



MORARKA
FINANCE
LIMITED

29TH ANNUAL REPORT
2013-2014



BOARD OF DIRECTORS

G. R. MORARKA

S. H. NEVATIA

B. J. MAHESHWARI

PRIYANKA G. MORARKA

VIJAY S. BANKA

COMPANY SECRETARY

HEMALKUMAR 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.

21, SHAKIL NIWAS

MAHAKALI CAVES ROAD,

ANDHERI (EAST),

MUMBAI 400 093



NOTICE

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the Company will be held on Monday, 29th September, 2014 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, 2014, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Priyanka G. Morarka, (DIN: 0001088) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT M/s. D.P. Agarwal & Co, Chartered Accountants (FRN. 100068W) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. **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 188 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to give on lease the office premise of the company to Dwarikesh Sugar Industries Limited for a period of 5 years at a rent (licence fees) as is mutually agreed between the parties.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary."

5. To appoint Shri Vijay S. Banka (DIN: 00963355) as an Independent Director and in this regard 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Vijay S. Banka (DIN: 00963355), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of

Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019."

6. To appoint Shri B. J. Maheshwari (DIN: 00002075) as an Independent Director and in this regard 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri B. J. Maheshwari (DIN: 00002075), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019."

7. To appoint Shri S.H. Nevatia (DIN: 00001258) as an Independent Director and in this regard 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri S H Nevatia (DIN: 00001258), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019."

8. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Regd Off. : 511, Maker Chambers V, 221, Nariman Point, Mumbai 400 021.

Phone: 022-228322468, Web: www.morarkafinance.in, E-mail: investors@morarkafinance.in

CIN: L67120MH1985PLC035632



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.4

The company is trying to augment its revenues besides its NBFC related activities and as an endeavor to get fixed monthly income on regular basis, it has been proposed to give on rent the premises of the company to one of its group companies being a related party pursuant to section 188 of the Companies Act, 2013 and therefore the consent of shareholders is required for this transaction by way of special resolution.

Dwarikesh Sugar Ind. Ltd being a "Related Party" within the meaning of section 2(76) of the Companies Act, 2013, needs the consent of shareholders by way of special resolution under section 188 of the Companies Act, 2013.

The particulars of transaction pursuant to para 3 of explanation (1) to rule 15 of Companies (Meeting of the Board and its powers) Rules, 2014 are as under:

1. Name of the related party: Dwarikesh Sugar Ind.Ltd.
2. Name of the director or key managerial personnels who are related: 1. Mr Gautam R .Morarka 2. Ms. Priyanka G. Morarka
3. Nature of relationship: Mr. G. R. Morarka and Ms Priyanka Morarka are also holding position of director in Dwarikesh Sugar Ind. Ltd.
4. Monetary Value : Current monthly rent / licence fees is of Rs 123000 per month subject to such increase as is mutually agreed between the parties from time to time for the period of 5 years.
5. Nature, material terms and particulars of the arrangement:

Contract	Purpose
Agreement entered into between Morarka Finance Limited and Dwarikesh Sugar Industries Limited for leasing of office premises for the period of 5 years at the rent / licence fees of Rs 123000 per month with other terms and conditions mentioned therein.	The company is trying to augment its revenues besides its NBFC related activities and as an endeavor to get fixed monthly income on regular basis, it has been proposed to give on rent the premises of the company to one of its group companies being a related party pursuant to section 188 of the Companies Act, 2013.

6. Any other information relevant or important for the members to make decision on the proposed transaction: None

None of the Directors, Key Managerial Personnel and relatives of directors and Key Managerial Personnel may be deemed to be interested except Mr. G. R. Morarka, who is holding position of Chairman & Managing Director in Dwarikesh Sugar Industries Limited.

The Directors recommend and place before you the proposed resolution for your consideration and approval.

Item No.5

Shri Vijay S. Banka is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in September 2011. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Vijay S. Banka being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs 1,00,000/- proposing the candidature of Shri Vijay

S. Banka for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received from Shri Vijay S. Banka (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Vijay S. Banka as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation. In the opinion of the Board of Directors, Shri Vijay S. Banka, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Shri Vijay S. Banka as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Vijay S. Banka as an Independent Director. No director, key managerial personnel or their relatives, except Shri Vijay S Banka, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.5 for the approval of the members.

Item No. 6

Shri B. J. Maheshwari is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in September 1996. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri B. J. Maheshwari being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs 1,00,000/- proposing the candidature of Shri B. J. Maheshwari for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received from Shri B. J. Maheshwari (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri B. J. Maheshwari as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation. In the opinion of the Board of Directors, Shri B.J.Maheshwari, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Shri B. J. Maheshwari as an



Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri B. J. Maheshwari as an Independent Director. No director, key managerial personnel or their relatives, except Shri B. J. Maheshwari, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.6 for the approval of the members.

