensure that risk is controlled by the Executive Management through the means of a properly defined policy.
- Subsidiary Companies:  
There are no subsidiary companies.
- **Disclosures regarding appointment or re-appointment of Directors [Pursuant to clause 49 of the Listing Agreement with the Stock Exchange] :**  
Given below are the brief resumes of the directors retiring by rotation and being eligible, are offering themselves for election:
  1. **Shri S H Nevatia:** Aged 49 years, is a director of the company. He is a Commerce Graduate and a Chartered Accountant. He has more than 27 years of experience in the field of profession and business. He is not related to any directors of the company and holds 113 equity shares of the company.



2. **Shri K P Medhekar:** Age 84 years, is a Retired IPS officer and former Director General Of Police Maharashtra, Ex Member of Public Service Commission, Vice Chairman of International Institute of Security & Management. He has been awarded with police medal, President's police medal, Kathin Seva Padak with bar, Eastern Star for Bangladesh War, Western Star for Indo-Pak war and few others. He is not related with any directors of the company and doesn't hold any shares of the company.

**Details of Directors retiring by rotation and seeking re-appointment at this Annual General Meeting.**

Particulars	Shri K.P.Medhekar	Shri S.H.Nevatia
Date of Appointment	September 12, 1995	December 13, 1989
Qualifications	I.P.S.	B.com; F.C.A.
Expertise in specific functional arena	Wide experience in business and industry	Rich experience in arenas of finance, accounting, business and industry.
Directorship held in other public companies	Dwarikesh Sugar Industries Limited	Nil
Committee Membership or Chairmanships across public companies	Audit Committee – Dwarikesh Sugar Ind.Ltd. Shareholders/Grievance Committee – Dwarikesh Sugar Ind.Ltd.	Nil
Shareholding	NIL	113 equity shares
Relationship between Directors Inter-se	Not related	Not related

**7. MEANS OF COMMUNICATION**

The Company's quarterly results in the pro-forma prescribed by the Stock Exchanges pursuant to clause 41 of the Listing Agreement are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all Stock Exchanges on which the Company's shares are listed. These results are being published in leading newspapers - Free Press Journal in English & Navshakti in Marathi.

As per the requirements of clause 52 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern etc. has been posted on the Corpfilng website ([www.corpfilng.co.in](http://www.corpfilng.co.in)) and also on the Company's website:([www.morarkafinance.in](http://www.morarkafinance.in)) within the time prescribed in this regard. The Company's website also displays the official news releases.

Management discussion and Analysis report included in the Annual Report for the year.

**8. GENERAL SHAREHOLDER INFORMATION:**

- Annual General Meeting                      26th Annual General Meeting
- Date, time and venue                      Thursday, 29th September, 2011 at 12 noon at Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.
- Financial Calendar Particulars (April-March) Date of Approval/publication (tentative and subject to change)
- First Quarter Results                      On or before 14th August, 2011
- Second Quarter Results                      On or before 14th November, 2011
- Third Quarter Results                      On or before 14th February, 2012
- Last Quarter Results                      On or before 30th May, 2012
- Dates of Book Closure                      15th September, 2011 to 29th September, 2011 (both days inclusive).
- Listing Details                                      BSE

The details of the Stock Exchanges on which the Company's shares are listed are as under:

<b>Name</b>	<b>Address</b>	<b>Stock Code</b>
The Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	511549

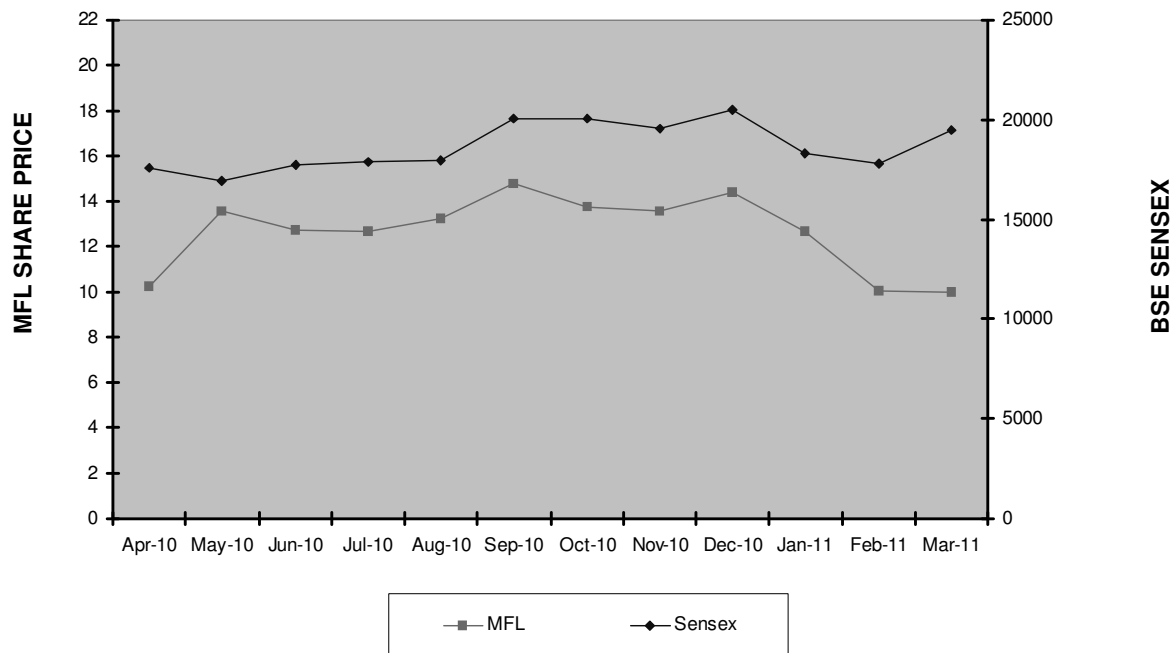
International Securities Identification Number (ISIN)    INE 367A 01015



