



30TH

——
ANNUAL REPORT
——

Financial Year 2014-2015



**MORARKA
FINANCE
LIMITED**

BOARD OF DIRECTORS

G. R. MORARKA

S. H. NEVATIA

PRIYANKA G. MORARKA

B. J. MAHESHWARI

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 Thirtieth Annual General Meeting of the Company will be held on Monday, 28th September, 2015 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 financial statements for the year ended 31st March, 2015, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of G. R. Morarka, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Ms. Priyanka G. Morarka, who retires by rotation and being eligible offers herself for re-appointment.
4. 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 (Registration No. 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."

By order of the Board

FOR MORARKA FINANCE LIMITED

PLACE : Mumbai

Hemalkumar Shah

DATED: 29th May, 2015

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. 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, 18th September, 2015 to Monday, 28th September, 2015 (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. All the dividend remained unpaid in yesteryears were due for transfer in IEPF and hence the same is transferred to IEPF by the company.
10. The Notice of the 30th 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

Regd. Office : 511, Maker Chamber - V, 221, Nariman Point, Mumbai - 400 021.

Phone: 022 22832468; **Website:** www.morarkafinance.in; **Email:** investors@morarkafinance.in

CIN : L67120MH1985PLC035632

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11. In compliance of provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, the company is pleased to provide its members facility to exercise their votes by electronic means (remote e-voting) and the business may be transacted through e voting as per the instructions below:
- (a) Details of Scrutinizer: M/s VKM & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
 - (b) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
12. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form at AGM. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.morarkafinance.in and on the website of CDSL www.evotingindia.com within two days of the passing of the Resolutions at the 30th AGM of the Company and communicated to BSE Limited where the shares of the Company are listed.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 25, 2015 at 9.00 a.m. and ends on September 27, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Member who have cast their votes by remote e-voting may attend the AGM, but shall not be entitled to cast their votes again at the AGM.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 which is mentioned in address label as sr. no. affixed on Annual Report 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Morarka Finance Limited on which you choose to vote.



- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.
- (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY OVERVIEW:

The NDA government in the centre has infused abundant optimism and hope of excellent performance in the minds of people and industry. The CPI inflation too on the other hand which was acting stubborn to ease to single digit from double digit since last few years has now been eased to 6%. The major contributor to bring the inflation down was falling crude prices across the globe. There are lot of stimulus announced by the government in the union budget to give a booster dose to give pace to investments in various sectors which has given genesis of strong GDP growth for the year fiscal year 2014- 2015 aided by supporting external environment. The government has made substantial progress in several policy areas and long-term prospects for growth appears bright. The current situation offers an opportunity to further strengthen the business-friendly environment to domestic and foreign corporates and, in turn, enhance the quality of public spending.

RBI too having its cynosure on high growth was also looking at inflation throughout the year and was in big dilemma to bring balance between pacing the growth and curbing the inflation. The Reserve Bank of India, in its persistent efforts to boost the pace of growth, reduced repo rate twice during the year. RBI has also indicated that it will continue to be accommodative in further easing of the rates if the inflation remains within the acceptable range and provided it is passed on by commensurate reduction in lending rates.

The banks are still sitting on piles of bad loans and CDR requests from corporate india. The borrowings and lending business are on dire stress with repayment capacities of even BSE 500 companies have been shaken badly, as a result of which the credit growth which had declined to 9% - lowest in the decade from 14% during the previous year but is likely to improve during the new financial year. The asset quality which had deteriorated in general across the NBFC sector during the year under review, is expected to remain weak until economic growth gathers momentum. Even, net-interest margins are expected to follow the similar pattern after experiencing decline by the NBFC sector.

CAPITAL MARKET:

Financial year 2014-15 saw a decent gain in key equity indices. While the BSE sensex rose 25% in 2014-15, the Nifty has posted gain of 27% as they both clearly outperformed their traditional CAGR of nearly 18% in history. In 2014-15, Both the sensex and nifty have set a new benchmark by breaching all their previous highs with their marching ahead to 29000 and 8750 levels respectively. Foreign investors continued to invest in India with March'2015 quarter witnessing FII flows of nearly \$6bn. March 2015 was the 10th consecutive quarter of positive inflows from the FIIs. Fund raising through primary market was also robust as the fund raised in 2014-15 was Rs 29705 crores as against ₹ 15234 Crores in 2013-2014. There are 36 issues through which a sum of ₹ 29705 crores have been raised by way of IPO, FPO and OFS in 2014-15. 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. With stable government in the centre with clear majority and growth focused, the market has witnessed excellent rally in pharma, health care and FMCG. With excellent growth rate of 7.3% than that of just 6.5% in year, there would be much higher levels to see as the 2015-16 year end target on sensex would be around 32000 as per the market experts. The rainfall, rate cuts, crude oil price movement, pace of reforms and control over inflation would decide the next move of the market.