Item No. 7

Shri S. H. Nevatia is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in December 1989. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri S. H. Nevatia being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs 1,00,000/- proposing the candidature of Shri S. H. Nevatia for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received from Shri S. H. Nevatia (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri S. H. Nevatia as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation. In the opinion of the Board of Directors, Shri S. H. Nevatia, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Shri S. H. Nevatia as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri S. H. Nevatia as an Independent Director. No director, key managerial personnel or their relatives, except Shri S. H. Nevatia, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.7 for the approval of the members.

Item No. 8

The Articles of Association ("AoA") of the Company was prepared and adopted when the Company was incorporated in 1985 and amended from time to time as required. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the

Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, *inter alia*, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.8 of the Notice.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

By order of the Board
FOR MORARKA FINANCE LIMITED

PLACE: Mumbai
DATED: 30th May, 2014

Hemalkumar Shah
Company Secretary

Regd Off. : 511, Maker Chambers V, 221, Nariman Point, Mumbai 400 021. Phone: 022-228322468, Web: www.morarkafinance.in, E-mail: investors@morarkafinance.in
CIN: L67120MH1985PLC035632

**NOTES:****A. GENERAL**

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. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
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 Friday, 12th September, 2014 to Monday, 29th September, 2014 (both days inclusive).
4. Consequent upon the introduction of Section 72 of the Companies Act, 2013, 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 SH.13** which can be obtained from the Company's Registrar & Transfer Agents M/s Universal Capital Securities Pvt. Ltd.
5. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment /re-appointment.
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. 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. The details unpaid and unclaimed dividend is also uploaded on the website of the company as per the requirements of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012.

Financial Year	Unpaid Dividend amount (Rs.) as on 31/03/2014	Due date of transfer to the Investor Education and Protection Fund
2006-07	66429.00	26/10/2014

10. The Notice of the 29th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. However, members shall be provided with copy of Annual Report free of cost on their request in writing. Soft copy of the Annual report is available on www.morarkafinance.in

11. The relative statement pursuant to section 102 of the Companies Act, 2013, setting out the material facts concerning the item no. 4 to 8 of the notice dated May 30, 2014 is annexed hereto.

Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.

B. Voting by electronic means:

1. Pursuant to section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, the stated item of the business may be transacted through electronic voting system and the company is providing facilities for voting by electronic means (e-voting) to its members. The company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities to members, enabling them to cast their votes in a secure manner.
2. Members may choose to cast their votes electronically by logging on to the e voting system (www.evotingindia.com).
3. Both, physical and demat shareholders can exercise their voting rights by e-voting by carefully reading the instructions given herewith.
4. The instruction for e voting is as follows:
 - (i) The voting period begins on Monday, September 22, 2014 at 10.00 am and ends on Wednesday, September 24, 2014 at 5.30 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "MORARKA FINANCE LIMITED" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your



existing password is to be used.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN / MORARKA FINANCE LIMITED on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Note for Institutional Shareholders Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

5. Shri Mukesh Saraswat, Practicing Company Secretary, will act as a scrutinizer to the e voting process in a fair and transparent manner.

6. Shri Mukesh Saraswat, Practicing Company Secretary, will within a period not exceeding three working days from the conclusion of e voting period unblock the votes in presence of atleast two witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour of against, if any, forthwith to the Chairman of the company.

7. The results shall be declared on or after the AGM of the company. Result alongwith Scrutinizer's report shall be placed on the website of the company – www.morarkafinance.in and on the website of CDSL within two days of passing of resolution at the 29th Annual General Meeting.

By order of the Board
FOR MORARKA FINANCE LIMITED

PLACE: Mumbai
DATED: 30th May, 2014

Hemalkumar Shah
Company Secretary



MANAGEMENT DISCUSSION & ANALYSIS

Global Secnario:

After five years of global economic crisis post Lehman Brothers collapse in 2008, the economy of the world is showing a sign of bouncing back in this year. The global economic indicators are showing notice worthy improvement. Global activity strengthened during the second half of 2013. This activity is expected to improve further in 2014–15, largely on account of recovery in the advanced economies, pulled along by a recovery in high income economies. Global growth is expected at around 3.7 percent in 2014 and expected to be at 3.9 percent in 2015. While the leadership in galloping the growth rate is taken by high income economies, the growth is developing and emerging economies is also firming up gradually. But downward revisions to growth forecasts in some economies highlight continued fragilities, and downside risks remain. In advanced economies, output gaps generally remain large and, given the risks, the monetary policy stance should stay accommodative while fiscal consolidation continues. In many emerging market and developing economies, stronger external demand from advanced economies will lift growth, although domestic weaknesses remain a concern. With much of the impetus for growth coming from advanced economies. Although downside risks have diminished overall, lower-than-expected inflation poses risks for advanced economies, there is increased financial volatility in emerging market economies, and increases in the cost of capital will likely dampen investment and weigh on growth. Advanced economy policymakers need to avoid a premature withdrawal of monetary accommodation. Emerging market economy policymakers must adopt measures to changing fundamentals, facilitate external adjustment, further monetary policy tightening, and carry out structural reforms.