➤ **Market Price Data - Bombay Stock Exchange**

Month	Highest (Rs.) Of the Month	Lowest (Rs.) Of the Month	Volume (No. of Shares)
April, 2010	10.72	9.08	7714
May, 2010	13.89	10.20	4782
June, 2010	14.80	12.12	856
July, 2010	13.99	11.09	27186
August, 2010	14.62	11.72	15807
September, 2010	16.21	12.70	46987
October, 2010	15.48	11.45	19356
November, 2010	16.03	12.88	20511
December, 2010	16.78	12.83	15249
January, 2011	17.14	12.65	29253
February, 2011	12.02	9.13	11727
March, 2011	11.04	9.97	316

➤ **MORARKA FINANCE SHARE PRICE V/S BSE SENSEX**



➤ **Registrar and Transfer Agents:**

Universal Capital Securities Pvt.Ltd;  
(Formerly Mondkar Computers Pvt. Ltd.)  
21, Shakil Niwas  
Mahakali Caves Road  
Andheri (East)  
Mumbai - 400 093.

➤ **Share Transfer System**

Effective November 29, 1999, the Company's shares are compulsorily traded in dematerialised form.

All share transfers and other share related issues are approved by a Director authorised by the Board; approvals are obtained at intervals not exceeding 15 days and during the last financial year, 28 Approvals were obtained.

The total number of shares in physical form transferred during the year under review were 5,500.

➤ **Distribution of Shareholding as on 31st March, 2011**

No. of Shares	No of Shareholders	Percentage	No. of Shares	Percentage
Upto 500	1951	82.951	437600	9.720
501 - 1000	225	9.566	179822	3.994
1001 - 2000	87	3.699	139514	3.099
2001 - 3000	23	0.978	60069	1.334
3001 - 4000	17	0.723	61320	1.362
4001 - 5000	16	0.680	75328	1.673
5001 - 10000	14	0.595	93363	2.074
10001 And Above	19	0.808	3455084	76.744
<b>Total</b>	<b>2352</b>	<b>100.000</b>	<b>4502100</b>	<b>100.00</b>

➤ **Categories of Shareholders on 31st March, 2011**

Category	No. of Shares of Rs. 10/- each	%
Promoters		
* Indian	510595	11.34
* Foreign	-	-
Persons Acting in Concert	2207831	49.04
Mutual Funds	-	-
Banks	14000	0.31
Indian Institutional Investors	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	39917	0.89
General Public	1714493	38.08
NRIs, OCBs	8392	0.19
Clearing Members	6872	0.15
<b>Total</b>	<b>4502100</b>	<b>100.00</b>

➤ **Dematerialisation of Shares**

The company was amongst the first few companies to sign an agreement with the National Securities Depository Limited for joining the Depository System. The company has also signed an agreement with the Central Depository Services (India) Limited. As intimated by SEBI, trading in the shares of the company is compulsorily to be in the dematerialised form for all the investors with effect from November 29, 1999. As on 31st March, 2011, 93.21% of the total shares of the Company have been dematerialised.

➤ **Address for Correspondence**

Corporate Secretarial Department

The Corporate Secretarial Department is located at the Company's Registered Office situated at 511, Maker Chambers - V, 221, Nariman Point, Mumbai - 400 021. Tel: 22832468; Fax: 22047288.

The shareholders may address their communications/grievances/ queries to Mr. Hemal Shah, Company Secretary at the above mentioned address.



## Results

Quarterly & Half-yearly results as published in the newspapers are made available to the Members on request.

### Non-Mandatory Requirements:

Mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company. Non-mandatory requirements are as hereunder :

#### 1. The Board

The Company has Non Executive Chairman. Maximum tenure of Independent Directors as mentioned is not adopted.

#### 2. Remuneration Committee

The Company has already appointed Remuneration Committee on 4th March, 2003 and the Committee is operational.

#### 3. Shareholders Rights

The quarterly, Half Yearly and Annual Results are published in leading English News Paper having circulation all over India and also in Marathi News Paper circulating in the District. The results are also posted on the Company's website and Corp Filing Website, therefore the same are not sent to the Shareholders individually.

#### 4. Audit Qualification

The company is in the regime of un-qualified financial statements

#### 5. Training of Board Members

The Board of Directors consists of professionals having considerable experience and expertise in their respective fields and industry.

