



17th Annual Report 2001 - 2002

17TH 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 Seventeenth Annual General Meeting of the Company will be held on Monday, 23rd September, 2002 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, 2002, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri B.J. Maheshwari, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri K.P. Medhekar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. **To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:**

Resolved that the consent of the shareholders be and is hereby accorded for inclusion of following objects in Clause C – "OTHER OBJECTS" of Memorandum of Association.

Resolved further that the following objects be inserted in Clause C – OTHER OBJECTS, after the present Clause 43:

44. To acquire by purchase, lease, concession, grant, licence or otherwise lands and cultivate, grow, produce or deal in any plantation, agricultural crops, vegetables, fruits and fruit products, trees of all kinds and own, manage and sell the same both in India and abroad.
45. To carry on the business of agricultural, horticultural and agricultural / forestry related activities, husbandry, fisheries, aquaculture and to carry on the business of farming, agriculture, horticulture, forestry in all their respective forms and branches and to grow, produce, manufacture, process, prepare, refine, extract, manipulate, hydrolyze, deodorize, grind, bleach, hydrogenate, buy, sell or otherwise deal in all kinds of plantations, trees, crops, medical / herbal plants, agricultural, horticultural, floricultural, farm product and products including foodgrains, cereals, seeds, oil seeds, plants, flowers, vegetables, fruits, vegetables and edible oils, and food products and preparations of any nature or description whatsoever including processing, canning and packaging of fruit and vegetables.
46. To assist any person in procuring land and render all services as lessees, managers, agents, consultants and advisors and to develop them to make suitable for cultivation of agricultural crops, plantations, forestry, horticultural and floriculture and provide all types of management services for developing the land and operating farms.
47. To sell land with or without trees, plants, agricultural, floricultural, horticultural produce in all its forms and to sell trees, plants, agricultural, horticultural, floricultural produce with or without lands, fell, harvest and remove partially or fully and market the same either in wholesale or retail in India or abroad.
48. To act as an export house for all kinds of produce including agricultural, horticultural and farm products including foodgrains, cereals, seeds, oil, oil seeds, plants, flowers, vegetables, fruits and edible oils, food and food products and preparations of any nature.

6. **To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:**

Resolved that pursuant to Section 149(2A) of the Companies Act, 1956, the Company do commence and carry on business related to "agricultural activities".

Resolved further that the consent of the shareholders be and is hereby accorded to the Board of Directors, the commencement of the business by the company as Specified in sub clause 44 to 48 of Clause C under the head "OTHER OBJECTS" of Memorandum of Association, pursuant to the Provisions of subsection 2A of Section 149 of the Act.

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 Tuesday, 17th September, 2002 to Monday, 23rd September, 2002.

17TH ANNUAL REPORT



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 the company 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.
7. The relevant Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of item nos. 5 & 6 are annexed to and forms part of this notice.
8. Procedure to be followed for conducting business through Postal Ballot.
 - a) The Company has appointed Shri D P Agarwal, Chartered Accountants, Mumbai as a Scrutinizer who, in the opinion of Board, can conduct the Postal Ballots voting process in a fair and transparent manner as Scrutinizer.
 - b) The Scrutinizer will be in position to complete the compilation by 20/09/2002 and will submit his final report on or before the said date to the Board of Directors.
 - c) The Scrutinizer will be available at the Registered Office of the Company for the purpose of ascertaining the requisite majority and the Postal Ballots and all other papers relating to Postal Ballots will be under his safe custody till the Chairman of the meeting considers, approves and signs the minutes of the meeting.

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

B J MAHESHWARI
DIRECTOR

PLACE : Mumbai
DATED : 28th June, 2002

REGISTERED OFFICE :

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

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 5

The Company intends to start agricultural activities. The present object clause of Memorandum of Association do not provide for these objects very clearly. It is therefore proposed to insert Clause 44 to 48 in the "OTHER OBJECTS" in Memorandum of Association of the Company to permit the company to engage in such business.

The aforesaid Resolutions as circulated and when passed by postal ballot will authorize the Board to commence the business as set out in the resolution.

None of the directors of the Company is, in any way, concerned or interested in passing of the said resolution.

