



26th 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. 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 it 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 came 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 31st 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
Amount available for Appropriation	4,16,05,161	3,73,95,249
Appropriations:		
Proposed Dividend :		
- On Equity Shares	-	-
Additional Dividend Tax	-	-
Transfer to General Reserves	-	-
Balance Carried over to next year	4,16,05,161	3,73,95,249
	4,16,05,161	3,73,95,249

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:-

- Selected suitable accounting policies and then applied them consistently.
- Made judgments and estimates those are reasonable and prudent.
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- Prepared the financial statements on the going concern basis.
- 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:

		Status	No. of Meetings Attended
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.