#### 6. Mechanism for evaluating Non-Executive Board Members

As the Non-Executive Directors are professionals, no such mechanism exists.

#### 7. Whistle Blower Policy

There is no Whistle Blower Policy. However the company recognises the importance of reporting to the management by any employee at any level about the unethical behaviour or suspected fraud in violation of the Company's Code of Conduct or any other point of concern.

On behalf of the Board of Directors

**B.J. Maheshwari**  
Director

Place : Mumbai  
Dated : 30.05.2011

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## CERTIFICATE FROM CHAIRMAN & CFO FOR COMPLIANCE WITH CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

To,

The Shareholders of  
**Morarka Finance Limited**

Dear Sirs,

This is to certify that your company has put in place the Code of Conduct for the Board of Directors and Senior Management with effect from 1st July, 2005 and the same has been revised with effect from 29th September, 2010 applicable to all the Directors of the company and the members of senior management, which includes the employees of the Company who are one level below the directors and all the functional heads. The Directors and Members of the Senior Management have affirmed compliance with the code of Conduct for Board and Senior Management as on 31st March, 2011.

For **Morarka Finance Limited**

Place : Mumbai  
Date : 30.05.2011

**G. R. MORARKA**      **L.N. HEDA**  
CHAIRMAN              C.F.O.



To,  
The Board of Directors,  
**Morarka Finance Limited**

Re: Financial Statements for the year ended on 31st March, 2011

Dear Sirs,

We, G. R. Morarka Chairman and L.N. Heda, CFO of Morarka Finance Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ending 31st March, 2011 and to the best of our knowledge and belief, hereby clarify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2011 which are fraudulent, illegal and violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We hereby certify that:
  - a) there have been no significant changes in internal control during this year
  - b) there have been no significant changes in accounting policies during this year
  - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

For **Morarka Finance Limited**

Place : Mumbai  
Date : May 30, 2011

**G. R. MORARKA**      **L.N. HEDA**  
CHAIRMAN                      C.F.O.

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### **Auditors' Report on Compliance of Conditions of Corporate Governance**

To,  
The Shareholders of  
Morarka Finance Limited

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by M/s. Morarka Finance Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuing the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

To our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated to the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D. P. AGARWAL & CO.**  
Chartered Accountants

Place : Mumbai  
Date : May 30, 2011

**D. P. AGARWAL**  
Proprietor  
Membership No. : 35500

**AUDITORS' REPORT**

We have audited the attached Balance Sheet of **M/s. MORARKA FINANCE LIMITED** as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the significant accounting policies in Schedule "N" and the notes on accounts in Schedule "O" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date,
- c) in the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For **D. P. AGARWAL & CO.**  
Chartered Accountants

**D. P. AGARWAL**

Proprietor

Membership No. FCA 35500

Place : Mumbai  
Date : May 30, 2011

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in Paragraph (3) of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. We are informed that the fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
3. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. In our opinion, and according to the information and explanation given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to book records.
6. The Company has granted unsecured loan to one company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 92,70,832/- and the year-end balance of loans granted to the said companies was Rs.nil.
7. In our opinion, the rate of interest and other terms and conditions on which loan has been granted to the company listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
8. According to the records of the company and information and explanation given to us, repayment of principal amount and interest on the loan granted aforesaid are regular.





9. According to the records of the company and information and explanations given to us, there were no overdue amount of loans granted to companies covered in the register maintained under section 301 of the Companies Act, 1956.
10. The Company has not taken any Deposit from any parties covered in the register maintained under section 301 of the Act.
11. In our opinion, and according to the information and explanations given to us, there are adequate control procedure commensurate with the size of the company and nature of its business with regards to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
12. According to the information and explanations given to us, the transactions that need to be entered into register in pursuance of section 301 of the Companies Act 1956 have been duly entered.
13. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
14. The Company has not accepted deposits from the public; therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company. According to the information and explanation given to us, no order has been passed by the Company Law Board.
15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
16. According to the information and explanation to us, Central Government has not prescribed maintenance of cost record under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.
17. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income tax, Wealth Tax and other statutory dues applicable to it. As explained to us, the Company has no liability in the course of its business of Employee's State Insurance, Custom Duty, Excise Duty, Cess and Sales Tax during the year.
18. According to the records of the Company and the information and explanations given to us, there are no dues of Income Tax and Wealth Tax which have not been deposited on account of dispute.
19. The Company does not have any accumulated losses as at 31st March 2011. The Company has not incurred any cash losses during the financial year covered by the audit and immediately preceding the financial year.
20. The Company has made no borrowings from financial institutions or banks nor it has issued any debentures and therefore the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. According to the records of the Company and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
22. We are informed that the provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Society do not apply to the Company and, therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
23. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts in relation to dealing in shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the Company has held shares, securities, debentures and other securities in its own name.
24. The Company has not taken any term loans and therefore the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable.
25. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
26. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
27. The Company has not issued debentures and hence question of creating security does not arise.
28. The Company has not raised any money by public issue during the year.
29. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **D. P. AGARWAL & CO.**  
Chartered Accountants

