

MORARKA FINANCE LIMITED

31ST ANNUAL GENERAL MEETING

CHAIRMAN SPEECH

Dear Members,

It gives me immense pleasure to be present before you at 31st Annual General meeting to share my thoughts for Fiscal year 2015-16 against the backdrop of increasing optimism within India. During the year gone by, all key macro metrics that influence the growth of the economy improved. The fiscal deficit, current account deficit and inflation have stabilised. More importantly, these improvements are sustainable in nature as the policy framework, like aligning domestic oil prices to global movements for instance, have been implemented. Further, large ticket government investments in roads, railways, defense and other such sectors will play a catalyst role in reviving the economy. Interest rates too are trending downwards apart from excellent monsoon. These factors will create a more enabling environment for large and small businesses going forward.

Global recovery, after the financial crisis of 2008-09, was largely uneven and fraught with risks. The financial year 2015 was no different, with world output growth slowing to 3.1% from 3.4% in financial year 2014. Economic activity was marked by a modest improvement in advanced economies and slower growth in emerging and developing economies. While Europe and Japan stepped up monetary easing to preserve growth, improved outlook for the US prompted the Federal Reserve to raise interest rates by 0.25 percentage points towards the end of financial year 2016.

India grew by 7.6% in fiscal 2015-16 surpassing and superseding China's growth rate of 6.9 %. The economy benefited from low oil prices and relatively limited exposure to global financial turmoil. The Union Budget 2016 unfolded the government's intentions and plans. Despite global uncertainties, the Government is sticking to its fiscal deficit target, while pursuing the growth agenda. The Government has targeted to narrow the fiscal deficit to 3.5% in 2016-17, after securely maintaining its 3.9% target for 2015-16.

The company envisages strong growth in the near-term as economic growth has picked up and the RBI is promoting investment and consumption by reducing rates and infusing liquidity. The Company envisages good growth on the horizon too as the sectors that it caters to are not only large but growing and are still quite underpenetrated from the perspective of investment rates in equities.

The outlook for growth has improved modestly on the back of disinflation, declining oil prices, easier financing conditions and action on delayed projects. These measures augur well for reinvigoration of private consumption demand. The conditions for growth are slowly improving with easing input cost pressures, supportive monetary conditions and recent measures relating to project approvals, land acquisition, mining and infrastructure.

The company has earned profit of around Rs 1 lakh as against loss of Rs 3.75 lacs for the year ended March 31, 2016. Since the capital market moved in sideways having negative return of 6% in fiscal 2015-16, the company's portfolio's market value has also appreciated in value in tandem with rise in sensex . The revenue from the core business for current year has gone up almost four times than previous year revenue figures. Besides core business, the contribution of non-core business will also be contributing regularly and steadily rather than dependence on volatile capital market revenue generation.

I would like to thank all our stakeholders for reposing their faith in us and thank our regulators, for their constant patronage and guidance. I express my thank to employees of the Company for their continued & sustained contribution .

I also express my thanks to all our Directors for their invaluable contribution through their guidance and encouragement, which have been critical for the success of the Company. Finally, I thank each and every shareholder, large and small, for your support and trust. I assure you that each one of us is committed to build a company that is high on corporate governance, is of great value for society and is a Company that you will be proud of.

Thank you
With Best Wishes

B J Maheshwari