



# **27<sup>th</sup> Annual Report 2011-2012**



**BOARD OF DIRECTORS**

G. R. Morarka-Chairman

S. H. Nevatia

B. J. Maheshwari

Priyanka G. Morarka

Vijay S. Banka

**COMPANY SECRETARY**

Hemalkumar Shah

**AUDITORS**

D. P. Agarwal & Co.

Chartered Accountants

**BANKER**

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 the **Twenty-Seventh Annual General Meeting** of the Company will be held on Friday, 28th September, 2012 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, 2012, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms Priyanka G. Morarka, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Shri B. J. Maheshwari, 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.

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act, 1956 read with Article 132 of the Articles of Association of the company, Shri Vijay S. Banka, who was appointed as an Additional Director with effect from September 29, 2011, and who holds office upto the date of ensuing Annual General Meeting of the company & in respect of whom, the company has received a notice in writing under section 257 of the Companies Act, 1956 together with requisite deposit, proposing his candidature as a Director of the company, be and is hereby appointed as a Director.

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution.

RESOLVED THAT pursuant to section 31, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Rule 10 – B of Companies (Central Government's) Rules and Forms, 1956, approval be and is hereby accorded to amend Article 134 of the Articles of Association of the company to increase the sitting fees payable to each of the directors of the company for attending the meeting of the Board of Directors or a Committee thereof by substituting the following new article in place of existing Article 134 of the Article of Association of the company.

Remuneration of Directors	The Board of Directors may, from time to time, decide to pay to Director out of the funds of the Company, by way of Sitting Fees, an amount not exceeding the maximum amount as may be prescribed by the Central Government under Rule 108 of the Companies (Central Government's) General Rules and
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Forms, 1956 read with Section 310 of the Companies Act, 1956 or any amendment made thereunder, from time to time, for each such meeting of the Board or any Committee or Sub-committee thereof attended by them together with reimbursement of out of pocket and other expenses incurred by them for attending the meeting such reasonable additional remuneration as may be fixed by the Board may be paid to any one or more of its number for services rendered by him or them in signing the Share Certificates in respect of the Company's Capital or any Debentures issued by the Company. The Directors shall be paid such further remuneration (if any) as the Company in General Meeting shall from time to time determine; and such additional remuneration and further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.

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

PLACE : New Delhi  
DATED : 30th May, 2012

**Hemalkumar 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, 13th September, 2012 to Friday, 28th September, 2012 (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.
5. In terms of Article 146 of the Articles of Association of the Company, Shri B J Maheshwari, & Ms Priyanka G Morarka, Directors retire by rotation at the ensuing Annual General



Meeting and being eligible offer themselves for re-appointment. Shri Vijay S Banka, who has been appointed as an additional director w.e.f. September 29, 2011 is proposed to be appointed as a director of the company. Brief resume of Directors retiring by rotation / appointed / re-appointed 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.
- 10 Pursuant to the Green Initiatives by the Ministry Of Corporate Affairs, Annual Report of the Company has been forwarded by e mail on the Registered email id of the members provided, and specifically permitted to the Company to receive it by email. However, members shall be provided with copy of Annual Report on their request in writing. Soft copy of the Annual report is available on [www.morarkafinance.in](http://www.morarkafinance.in)

Financial Year	Unpaid Dividend amount (Rs.) as on 31/03/2012	Due date of transfer to the Investor Education and Protection Fund
2004-05	196894.50	28/10/2012
2005-06	129057.00	25/10/2013
2006-07	66579.00	26/10/2014

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### ITEM NO. 5

Shri Vijay S. Banka was appointed as an Additional Director of the company on September 29, 2011 by the Board. In terms of provisions of section 260 of the Companies Act, 1956 read with Article 132 of Articles of Association of the company. Shri Vijay S. Banka holds office upto the date of ensuing Annual General Meeting of the company & in respect of whom, the company has received a notice in writing under section 257 of the Companies Act, 1956 together with requisite deposit, proposing his candidature as a Director of the company.

The Board recommends the passing of this resolution. None of the directors except Shri Vijay S. Banka is interested in the resolution.

### ITEM NO.6

As per the existing Article 134 of the Articles of Association, the directors of the company are entitled to receive an amount of Rs 250 /- only as a sitting fee for attending every meeting of Board of Directors or any committee constituted by the Board, which has been fixed long time ago.

As per rule 10-B - section 310 of the Companies (Central Governments) General Rules and Forms, 1956, amount of remuneration by way of sitting fees for attending each meeting of Board of Directors and committee thereof is allowed as under.

a)	Companies with paid-up share capital and free reserves of Rs 10 crores & above or turn over of Rs 50 crores & above	Upto Rs 20,000/-
b)	Other companies	Upto Rs 10,000/-

Since there was no revision in sitting fees for a long period of time and the company feels that the present limit is not at all commensurate to the efforts put in by the non executive directors and requires enhancement, the above amendments is proposed to the Articles Of Association together with reimbursement of out of pocket and other expenses incurred by the Directors to attend the meetings.

