



## **16th Annual Report 2000-2001**

# 16TH ANNUAL REPORT



## DIRECTORS

G R MORARKA - CHAIRMAN

M N MEDHEKAR

S H NEVATIA

K P MEDHEKAR

B J MAHESHWARI

## AUDITORS

SHARP & TANNAN

CHARTERED ACCOUNTANTS

## BANKERS

PUNJAB NATIONAL BANK

## REGISTERED OFFICE

511, MAKER CHAMBERS V,  
221, NARIMAN POINT  
MUMBAI 400 021.

## SOLICITORS

KANGA & COMPANY

MULLA & MULLA & CRAIGIE BLUNT & CAROE

## REGISTRAR & SHARE TRANSFER AGENTS

MONDKAR COMPUTERS PVT. LTD.

21, SHAKIL NIWAS  
MAHAKALI CAVES ROAD  
ANDHERI (EAST)  
MUMBAI 400 093.

**MORARKA FINANCE LIMITED****NOTICE**

NOTICE is hereby given that the 16th Annual General Meeting of the Company will be held on Tuesday, 25th September, 2001 at 11.00 A.M. at Ashoka-Hall, Arcadia, Nariman Point, Mumbai 400 021 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2001, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri M N 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 appoint Auditors and fix their remuneration.

**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 18th September, 2001 to 25th September, 2001.
4. Members are requested to notify any change in their address immediately, to the Company.
5. 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 him at least ten days before the date of the meeting to enable the Management to keep the information required readily available.
6. 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.

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

PLACE: Mumbai

DATED: 31st May, 2001

**B J MAHESHWARI**  
DIRECTOR

**REGISTERED OFFICE:**

511, MAKER CHAMBERS - V  
221, NARIMAN POINT  
MUMBAI - 400 021.

**16TH ANNUAL REPORT****DIRECTOR'S REPORT**

The Shareholders of the Company,

**MORARKA FINANCE LIMITED**

Your Directors take pleasure in presenting their 16th Annual Report together with Audited Accounts for the year ended 31st March, 2001.

**1. FINANCIAL RESULTS:**

	<b>[IN RUPEES]</b>	
	<b>For the year Ended 31/03/2001</b>	<b>For the year Ended 31/03/2000</b>
Profit / (Loss) before tax	2,756,502	2,574,420
Less: Provision for taxation for the year	-	303,000
For the earlier years	578,555	107,122
Profit / (loss) after tax	3,335,057	2,164,298
Add: Balance b/f from previous years	(3,614,258)	(5,778,556)
Balance carried to Balance Sheet	(279,201)	(3,614,258)

**2. DIRECTORS:**

Shri Bhavin Kothari ceased to be Director during the year. Your Directors place on record their deep appreciation for the contributions made by him.

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

**3. AUDIT COMMITTEE**

An Audit Committee of the Company has been constituted consisting of three Directors namely Shri G R Morarka, Shri B J Maheshwari & Shri S H Nevatia in compliance to the provisions of the Companies (Amendment) Act, 2000.

**4. Statement of Director's Responsibilities**

As required u/s. 217A (2AA) the Directors confirm that they have:-

- Followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation in the respective notes to Accounts of the Company.
- Selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities:
- prepared the annual accounts on a going concern basis.

**5. CORPORATE GOVERNANCE**

The Stock Exchanges have introduced in the Listing Agreement a new clause No. 49 relating to Corporate Governance which is to be implemented by the Company within the financial year 2002-2003. Although not mandatory, the Company has suo motto implemented the Corporate Governance norms in the current year itself. Hence, Auditors certificate is not obtained on the Corporate Governance. It may be noted that the Board of your Company consists of five members, of whom one is the Promoter Director and four are non-executive Directors. Five meetings of the Board were held during the financial year ended 31st March, 2001. The last Annual General Meeting was held on 26th September, 2000. An Audit Committee in compliance to Clause 49 of the listing agreement was constituted on 26th September, 2000.

**MORARKA FINANCE LIMITED****6. EMPLOYEES:**

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

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUT GO:**

Since your Company is engaged in the activities of trading 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.

**8. AUDITORS:**

You are requested to appoint the Auditors and fix their remuneration.