OUTLOOK, RISK AND CONCERN

Fiscal year 2015-2016 has taken its onset with lot of zeal and exuberance with strong, determined and growth focused government in the centre and the inflation to ease at the comfort level of sub 5%. The central bank too would be in position to change the much awaited key rates which would make the borrowing not only easy in light of robust earning by india inc. clearly reflection of nearly 7.5% GDP growth rate but also less costly to corporate india. The upsurge of earning by india inc. which although has been delayed to some extent by couple of quarters has been now all set to do well in coming few quarters as India is in better and less vulnerable position than that of other emerging economies of the world. In March 2015 quarter, India has even overtaken china in terms of GDP growth by posting GDP of 7.5% as against 7% of china. The GDP growth is estimated at 7.7% in FY16 hence the journey of GDP towards 8 to 9% has been started at very sharp pace without any sluggishness. The short term concern is the prediction of weaker monsoon this year which has acted as set back in journey of growth as there has been late start of monsoon this season.

NBFC SECTOR

RBI has been gradually opening the banking space for private players. Last year, it has given banking licences to private players and this year too, from banking licence to small banks and payment banks. The Reserve Bank of India (RBI) has set up a four-member external committee headed by Nachiket Mor, director, central board of RBI, to vet applications for payment banks and another external committee headed by former deputy governor Usha Thorat to vet applications for small finance banks.

RBI received 72 applications for small finance banks and 41 applications for payments banks. The small finance banks will undertake basic banking activities of accepting deposits and lending to the unbanked sections like micro business units, small and marginal farmers, micro and small industries and unorganised sector entities. At least 50% of its loan portfolio should constitute loans and advances of upto ₹ 25 lakh. They can accept deposits and function like a mini bank. With a satisfactory track record, a small finance bank may transition into a universal bank, provided it has an impeccable track record.

While payment banks can offer payments and remittance services, they cannot issue credit cards or accept deposits of over ₹ 100,000. They, however, can issue ATM and debit cards. They can also distribute simple financial products like mutual funds and insurance products. The eligible players are now free to foray into the much regulated banking business and for



yet smaller players which can't play so big, can go for small banks and payment banks. All in all, there are many reasons to cheer for NBFCs to make their presence in the arena in which they have been waiting for foray for past many decades with regulator to liberalize its policies for NBFCs which were finding it difficult to compete with banks in recent past.

RISK MANAGEMENT

Company has formulated a risk management framework which lays the procedure for risk assessment and mitigation. Company manages various risks like financial risk, operational risk, marketing risk, external risk and regulatory risks associated with the mortgage business. The critical risks which can significantly impact profitability and financial strength are credit risk, interest rate risk and liquidity risk.

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 ₹ 3.75 lacs for the year ended March 31, 2015 as against loss of ₹ 21.15 lacs for the year ended March 31, 2014. Since the capital market is in bull phase, the company's portfolio's market value has appreciated 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 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.

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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, 2015.

1. FINANCIAL RESULTS:

		[IN ₹]
	For the year Ended 31/03/2015	For the year Ended 31/03/2014
Profit / (Loss) before tax	(98,753)	(2,323,717)
Less: Provision for taxation for the year	-	-
Provision for taxation earlier year	-	-
Deferred Tax	2,76,737	(209,100)
Fringe Benefit Tax	-	-
Profit / (loss) after tax	(3,75,490)	(2,114,617)
Add: Balance b/f from previous years	3,70,33,431	3,91,48,048
Amount available for Appropriation	3,66,57,941	3,70,33,431
Appropriations:		
Proposed Dividend :		
- On Equity Shares	-	-
Additional Dividend Tax	-	-
	-	-
Balance Carried over to next year	3,66,57,941	3,70,33,431
	3,66,57,941	3,70,33,431

2. FINANCIAL PERFORMANCE:

For the financial year ended March 31, 2015, your company has posted losses of Rs 3.75 lacs compare to the losses for the financial year ended March 31, 2014 of Rs. 21.15 lacs. Hence compare to previous year, the losses are significantly lesser which indicated the improvement in financial performance compare to last year.

3. SUBSIDIARIES COMPANIES:

Your Company has no subsidiaries.

4. DIVIDEND:

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

5. SHARE CAPITAL:

The paid up Equity Capital of your company as at March 31, 2015 was Rs 4,50,21,000. The company has not issued any shares with differential voting rights and it has not granted any stock options or sweat equity during the period under the review. Further, none of the directors of the company hold instruments convertible into equity shares of the company.

6. DIRECTORS:

Pursuant to section 149 of the Companies Act, 2013 read with schedule IV and Articles of the company, Ms. Priyanka Morarka, and Mr. G. R. Morarka Directors retire by rotation and being eligible offer themselves for re-appointment. 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.