Domestic Secnario:

India posted a growth rate of 4.7% in 2014 as against 4.5% in 2013— a second successive year of sub-5% growth rate and of course one of the rarest occasion after 26 years to see two successive years posting lower than 5% growth. The growth rate has almost halved from 9.2% in 2011 to 4.7% in 2014 which is indeed a rapid fall in just span of three years. The reasons for sluggish growth rate are high inflation which is leading to high interest rate and cost of borrowing and dismal set of growth rate in service and industrial sector. The only reason to cherish is the robust growth in agriculture sector that cloaked 4.7% growth rate due to good overall rainfall in the country. The total foodgrain production rose 3% in 2013. Due to high inflation throughout the year, the central bank could not lower the much awaited interest rates. On the other hand, it has to hike the rates to check the inflation. High inflation and weak income prospects have dented consumer sentiments. Construction continued to register another year of low growth at 1.6%, owing to low levels of infrastructure activity. The current account deficit dipped to 1.7% of GDP (USD 32.4 billion) in fiscal 2014 from 4.7% (USD 87.8 billion) in fiscal 2013. The lower deficit was primarily on account of a decline in the trade deficit as decline in imports was sharper than that in exports.

Capital Market:

Financial year 2013-14 saw a moderate gain in key equity

indices. While the BSE sensex rose 18.6% in 2013-14, the Nifty has posted gain of 17.83% as if they were in an endeavour to maintain their traditional CAGR of nearly 18% in history. In 2014, Both the sensex and nifty have set a new benchmark by breaching all their previous highs with their marching ahead to 25000 and 7500 levels respectively. Foreign investors have made net inflows of a staggering nearly Rs 80,000 crore in the Indian stocks during the current fiscal year, while they pulled out money from the debt market. However, the net inflows are lower than Rs 1,40,033 crore had been made by Foreign Institutional Investors (FIIs) in the past fiscal. Fund raising through primary market was in lackluster due to the recovery in secondary market took late offtake in second half of 2013 and on the onset of 2014. There are 82 issues through which a sum of Rs 15234 crores have been raised by way of IPO, FPO and OFS in 2013-14. Banks and FIs were shy in financing corporate India on account of risk of default, fragile conditions and poor ratings. Their cynosure was on their own asset quality and NPA checking. Last four months in the capital market were stunning and bulls are in total control over the bears. With stable government in the centre with clear majority and growth focused, the market has witnessed excellent rally in banking, capital goods and power sector. NSEL scam has shattered the confidence of the investors and raised the question on the regulatory control mechanism on the financial market. But one has to admit that with sluggish growth rates of just 5 to 6% in next couple of years, there would not be much higher levels to see as the 2014 year end target on sensex would be around 28000 as per the market experts which is just 3000 point away from current level of 25000 on BSE sensex. The rainfall, budget and control over inflation would decide the next move of the market.

Outlook, Risk and Concerns:

The overall macro-economic outlook seems to be promising now since there is a strong government in the centre with clear majority that ensures political stability for the next five years atleast with fast decision making process without much hurdles and setbacks with so much of expectations from them to put the economy back on the growth track with fast decision making, controlling inflation, undertaking of quick reforms, emphasis on infrastructure development. While in short run, all other emerging markets have their own worries, the portrait of India is looking good comparatively to enchant FIIs towards India. At the same time, it would be improper to assume the recovery at good pace and admit the fact that gone are the days with more than 9% growth rate as it was prior to 2008. A moderate growth rate of 6.5% is even a distant dream which would be possibly achieved after next couple of years. The growth rate is expected to be between 5 to 6% in 2014-15. Throughout the year, the inflation was above comfort level and as of result of which the RBI remained hawkish in rate cut. In the scenario of high borrowing and lending rate, the cost of borrowing and the risk of default due to high rate of interest was a big concern for NBFCs. This scenario unfortunately would not be ended soon as the rainfall to check inflation this year is supposed to have an adverse effect on account of El-Nino whether impact. Many weather forecasters see a rain-deficit season this year and in such a situation there shall be rise in food price led inflation and that would in turn lead to high interest rates which would postpone the economic recovery. The market is anticipating the NDA led government



to be inclined towards reducing the investment bottlenecks, increasing governance transparency, reviving manufacturing, and integrating the taxation system and the market. The risk of drought can also be picked up as an opportunity as it could be utilized for initiating an all encompassing irrigation project that targets water resource management as a strategic imperative much in line with how the US approaches its energy security. With both fiscal and current account deficits in check, the government may have to relook at its fiscal austerity approach. For the time being the capital market is in gusto with celebration mood and its momentum is pegged on the expectations of a more reformist polity, post election. The market believes that the fresh policy momentum will break the growth lacuna and help in realizing the growth potential.