All the non executive directors of the company entitled to receive the sitting fees may be deemed to be interested in the resolution.

By order of the Board  
FOR MORARKA FINANCE LIMITED

PLACE : New Delhi  
DATED : 30th May, 2012

**Hemalkumar Shah**  
Company Secretary



## MANAGEMENT DISCUSSION & ANALYSIS

### World in shackles of financial crisis

Post sub prime crisis in US in 2008, the apprehension of fast recovery across the globe has ended in a smoke and none of the efforts of stimulation packages, booster doses, tax benefits could derive any fruitful results to get rid of chronic depression still sustaining in the cosmos. No countries in the world can preclude itself from the shackles of economics & political crisis. The sovereign crisis took its start from US and grappled Dubai, Portugal, Ireland, Italy, Greece, Spain and other Eurozones. With US continuing to grow at lower pace and Euro to continue its troubles, the growth rate of global economy is projected at 3.5%. Even the emerging economies of BRICS are feeling the impact of slow down. Fastest growing China too has started giving the signs of slowdown.

### Indian Economy chugging along

The GDP growth in India has been consistently going down from 9% to 6%. India is estimated to grow at 6.9 per cent in 2011-12 but grown at 6.5% pre-eminently due to high interest rate led by high inflation and commodity prices and in short run, there is no reason for cherish. But there are strong reasons to be bullish on Indian growth in long run mainly due to favourable demographics, strong consumption story, growing middle class disposable income and higher domestic saving rates. Political scams and lack of reforms are growth laggards, contributing negatively in sentiments.

### NBFC sector

Non-banking financial companies (NBFCs) are mostly private sector institutions which provide a variety of services including equipment leasing, hire purchase, loans, and investments. NBFCs perform a diversified range of functions and offer various financial services to individual, corporate and institutional clients. They have been helping to bridge the credit gaps in several sectors where the institutions like banks are unable to venture. RBI recently has created a separate kind of NBFC being micro finance institution (MFI) with that, there are now seven categories of NBFCs namely asset finance company (AFC), investment company (IC), loan company (LC), infrastructure finance company (IFC), core investment company (CIC), infrastructure debt fund NBFC (IDF –NBFC) and NBFC micro finance institution (NBFC-MFI). NBFCs can also be classified on the basis of the kind of liabilities they access, the type of activities they pursue, and of their perceived systemic importance. On the basis of liabilities, there are two categories, (i) NBFCs holding and accepting public deposits or NBFCs-D, and (ii) NBFCs not having public deposits or NBFCs-ND. With higher inflation and high rate of interest, the credit off take shall continue to be disappointing and estimated at 17% in 2013. Even the banks were confronted immense credit squeeze in 2011-12 with high inflation and interest rates, the NBFCs also faced huge shrinkage in credit growth. With multiple hikes in interest rate in last 18 months, the bad loans are expected to be at Rs 2,00,000 crores by March 2013 as per CRISIL. Non

performing assets (NPAs) too are likely to go up to 2 to 3% for banks and NBFCs dampening the growth of all NBFCs. The capital market too being in lackluster has adversely effected the investment NBFCs. Banks too are sitting on piles of applications for Corporate Debt Restructuring (CDR) from corporate india showing their inability to pay the loans. All in all, the year 2011-12 was a challenging year for NBFC sector.

### Outlook, Risks and Concerns

Seeing the large fiscal deficit, political constrains and reforms taking place at a snail's pace, leading rating agency standard and poors has downgraded India outlook from stable to negative with this the short term outlook for india is not so optimistic and hence Morgan Stanley has recently downgraded india's GDP forecast for 2013 from 6.9% to 6.3% but in long run, India is poised nicely on global footprints. After succession of rate hikes in last two years, the RBI has initiated reducing the rates. The monsoon prediction too is normal and hence going forward the rates are likely to ease faster than expectation. Good expected monsoon would increase the agriculture produce and that would in turn curb the inflation. The global economies too after a successive three years of worries, would once again gain momentum and the emerging economies like India, China, Brazil etc. would take their leaderships. Once the inflations and interest rates are at satisfactory levels, the NBFCs would again be on their growth trajectory in their retails financing, core investment and infrastructure finance businesses.

### Opportunities and threat

The company is a core investment NBFC striving to pick up opportunities from the capital market which has been languishing in a narrow range. The much awaited recovery has a long waiting period of more than three to four years now. With sovereign financial crisis, the India too albeit not much adversely effected as the rest of the world is, but the pace of growth has faced slow down as one can't apply the theory of decoupling when various economies of the world are dependent on others in today's scenario when the world has become a global village.