**D. P. AGARWAL**  
Proprietor  
Membership No. FCA 35500

Place : Mumbai  
Date : May 30, 2011



## BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule	Rupees	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS:</b>				
Share Capital	A	45,021,000		45,021,000
Reserves and Surplus	B	50,237,615		46,027,703
			<b>95,258,615</b>	91,048,703
<b>TOTAL</b>			<b>95,258,615</b>	<b>91,048,703</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Assets	C	4,081,986		4,081,986
Less : Depreciation		(3,003,097)	<b>1,078,889</b>	(2,939,797)
<b>TOTAL NET BLOCK</b>			<b>1,078,889</b>	1,142,189
<b>INVESTMENTS</b>				
Deferred Tax Assets (Refer Schedule O, note 3)	D		<b>90,918,808</b>	82,818,808
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	E		<b>1,277,059</b>	1,119,687
Inventories		1,827,830		1,145,945
Cash and Bank Balances		100,614		167,129
Loans & Advances		403,175		5,031,615
		<b>2,331,619</b>		6,344,689
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>				
Liabilities	F	186,660		149,730
Provisions		161,100		226,940
		<b>347,760</b>	<b>1,983,859</b>	5,968,019
<b>TOTAL</b>			<b>95,258,615</b>	<b>91,048,703</b>
<b>Significant Accounting Policies</b>	M			
<b>Notes On Accounts</b>	N			
<b>Cash Flow Statement</b>	O			

As per our report of even date

**FOR D. P. AGARWAL & CO.**  
Chartered Accountants

**G. R. Morarka**  
Chairman

**DAMODAR AGARWAL**  
Proprietor  
Membership No. 35500

**B. J. Maheshwari**  
Director

Mumbai,  
Dated: 30-5-2011

Mumbai,  
Dated: 30-5-2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	Schedule	2010-2011 Rupees	2009-2010 Rupees
<b>INCOME</b>			
Sales /Income From Operations	G	590,933	15,707
Income from Investments, Stock in Trade and Advances	H	5,172,756	3,835,348
Other Income	I	203	12,568
Increase/(Decrease) in Stock	J	681,885	170,240
		<hr/>	<hr/>
		6,445,777	4,033,862
<b>EXPENDITURE</b>			
Purchases & Expenses on operations		801,054	16,263
Staff Expenses	K	782,352	639,416
Interest		-	-
Other Expenditure	L	746,531	832,891
Depreciation and Obsolescence		63,300	68,037
		<hr/>	<hr/>
		2,393,237	1,556,607
Profit(Loss) before tax		4,052,540	2,477,255
Provision for			
For earlier years		-	(88,080)
For Fringe Benefit Tax		-	974
		<hr/>	<hr/>
		4,052,540	2,564,361
Deferred Tax (Refer Schedule 'N',note 3)		(157,372)	(248,342)
		<hr/>	<hr/>
Profit(Loss) after tax		4,209,912	2,812,703
Balance b/f from previous year		37,395,249	34,582,546
		<hr/>	<hr/>
Profit Available for Appropriation		41,605,161	37,395,249
<b>Earnings Per Share(Refer schedule 'P' note 4)</b>			
- Basic and Diluted		0.94	0.62
<b>Significant Accounting Policies</b>	M		
<b>Notes On Accounts</b>	N		
<b>Cash Flow Statement</b>	O		

As per our report of even date

FOR **D. P. AGARWAL & CO.**  
Chartered Accountants**G. R. Morarka**  
Chairman**DAMODAR AGARWAL**  
Proprietor  
Membership No. 35500**B. J. Maheshwari**  
DirectorMumbai,  
Dated: 30-5-2011Mumbai,  
Dated: 30-5-2011


**SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2011**

	Rupees	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
<b>SCHEDULE - A :</b>			
<b>CAPITAL</b>			
<b>AUTHORISED</b>			
48,00,000 Equity Shares of Rs.10/- each		48,000,000	48,000,000
1,50,000 1% Redeemable Non Cumulative Preference Shares of Rs.100/- each)		15,000,000	15,000,000
		<u>63,000,000</u>	<u>63,000,000</u>
<b>ISSUED SUBSCRIBED &amp; PAID UP</b>			
45,02,100 Equity Shares of Rs.10/- each fully paid-up		45,021,000	45,021,000
		<u>45,021,000</u>	<u>45,021,000</u>
<b>SCHEDULE - B :</b>			
<b>RESERVES &amp; SURPLUS</b>			
General Reserve:			2,102,454
Less: Transfer to Capital Redemption Reserve	2,102,454		-
Add: Transfer from Profit & Loss account during the year	-	2,102,454	-
		<u>2,102,454</u>	<u>2,102,454</u>
Profit & Loss account		41,605,161	37,395,249
Capital Redemption Reserve		6,530,000	6,530,000
		<u>50,237,615</u>	<u>46,027,703</u>