**9. DEPOSITS:**

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

**10. ACKNOWLEDGEMENT:**

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

By order of the Board

**G R MORARKA**  
CHAIRMAN

**B J MAHESHWARI**  
DIRECTOR

PLACE: MUMBAI

DATED: 31st May, 2001

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# 16TH ANNUAL REPORT



## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

The recently introduced Clause 49 of the Listing Agreement with Stock Exchanges incorporates certain disclosure requirements related to Corporate Governance, with the purpose of enhancing statutory compliances and disclosures related thereto, together with a thrust on the Company's value system.

The Company has been practicing the principles of corporate governance with an emphasis on transparency and accountability and the Company continues its efforts to improve the emphasis not only in the letter but also in spirit and thereby attempt to ensure that the requirements of the Listing Agreement are fulfilled.

### 2. Board of Directors

As at 31st March, 2001, the Board of Directors comprised of 5 Directors as under :

- ❖ All 5 are Non-Executive Directors
- ❖ Mr. G R Morarka is promoter & Non-Executive Chairman.

During the year, 5 Board Meetings were held, on 12th June, 2000; 19th July, 2000; 26th September, 2000; 31st October, 2000; 30th January, 2001.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2000-2001 are as under :

Name of Director	Attendance		Other Board Representation	
	Board Meeting	Last AGM	Directorships	Committees
Mr. G R Morarka	4	x	7	6
Mr. S H Nevatia	3	x	7	3
Mr. B J Maheshwari	5	✓	8	3
Mr. M N Medhekar	2	✓	2	2
Mr. K P Medhekar	2	✓	2	1

In terms of the requirements of Clause 49, one new Board Committee was constituted viz. Audit Committee with detailed terms or references similar to those contained in Clause 49;

#### Audit Committee

Pursuant to Clause 49, the Committee was reconstituted on 26th September, 2000, to comprise two Independent Non-Executive Directors and one Promoter Non-Executive Director .

The Committee has powers for extensive review to achieve its purpose. The broad terms of reference of the Committee are to review the adequacy of the internal control systems with the Management, Internal Auditors and Statutory Auditors, as necessary; the Company's financial reporting processes; changes in accounting policies; adequacy of the internal audit function, its structure and effectiveness; review of financial and risk management systems; defaults, if any, in payments to Depositors, Shareholders and Creditors; the adequacy of internal control systems; and the terms of appointment of external auditors and the remuneration payable to them.

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, 2 Audit Committee Meetings were held on 16th October, 2000 and 31st January, 2001.

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

	Status	No. of Meetings Attended
Mr. G R Morarka	Chairman	1
Mr. S H Nevatia	Member	2
Mr. B J Maheshwari	Member	2



# MORARKA FINANCE LIMITED

## 3. General Body Meetings

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

Financial Year	Location	Date	Time
1997-1998	Ashoka Hall, Arcadia, Nariman Point, Mumbai - 400 021	22/09/1998	11.00 a.m.
1998-1999	- " -	21/09/1999	11.00 a.m.
1999-2000	- " -	26/09/2000	11.00 a.m.

Special Resolutions transacted at the Annual General Meetings held on :  
26th September, 2000

Consequent to change in Dividend Rate of Preference Shares, there was Amendment of the Clause V of Memorandum of Association and Clause 6 of Articles of Association of the company during the year.

No special resolutions were implemented through postal ballot during the year under review, nor are any Resolutions proposed for this year, as presently no procedure has been prescribed for the same.

## 4. Disclosures:

- Considering the size and the nature of operations, there were no related party transactions of a materially significant nature that may have a potential conflict with the interests of the Company at large.
- The Company has complied with all requirements of the Listing Agreement with Stock Exchange as well as the Regulations and Guidelines prescribed by SEBI. 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.

## 5. Means of Communication

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

## 6. General Shareholder Information:

⇒ Annual General Meeting	16th Annual General Meeting
Date, time and venue	25th September, 2001 at 11.00 a.m. at Ashoka Hall, Arcadia, Nariman Point, Mumbai - 400 021
⇒ Financial Calendar Particulars	Date of Approval/publication
Annual Results of previous year	12th June, 2000
First Quarter Results	19th July, 2000
AGM for the year ended 31st March, 2001	25th September, 2001
Payment of Dividend	Not Applicable
Second Quarter Results	End of October.
Third Quarter Results	End of January, 2002
Last Quarter Results	End of June, 2002
⇒ Dates of Book Closure	18th September, 2001 to 25th September, 2001
⇒ Dividend Payment Date	Not Applicable
⇒ Listing Details	