NBFC Sector:

There has been sign of jitters in this arena of business due to encroaching of banking industry in almost all the arenas of business of NBFC and that too is coupled with much stringent legal backing to the banking industries. Almost all the activities of an NBFC are being taken over by banks. Further, with immense competition in too many banks which are public and private sector banks, in search of new avenues of revenues, the banks have widened their operations to cover in its sweep the operations that are erstwhile done by NBFCs. Adding insult to the injury, the new corporate law with more stringent provisions on giving guarantees, providing loans, making investment in compare to the lenient provisions in the old statute made it further difficult to do the NBFC business with freedom. Finance is key for NBFC business and raising funds for NBFCs has become arduous in the new statute of corporate arena. There has been difficulty in raising funds through debentures and commercial papers due to the 50 per cent debenture redemption reserve and 15% liquidity fund norms, even there are so many constraints for private placement too, creation of charge on specific assets is again big setback in raising funds through debenture as it was this route through which NBFCs raised Rs 4.3 trillion in 2013. Even the new debenture definition which include the commercial papers which is infact a money market instrument through which Rs 460 billion was raised in 2013 by NBFCs. These new norms would certainly have an adverse impact on profitability and dividend paying capacity of NBFCs. Interestingly, raising funds through fixed deposits too has been in troubled water since there is requirement of insurance for the same and there is no any insurance company as on date that gives this kind of insurance cover as a result of which the fund raising through fixed deposits are not taking place in recent past. With difficulties in raising funds through debenture, private placement, commercial papers and fixed deposits, the NBFCs have no go but to approach banks for raising the funds which too are sitting on piles of bad loans and NPAs going in stature. The only silver line in the dark cloud is that NBFCs are financing the requirements of those persons to whom banks are shy to give loans and that too with healthy NIMs. Another reason to cheer is giving of in principle approvals by RBI for banking license to IDFC and micro lender Bandhan Financial Services Private Limited opening the gates of the most lucrative and sound business of banking for those NBFCs who make them eligible and have courage to caper into banking business rather

than turning out to be one of those 12000 inactive NBFCs which are in vogue just for name sake.

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 Reporting:

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.

Performance of the Company:

The company has incurred loss of Rs 21.15 lacs for the year ended March 31, 2014 as against loss of Rs 14.54 lacs for the year ended March 31, 2013. Since the capital market is in bull phase, the company's portfolio's market value has galloped fast in last six months. The revenue from the rental income will be contributing regularly and steadily rather than dependence on volatile capital market revenue generation.

Human Resource Management:

The company is always keen to take key HR initiatives to link business objectives with employees' performance. The employees have been provided with adequate exposure and their specialized knowledge of their own arena has been fully tapped and exploited. They have been provided with opportunities to attend seminars and program of their relative field to enrich their subject specific knowhow and expertise. For a mediocre size company, it has always been a concern to retain the talent over a period of time due to its small size of operations. The human resources of the Company are adequately motivated to work towards optimal performance. The industrial relations are also cordial.

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, 2014.

1. FINANCIAL RESULTS:

[IN RUPEES]

	For the year Ended 31/03/2014	For the year Ended 31/03/2013
Profit / (Loss) before tax	(2,323,717)	(1,837,992)
Less : Provision for taxation for the year	-	-
Provision for taxation earlier year	-	(110)
Deferred Tax	(209,100)	(383,994)
Fringe Benefit Tax	-	-
Profit / (loss) after tax	(2,114,617)	(1,453,888)
Add : Balance b/f from previous years	3,91,48,048	4,06,01,936
Amount available for Appropriation	3,70,33,431	3,91,48,048
Appropriations:		
Proposed Dividend :		
- On Equity Shares	-	-
Additional Dividend Tax	-	-
	-	-
Balance Carried over to next year	3,70,33,431	3,91,48,048
	3,70,33,431	3,91,48,048

2. DIVIDEND:

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

3. DIRECTORS:

Pursuant to Article 146 of the Articles of Association of the company, Ms. Priyanka Morarka, Directors retire by rotation and being eligible offer themselves for re-appointment. All other independent directors viz Shri B. J. Maheshwari, Shri Vijay S. Banka & Shri Sudhir H. Nevatia are proposed to be appointed for the period of five years, necessary request along with requisite deposit in terms of Section 160 of the Companies Act, 2013. The company has received declarations from all the independent directors of the company confirming the fact that they meet the criteria of independence mentioned under section 149(6) of the Companies Act, 2013 read with clause 49 of the listing agreement.

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.