**SCHEDULE C :**  
**FIXED ASSETS**

Assets	GROSS BLOCK (at cost)				DEPRECIATION				NET BLOCK	
	As at 1.04.2010	Additions during the Year	Deletions	As at 31.03.2011	As at 1.04.2010	For the year	Deletions	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings *	2,876,706	0	0	<b>2,876,706</b>	1,783,859	54,642	0	<b>1,838,501</b>	<b>1,038,205</b>	1,092,847
Office	79,227	0	0	<b>79,227</b>	72,733	903	0	<b>73,636</b>	<b>5,591</b>	6,494
Equipment										
Furniture & Fixtures	1,126,053	0	0	<b>1,126,053</b>	1,083,205	7,755	0	<b>1,090,960</b>	<b>35,093</b>	42,848
<b>TOTAL</b>	4,081,986	0	0	<b>4,081,986</b>	2,939,797	63,300	0	<b>3,003,097</b>	<b>1,078,889</b>	1,142,189
As at 31.03.2010	4,081,986	0	0	<b>4,081,986</b>	2,871,760	68,037	0	<b>2,939,797</b>	<b>1,142,189</b>	0

\* Building represents value of office premises on ownership basis in a Co-operative society and includes cost of five shares of Rs. 50/- each aggregating to Rs.250/-.





## SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2011

	Rupees	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
<b>SCHEDULE- D :</b>			
Investments			
<u>QUOTED :</u>			
<u>Non Trade Investments</u>			
DWARIKESH SUGAR INDUSTRIES LIMITED			
As per last year's accounts			
(2353818 Equity Shars of Rs.10/- each fully paid up)		<b>52,249,804</b>	52,249,804
	(A)	<b>52,249,804</b>	52,249,804
<u>Non Trade Investments</u>			
DWARIKESH TRADING COMPANY LIMITED			
(12582 Equity Shares of Rs.10/- each fully paid up)		<b>326,553</b>	326,553
ORMERODS(INDIA)PRIVATE LIMITED			
(19100 Equity Shares of Rs.4/- each fully paid up)		<b>242,450</b>	242,450
DWARIKESH INFORMATICS LIMITED			
(23000 Equity Shares of Rs.10/- each fully paid up)		<b>1</b>	1
FARIDPUR SUGARS LTD.			
(10000 Equity Shares of Rs.10/- each fully paid up)		<b>100,000</b>	-
DWARIKESH TRADING CO. LTD.			
(300000 8% Redeemable Cumulative Preference Shares @100/- each		<b>30,000,000</b>	30,000,000
DWARIKESH TRADING CO. LTD.			
(80000 6% Redeemable Non Cumulative Preference Shares @100/- each		<b>8,000,000</b>	-
	(B)	<b>38,669,004</b>	30,569,004
	(A+B)	<b>90,918,808</b>	82,818,808
<u>Quoted Investments</u>			
Book Value		<b>52,249,804</b>	52,249,804
Market Value		<b>169,710,278</b>	179,831,695
<u>Unquoted Investments</u>			
Book value		<b>38,669,004</b>	30,569,004



## SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2011

	Rupees	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
<b>SCHEDULE - E :</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories			
Stock of Shares & Debentures (At lower of cost or Market value) (refer Schedule 'P'Note 2)		<b>1,827,830</b>	1,145,945
Cash and Bank balances			
Cash on hand	<b>77,576</b>		69,401
Balances with Scheduled Banks in Current account	<b>23,038</b>	<b>100,614</b>	97,728
Loans & Advances :			
Advances recoverable in cash or in kind or for value to be received Unsecured, considered good		<b>403,175</b>	5,031,615
		<b>2,331,619</b>	6,344,689
<b>SCHEDULE - F :</b>			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<u>Sundry Creditors :</u>			
Other Liabilites	<b>186,660</b>	<b>186,660</b>	149,730
<u>Provision</u>			
For Leave Encashment	<b>36,050</b>		42,917
For Gratuity Payable	<b>125,050</b>		103,846
For Provision For Tax	-		80,177
		<b>161,100</b>	226,940
		<b>347,760</b>	376,670


**SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2011**

	Rupees	2010-2011 Rupees	2009-2010 Rupees
<b>SCHEDULE - G :</b>			
<b>SALES /INCOME FROM OPERATIONS</b>			
Sale of Securities		<b>590,933</b>	15,707
		<b>590,933</b>	15,707
<b>SCHEDULE - H :</b>			
<b>INCOME FROM INVESTMENTS, STOCK IN TRADE AND ADVANCES</b>			
Interest : Advances (Gross)		<b>222,412</b>	189,948
(Tax deducted at source Rs.44,482/- previous year Rs 38,588/-)			
Dividend from Shares		<b>4,950,344</b>	3,645,400
		<b>5,172,756</b>	3,835,348
<b>SCHEDULE - I :</b>			
<b>OTHER INCOME</b>			
Miscellaneous Income		<b>203</b>	12,568
		<b>203</b>	12,568





## SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2011

	Rupees	2010-2011 Rupees	2009-2010 Rupees
<b>SCHEDULE - J :</b>			
<b>INCREASE/(DECREASE) IN STOCKS</b>			
Closing Stock of Shares & Debentures		1,827,830	1,145,945
Less: Opening Stock of Shares & Debentures		(1,145,945)	(975,705)
		<u>681,885</u>	<u>170,240</u>
<b>SCHEDULEL - K :</b>			
<b>STAFF EXPENSES</b>			
Salaries , Bonus and Other Benefits		782,268	639,332
Staff Welfare Expenses		84	84
		<u>782,352</u>	<u>639,416</u>
<b>SCHEDULE L :</b>			
<b>OTHER EXPENDITURE</b>			
Advertisement		70,908	57,720
Audit fees		30,000	30,000
Rates and taxes		21,662	35,265
Travelling & Conveyance		329,446	11,068
Legal & Professional charges		97,500	264,500
Membership & Subscription		25,149	24,657
Printing & Stationery		20,439	55,669
Postage, Telephone & Telex		44,724	43,570
Society Maintenance Expenses		29,694	93,772
Gratuity	21,204	103,846	
Expenses for News & Subscription		-	60,000
Miscellaneous Expenses		45,804	43,824
Sitting Fees To Directors		10,000	9,000
		<u>746,531</u>	<u>832,891</u>

**SCHEDULE FORMING PART OF ACCOUNTS: 31ST MARCH 2011****SCHEDULE M: SIGNIFICANT ACCOUNTING POLICIES****1. SIGNIFICANT ACCOUNTING POLICIES:****a. Basis of presentation**

The accounts have been prepared using historical cost convention and on the basis of going concern with revenues recognised and expenses accounted on accrual including committed obligations and are in accordance with Section 211(3C) and other provisions of the Companies Act, 1956.

**b. Fixed Assets**

- (i) Fixed assets are valued at cost of acquisition.
- (ii) Expenditure relating to existing fixed assets is added to the cost of the assets where it increases the performance/life of the assets as assessed earlier.

**c. Inventories**

Inventories representing stock of shares, debentures etc. are valued at lower of cost or market price.

**d. Investments**

Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.

**e. Retirement Benefits**

Provision for leave encashment are determined and accrued on actual basis. Gratuity is accounted for on cash basis.

**f. Depreciation**

The Company provides for depreciation on fixed assets at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, on written down value method.

**g. Taxes on Income**

- (i) Provision for income tax Rs. Nil is determined on the basis of the estimated taxable income of the current year in accordance with the Income Tax Act, 1961.
- (ii) Deferred tax is recognized in respect of deferred tax assets (subject to the consideration of prudence) and to the extent there is virtual certainty that the asset will be realized in future and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

**h. Contingencies and events occurring after the Balance Sheet Date**

Accounting for contingencies (gains & losses) arising out of contractual obligations, are made only on the basis of mutual acceptances. Events occurring after the date of the Balance Sheet are considered up to the date of approval of the accounts by the Board, where material.

**i. Intangible Assets:**

- i. Intangible Assets are recognized only where:
  - a) It is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and
  - b) The cost of the asset can be measured reliably.
- ii. Intangible Assets are capitalized at cost of acquisition including any import duty and other taxes and any directly attributable expenditure on making the assets ready for its intended use.
- iii. Amortization of Intangible Assets:
  - a) Intangible assets recognized are amortized over its best-estimated useful life, under a rebuttable presumption that the useful life of an intangible asset will not exceed ten years.
  - b) Where the expenditure incurred on intangible assets do not meet recognition criteria, it is recognized as an expense for the period.

**SCHEDULE N: NOTES ON ACCOUNTS**

1. a) Provision for income tax has not been made in these accounts since the Company does not have taxable income.  
b) The Company does not have taxable wealth and hence no provision for wealth tax has been made in these accounts.
2. The Board of Directors are of the opinion that with respect to the disclosure of investments in shares and debentures held by the Company for trade as at 31st March, 2011 as required by Part I of Schedule VI to the Companies Act, 1956, in view of the number of scripts bought and sold being large, it is not practicable to disclose the same individually.
3. Pursuant to the Accounting Standard 22 relating to "Accounting for Taxes on Income", the Company has recognized net Deferred Tax Assets to the extent of Rs.1,277,059/- for the year. The same has been recognized since the management is virtually certain of realizing the same in due course within the statutory time frame of allowability of the unabsorbed losses / allowances under the Income Tax Act, 1961, particularly in view of the income arising from financing activities in the subsequent period.

**4. Earning per Share:**

In view of Accounting Standard 20 on "Earning per Share" issued by "The Institute of Chartered Accountants of India" and made mandatory w.e.f. 1st April, 2001, the following are the disclosures in respect of the calculation of earnings per share for the year ended 31st March, 2011.