7. CORPORATE SOCIAL RESPONSIBILITY:

The company is not falling in the purview of criteria specified in section 135(1) of the Companies Act, 2013 and hence the requirements pertaining to section 135 of the Companies Act, 2013 is not applicable to the company.

8. HUMAN RESOURCES:

The company is having five directors, chief executive officer, chief finance officer and company secretary being key managerial personnel under section 203 of the Companies Act, 2013. All are experts in their relevant fields. Company's well disciplined workforce which has served the company for years lies at the very foundation of the company's major achievements and shall well continue for the years to come.



9. BUSINESS RISK MANAGEMENT:

Over the period of time, company has been following the principle of risk minimization as is the norm in every sector, it has now become a mandatory requirement. Pursuant to clause 49 of the listing agreement the Board members were informed about risk assessment and minimization procedures after which the Board formally accepted steps for framing, implementing and monitoring the risk management plan for the company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

10. SYSTEM OF INTERNAL CONTROL & THEIR ADEQUACY:

The Company has put in place adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

11. WHISTLE BLOWER POLICY OR VIGIL MECHANISM:

The company has put in place a whistle blower policy pursuant to which employees of the company can raise their concerns pertaining to fraud, malpractice, or any other activity or event which is against the interest of the company. Details of complaints received and the action taken are reviewed by the Audit Committee. Whistle Blowers Mechanism's functioning is reviewed by the Audit Committee from time to time. None of the company's employees are denied access to audit committee.

12. EVALUATION OF BOARD:

As per clause 49 of the listing agreement and as per the provisions of the Companies Act, 2013, a structured questionnaire was prepared after taking into account various aspects of Board's functioning, composition of board together with its committees, culture, execution and performance of specific roles, duties and obligation. So far as the performance evaluation of independent directors are concerned, the same is done by board. The chairman and executive directors are evaluated by the independent directors. The board has expressed that they are satisfied with process of evaluation.

Declaration from Independent Directors:

Pursuant to the requirements of section 149(7) of the Companies Act, 2013, the company has received the declarations from all the independent directors confirming the fact that they all are meeting the eligibility criteria as stated in section 149(6) of the Companies act, 2013.

13. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The company is having Nomination and Remuneration Committee (NRC) as required under section 178 of the Companies Act, 2013 which recommends the appointment of Directors to the Board. The NRC is having onus to identify persons who are qualified to become directors on the Board and to evaluate criteria such as academic qualifications, previous experience, track record and integrity of the persons identified before recommending their appointment to the Board. The compensation policy of the company, duly reviewed and recommended by the Nomination and Remuneration committee has been articulated in line with the requirements of the Companies Act, 2013. The company's compensation policy is aimed to attract, retain, reward and motivate talented individuals critical for achieving strategic goals and long term success. Remuneration policy is aligned to business strategy, market dynamics, internal characteristics and complexities within the organization. The ultimate objective is to provide a fair and transparent structure that helps the organization to retain and acquire the talent pool critical to building competitive advantage and brand equity. The compensation system should also take into account factors like roles, skills / competencies, experience and grade / seniority to differentiate pay appropriately on the basis of contribution, skill and availability of talent on account of competitive market forces. The company pays sitting fees to its Non executive directors for attending meetings of the Board and its Committees, Non executive directors are also reimbursed with expenses incurred by them for attending meetings of the Board and its Committees at actuals. The remuneration payable to the non executive directors and independent Directors is governed by the provisions of the Companies Act, 2013, clause 49 of the listing agreement and related rules. The company is not having any subsidiary and hence holding directorships by any of the directors of the company in subsidiary is not applicable in case of the company. Shri B. J. Maheshwari and Shri Vijay S. Banka have relinquished their sitting fees payable to them for attending the Board/ Committee meetings.

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14. BOARD & BOARD COMMITTEES :

The details of board meetings held during the year, attendance of directors at the meetings and constitutions of various mandatory committees of the board are included separately in the corporate governance report.

15. RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed herewith and marked as Annexure I. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the rules thereunder and the Listing Agreement.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. G. R. Morarka and Ms. Priyanka G. Morarka will retire by rotation in ensuing Annual General Meeting and are eligible for re-appointment. The brief resume/details relating to Directors who are to be appointed / re-appointed as above are furnished in the Corporate Governance. During the year under the review, there are no any change in any other directors and KMPs

18. STATEMENT OF DIRECTOR'S RESPONSIBILITIES:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit/ loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

19. CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditor confirming compliance forms an integral part of this Report.

20. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith and marked as Annexure II.

21. PARTICULARS OF EMPLOYEE:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is attached herewith and marked as Annexure III. All the non executive directors of the company, due to financial constraints being faced by the company, have forgone remuneration. Further, no sitting fees has been paid to any director during the year, except to Mr. S. H.Nevatia and Ms. Priyanka Morarka.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

- | | |
|----------------------------------|-----|
| a) Employed throughout the year | Nil |
| b) Employed for part of the year | Nil |