In the primary market too during 2011-12, hardly Rs 5000 crores are mobilized through fund raising by new public offers and only 30 companies could sail smoothly in this financial Tsunami. The venture capital and PE funds too took back steps in this gloomy economic portrait. Government too failed to achieve its disinvestment target and found it extremely difficult to raise fund to cover the fiscal deficit.

The secondary market with expected earning per share (EPS) of Rs 1163 for year 2012 and Rs 1303 for year 2013 of BSE 30 companies, is expected to remain in narrow range of 14000 to 18000 on BSE sensx in 2012 -13 discounting the same at 12 to 14 times. The introduction of General Anti Avoidance rules (GAAR) has raised tax implication probabilities in minds of Foreign Institutional investors inducing them not only to hold their investment flows in India but to exit from present equity exposures in India.

**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.

**Company's financial scorecard**

In this unstable economic environment and global carnage where most of the companies put a poor show, your company too is no exception to that incurring a loss of Rs 10.03 lacs in current fiscal as against profit after tax of Rs 42.10 lacs in the last year largely on account of subdued capital market. The company's revenue is derived from the dividend income, profit from sale of investments and interest income from advances etc. The fall in

market is taken up as an opportunity to buy the bellwether companies. The company would consistently look to pick up every available investment opportunity by doing the cherry pick of blue chip companies from the capital market.

**Human Capital:**

For enhanced performance of any organization, it is 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 members together with the audited financial statements of the Company for the year ended 31st March, 2012.

**1. FINANCIAL RESULTS:**

[IN RUPEES]

	For the year Ended 31/03/2012	For the year Ended 31/03/2011
Profit / (Loss) before tax	(1,516,405)	4,052,540
Less : Provision for taxation for the year	-	-
Provision for taxation earlier year	-	-
Deferred Tax	(464,173)	(1,57,372)
Fringe Benefit Tax	-	-
Profit / (loss) after tax	(1,003,225)	4,209,912
Add : Balance b/f from previous years	4,16,05,161	3,73,95,249
<b>Amount available for Appropriation</b>	<b>4,06,01,936</b>	<b>4,16,05,161</b>
<b>Appropriations:</b>		
<b>Proposed Dividend :</b>		
- On Equity Shares	-	-
Additional Dividend Tax	-	-
Transfer to General Reserves	-	-
Balance Carried over to next year	4,06,01,936	4,16,05,161
	<b>4,06,01,936</b>	<b>4,16,05,161</b>

**2. DIVIDEND:**

Your directors have not recommended any dividends in view of losses incurred by the company.

**3. DIRECTORS:**

Pursuant to Article 146 of the Articles of Association of the company, Ms Priyanka G. Morarka, & Shri B. J. Maheshwari, Directors retire by rotation and being eligible offer themselves for re-appointment.

Shri Vijay S. Banka has been inducted as an Additional Director on the Board during the year. Notice u/s 257 of the Companies Act, 1956 together with requisite deposit, proposing his candidature as a Director of the company is received signifying his intention to propose their candidature for the appointment of Director of the company.

**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 2012-2013.

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 2011-12 & 2012-13 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 : New Delhi

DATED : 30th May, 2012





## 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, 2012, the Board of Directors comprised 5 Directors as under:

- ❖ Mr K. P. Medhekar has resigned from the company w.e.f. October 3, 2011. Mr Vijay S Banka has been inducted to the Board w.e.f September 29, 2011
- ❖ All Directors are Independent Non-Executive Directors except Mr. G. R. Morarka, who is promoter & Non-Executive Chairman & Ms Priyanka G. Morarka.
- ❖ Ms Priyanka G. Morarka is daughter of Shri G. R. Morarka. Other Directors are not related to each other.

During the year, 5 Board Meetings were held on : May 30, 2011, August 12, 2011, September 29, 2011, November 11, 2011 and February 9, 2012.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2011-2012 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	5	No	4	-
Shri S. H. Nevatia	Independent Non-Executive Director	0	No	-	-
Shri B. J. Maheshwari	Independent Non-Executive Director	5	Yes	3	1
Shri Vijay S. Banka	Independent Non-Executive Director	0	N.A.	2	2
Ms. Priyanka G. Morarka	Promoter Non-Executive Director	5	No	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 30, 2011, August 12, 2011, November 11, 2011, February 9, 2012.

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

Name	Executive / Non-Executive	Status	No. of Meetings Attended
Mr. G.R. Morarka	Non-Executive	Member	1
Mr. S.H. Nevatia	Non-Executive	Member	4
Mr. B.J. Maheshwari	Non-Executive	Chairman	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 two 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

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

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

1. To attend to investors grievances or shareholders grievances.
2. To appoint Registrars and Share Transfer Agent.
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.