<b>Particulars</b>		<b>31/03/2011</b>	<b>31/03/2010</b>
a) Numerator Profit / (loss) after tax	Rs.	<b>4,209,912</b>	28,12,703
b) Denominator			
Weighted average number of equity shares	Nos.	<b>4502100</b>	4502100
c) Earnings per Share (Basic & diluted) =			
Numerator / Denominator	Rs.	<b>0.94</b>	0.62

**5. Contingent Liabilities in respect of :**

<b>PARTICULARS</b>	<b>Amount</b>	
	<b>[Rs. In Crores]</b>	
	<b>2010-2011</b>	<b>2009-2010</b>
a) In respect of show cause notice from SEBI under Regulation 8(3) of SEBI take over code regulation	<b>0.0175</b>	0.0175

**6. Related Party Disclosures:**

A. Name of the related party and nature of relationship where control exists

- i. Associates
  - Dwarikesh Sugar Industries Limited
  - Dwarikesh Trading Company Limited
  - Dwarikesh Informatics Limited
  - Faridpur Sugars Limited.
- ii. Key Management Personnel:
 

Name	Designation
Shri G. R. Morarka	Chairman
Miss Priyanka G. Morarka	Director



## B. Transactions with related parties as per the books of account

	<b>31st March, 2011</b>	
	<b>Associates</b>	<b>Key Management Personnel</b>
	<b>Rs.</b>	<b>Rs.</b>
1. Interest Income		
Dwarikesh Sugar Industries Ltd.	<b>1,82,854</b>	-
Dwarikesh Trading Co. Ltd.	<b>39,558</b>	
2. Dividend received		
Dwarikesh Trading Co. Ltd.	<b>48,12,582</b>	-
3. Interest Exp.		
Dwarikesh Trading Co. Ltd.	-	
4. Amounts Payable		
Dwarikesh Informatics Ltd.	-	-
5. Amounts Receivable		
Dwarikesh Sugar Industries Ltd.	-	-
6. Maximum amount due at any time	-	-
a. Dwarikesh Trading Co. Ltd.		
b. Dwarikesh Informatics Ltd.		
7. Maximum amount Receivable at any time	<b>92,70,832</b>	-

Related parties have been identified by the management. This has been relied upon by the auditors.

C. No amounts have been written off / back in respect of the aforesaid related parties.

7. Additional information pursuant to the provision of Part II of the Schedule VI to the Companies Act, 1956 is not applicable to the Company for the year.
8. There are no Small Scale and Ancillary Industrial Undertakings to which the Company owes any sum for a period exceeding thirty days.
9. There are no amounts due and outstanding to be transferred to Investor Education & Protection Fund as on 31st March, 2011
10. Schedule to Balance Sheet of a Non-Banking Financial Company as required in terms of paragraph 9 BB of Non-Banking Financial Companies prudential norms (Reserve Bank) Directions, 1998 is annexed.

**11. Balance Sheet Abstract and Company's General Business Profile as per Part (IV) of Schedule VI to the Companies Act, 1956.****I. Registration Details**

Registration No.:	<b>L 67120 MH 1985 PLC 035632</b>	State Code	11
Balance Sheet Date:	31/03/2011		

**II. Capital raised during the year**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds**

Total Liabilities	95,258,615	Total Assets	95,258,615
-------------------	------------	--------------	------------

**Source of Funds**

Paid-Up Capital	45,021,000	Reserves & Surplus	50,237,615
Secured Loans	NIL	Unsecured Loans	NIL

**Application of Funds**

Net Fixed Assets	10,78,889	Investments	90,918,808
Net Current Assets	1,983,859	Deferred Tax Assets	1,277,059
Accumulated Losses	NIL	Misc. Expenditure	NIL

**IV. Performance of Company**

Turnover	5,763,892	Total Expenditure	2,393,237
Profit/(Loss)Before Tax	4,052,540		
Profit/(Loss)After Tax	4,209,912		
Earning per Share	0.94	Dividend Rate	NIL

**V. Generic names of Three Principal Products / Services of Company (as per monetary terms)**

Item Code No. NIL

**Product Description** Financial / Leasing / Investments/Advisory Services etc.

12. Figures for the previous year have been regrouped, wherever necessary.

**As per our Report of even date**

For **D. P. AGARWAL & CO.**

Chartered Accountants

**D. P. AGARWAL**

Proprietor

Membership No.: 35500

Place : Mumbai

Dated : 30.05.2011

**G. R. MORARKA**

Chairman

**B. J. MAHESHWARI**

Director

Place : Mumbai

Dated : 30.05.2011



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st, MARCH 2011

### SCHEDULE - O:

	2010-2011 (Rupees)	2009-2010 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT/(LOSS) BEFORE TAX	4,052,540	2,477,255
ITEMS		
ADJUSTMENTS FOR :		
DEPRECIATION	63,300	68,037
INVESTMENT INCOME	(4,950,344)	(3,645,400)
	<b>(4,887,044)</b>	<b>(3,577,363)</b>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>(834,504)</b>	<b>(1,100,108)</b>
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	4,628,440	(2,671,398)
INVENTORIES	(681,885)	(170,240)
TRADE PAYABLES	(28,910)	(208,358)
DIRECT TAXES PAID	0	87,106
	<b>3,917,645</b>	<b>(2,962,890)</b>
CASH GENERATED FROM OPERATIONS	<b>3,083,141</b>	<b>(4,062,998)</b>
NET CASH FLOW FROM OPERATING ACTIVITIES	<b>3,083,141</b>	<b>(4,062,998)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF INVESTMENTS	(8,100,000)	0
INVESTMENT INCOME	4,950,344	3,645,400
NET CASH FLOW FROM INVESTING ACTIVITIES	<b>(3,149,656)</b>	<b>3,645,400</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Unsecured loan paid	0	0
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS(A-B+C)	<b>(66,515)</b>	<b>(417,598)</b>
CASH AND CASH EQUIVALENTS(OPENING BALANCE)	<b>167,129</b>	<b>584,727</b>
CASH AND CASH EQUIVALENTS(CLOSING BALANCE)	<b>100,614</b>	<b>167,129</b>