ITEM NO. 6

The company wishes to commence business specified in Clause 44 to 48 in the immediate near future. Section 149 provides that a new business specified in other objects cannot be commenced, unless a special resolution is passed by the shareholders of the company.

The Board seeks the approval of the Members for commencement and carrying on the business as set out in the Resolution.

None of the directors of the Company is, in any way, concerned or interested in passing of the said resolution.

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

B J MAHESHWARI
DIRECTOR

PLACE : Mumbai
DATED : 28th June, 2002

REGISTERED OFFICE :

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


MORARKA FINANCE LIMITED

DIRECTOR'S REPORT

The Shareholders of the Company,
MORARKA FINANCE LIMITED

Your Directors take pleasure in presenting their 17th Annual Report together with Audited Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS :

	For the year Ended 31/03/2002	[IN RUPEES] For the year Ended 31/03/2001
Profit / (Loss) before tax	5,475,688	2,756,502
Less: Provision for taxation for the year	43,871	-
For the earlier years	-	578,555
Profit / (loss) after tax	5,519,559	3,335,057
Add: Balance b/f from previous years	(279,201)	(3,614,258)
Balance carried to Balance Sheet	5,240,358	(279,201)

2. DIRECTORS :

Shri B.J. Maheshwari & Shri K.P. Medhekar, Directors retire by rotation and being eligible offer themselves for re-appointment.

3. 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.

4. CORPORATE GOVERNANCE :

Board of Directors of your Company consists of five members, of whom one is the Promoter Director and four are non-executive Directors. Nine meetings of the Board were held during the financial year ended 31st March, 2002. The last Annual General Meeting was held on 25th September, 2001. An Audit Committee in compliance to Clause 49 of the listing agreement was constituted on 26th September, 2000.

5. 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.

6. 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.

17TH ANNUAL REPORT



7. AUDITORS :

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

8. DEPOSITS :

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

9. 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 : 28th June, 2002

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MORARKA FINANCE LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement with Stock Exchanges incorporates certain disclosure requirements related to Corporate Governance, with the purpose of enhancing statutory compliance and disclosures related thereto, together with a thrust on a 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 attempts to ensure that the requirements of the Listing Agreement are fulfilled.

2. BOARD OF DIRECTORS

As at 31st March, 2002, the Board of Directors comprised 5 Directors as under:

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

During the year, 9 Board Meetings were held on 10th April, 2001; 31st May, 2001; 30th July, 2001; 25th September, 2001; 31st October, 2001; 2nd January, 2002; 25th January, 2002; 15th February, 2002 & 26th March, 2002.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2001-2002 are as under:

Name of Director	Attendance		Other Board Representation	
	Board Meeting	Last AGM	Directorships	Committees
Mr. G R Morarka	7	x	7	4
Mr. S H Nevatia	8	x	2	3
Mr. B J Maheshwari	9	✓	7	3
Mr. M N Medhekar	1	✓	2	—
Mr. K P Medhekar	2	✓	2	—

In terms of the requirements of Clause 49, Audit Committee has been constituted with detailed terms or reference 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, 4 Audit Committee Meetings were held on 15th May, 2001; 28th July, 2001; 29th October, 2001 and 25th January, 2002.

17TH ANNUAL REPORT



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

	Status	No. of Meetings Attended
Mr. G R Morarka	Member	NIL
Mr. S H Nevatia	Member	4
Mr. B J Maheshwari	Member	4

3. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
1998-1999	Ashoka Hall, Arcadia, Nariman Point, Mumbai - 400 021	21/09/1999	11.00 a.m.
1999-2000	- " -	26/09/2000	11.00 a.m.
2000-2001	- " -	25/09/2001	11.00 a.m.

Special Resolutions transacted at the Annual General Meeting held on 25th September, 2001 :

No Special Business was transacted in the last Annual General Meeting.

No special resolutions were implemented through postal ballot during the year under review, nor are any resolutions proposed for this year.

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 Exchanges 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 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.

6. GENERAL SHAREHOLDER INFORMATION

⇒ Annual General Meeting Date, time and venue	17th Annual General Meeting 23rd September, 2002 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	28th June, 2002
First Quarter Results	31st July, 2002
AGM for the year ended 31st March, 2002	23rd September, 2002
Payment of Dividend	Not Applicable