### Notes :

- Above statement has been prepared by the indirect method except in case of interest, dividend, purchase and sale of investments and taxes which have been considered on the basis of actual movement of cash and cash equivalents with corresponding adjustments in assets and liabilities investments and taxes which have been considered on the basis of actual movement of cash and cash equivalents with corresponding adjustments in assets and liabilities.
- Previous year figures have been regrouped, wherever required.

### As per our Report of even date

For **D. P. AGARWAL & CO.**  
Chartered Accountants

**G. R. MORARKA**  
Chairman

**D. P. AGARWAL**  
Proprietor  
Membership No.: 35500

**B. J. MAHESHWARI**  
Director

Place : Mumbai  
Dated : 30.05.2011

Place : Mumbai  
Dated : 30.05.2011

**Refer to in Note No. 10 to Notes on Accounts, of Schedule "O"  
Schedule to the Balance Sheet of a Non-Banking Financial Company**(as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms  
(Reserve Bank) Directions, 1998 - Circular reference no. DNBS(PD)CC no. 25/0202/2002-03 dtd. 29th March, 2003

Particulars	(Rs. in lakhs)	
	Amount out-standing	Amount overdue
<b>Liabilities side :</b>		
<b>(1) Loans and advances availed by the NBFs inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures Secured Unsecured (Other than falling within meaning of public deposits*)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans (specify nature)	-	-
* Please see Note 1 below		
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
(c) Other public deposits		
<b>Assets side :</b>		
		Amount outstanding
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
<b>a) Secured</b>	-	
<b>b) Unsecured</b>	-	
<b>(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	
(b) Operating lease	-	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	
(b) Repossessed Assets	-	
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above	-	
<b>(5) Break-up of Investments :</b>		
<b>Current Investments :</b>		
1. Quoted:		
(i) Shares:	(a) Equity	-
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities	-	-
(v) Others (Please specify)		-
2. Unquoted:		
(i) Shares:	(a) Equity	-
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (Please specify)		-



Long Term investments :		
1. Quoted:		
(i) Shares:	(a) Equity	522.50
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (Please specify)		-
2. Unquoted:		
(i) Shares:	(a) Equity	6.69
	(b) Preference	380.00
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (Please specify)		-

**(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :**

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same Group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other related parties	-	-
i) DSIL Equity Shares	1697.10	522.49
ii) DTCL - Preference Shares	380.00	380.00
iii) DTCL - Equity	3.27	3.27
iv) DIL - Equity	0.00	0.00
iv) FSL - Equity	1.00	1.00
2. Other than related parties		
i) Ormerods India - Equity	2.42	2.42
<b>Total</b>	<b>2083.79</b>	<b>909.18</b>

\*\* As per Accounting Standard of ICAI (Please see Note 3)

**(8) Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

**Notes:**

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above





**MORARKA FINANCE LIMITED**  
 Regd. Office : 511, Maker Chamber - V,  
 221, Nariman Point, Mumbai - 400 021

**ATTENDANCE SLIP**

**(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)**

I / We hereby record my / our presence at the **26th ANNUAL GENERAL MEETING** of the above named Company at at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020 at 12 noon. on Thursday, 29th September, 2011.

**NAME(S) OF THE MEMBER(S)**

**Registered Folio No.** \_\_\_\_\_

**Name of Proxy (in Block Letter)**

(To be filled in, if the proxy attends instead of the Member)

\_\_\_\_\_  
**MEMBER'S/PROXY'S SIGNATURE**

----- (TEAR HERE) -----



**MORARKA FINANCE LIMITED**  
 Regd. Office : 511, Maker Chamber - V,  
 221, Nariman Point, Mumbai - 400 021

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_

I / We \_\_\_\_\_ of \_\_\_\_\_

being a Member/Members of **Morarka Finance Limited** hereby appoint \_\_\_\_\_

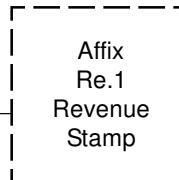
\_\_\_\_\_ of \_\_\_\_\_

or falling him \_\_\_\_\_ of \_\_\_\_\_

as may / our proxy to attend and vote for me/us on my/our behalf at the **26th ANNUAL GENERAL MEETING** of the Company at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 at 12 noon. on Thursday, 29th September, 2011.

As WITNESS my/our hand(s) the \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signed \_\_\_\_\_



**Note:** Proxy must reach the Company's Registered Office not less than 48 hours before the time of holding the Meeting.

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