



MORARKA
FINANCE
LIMITED

34TH
ANNUAL
REPORT
2018-2019

BOARD OF DIRECTORS

G. R. MORARKA

S. H. NEVATIA

PRIYANKA G. MORARKA

B. J. MAHESHWARI

VIJAY S. BANKA

COMPANY SECRETARY

HEMALKUMAR SHAH

AUDITORS

B. P. GHARDA & 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.

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MORARKA FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Thirty fourth (34th) Annual General Meeting of the Company will be held on Thursday, 26th September, 2019 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, 2019, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri. G. R. Morarka (**DIN : 00002078**), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 188 and all other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to provide management consultancy services to Dwarikesh Sugar Industries Limited for a period upto March 31, 2020 at a monthly charges of ₹ 3,25,000/- per month, plus applicable GST, levies, taxes, duties and cess as is mutually agreed between the parties subject to such extension as may be agreed upon mutually by 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."

4. **To re-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 a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, consent of the Company be and is hereby accorded to approve the re-appointment of Shri. Vijay S. Banka (DIN: 00963355), as an Independent Director of the Company to hold office for 5 consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2024."

5. **To re-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 a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, consent of the Company be and is hereby accorded to approve the re-appointment of Shri B. J. Maheshwari (DIN: 00002075), as an Independent Director of the Company to hold office for 5 consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2024."

6. **To re-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 a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, consent of the Company be and is hereby accorded to approve the re-appointment of Shri S.H. Nevatia (DIN: 00001258), as an Independent Director of the Company to hold office for 5 consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2024."

By order of the Board
For Morarka Finance Limited

Hemalkumar H Shah
Company Secretary
FCS 7620

Place: Mumbai
Date: May 30, 2019

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, 20th September, 2019 to Thursday, 26th September, 2019 (both days inclusive).



4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts in respect of item 3 to 6 is annexed and forms part of this notice.
 5. Members/proxies are requested to bring their copy of Annual Report, while attending the Annual General Meeting.
 6. 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 Private Limited.**
 7. Additional information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and listing regulation 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.
 8. Members are requested to notify any change in their address immediately to the Company.
 9. 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.
 10. 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.
 11. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended from time to time 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.
 12. The Notice of the 34th 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
 13. 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.
 14. 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 34th AGM of the Company and shall be communicated to BSE Limited where the shares of the Company are listed.
 15. The Notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from the Central Depository Services Limited (CDSL) as on 30th August, 2019.
- The instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on September 23, 2019 at 9.00 a.m. and ends on September 25, 2019 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 19, 2019 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 / Members.
 - (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,

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- (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. Shareholders can also cast their vote using CDSL's mobile app m- voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (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



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

Item No. 3

The Company is trying to augment its revenues through its NBFC related activities, and Dwarikesh Sugar Industries Limited (DSIL) being in sugar sector – a capital intensive industry is in frequent need of financial assistance for fund raising through loan or other instruments, Morarka Finance Limited can assist DSIL in their financial requirements as it is an NBFC engaged in investing activities. Therefore, to take assistance of the company in meeting the fund raising exercise and to help DSIL, it has been proposed to enter into management consultancy arrangements with them. The company being a related party pursuant to section 188 of the Companies Act, 2013 requires the consent of shareholders for this transaction by way of an ordinary resolution. DSIL being a “Related Party” within the meaning of section 2(76) of the Companies Act, 2013, needs the consent of shareholders by way of an ordinary resolution under section 188 of the Companies Act, 2013 to enter into management consultancy arrangements with the company.

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 Industries Limited.
2. Nature of relationship: Shri G. R. Morarka is the father of Ms. Priyanka Morarka and is also holding position of Executive Chairman in Dwarikesh Sugar Industries Limited. Ms. Priyanka Morarka is director in Morarka Finance Limited. Shri B. J. Maheshwari and Shri Vijay S. Banka are holding directorship positions in Dwarikesh Sugar Industries Limited and are also holding directorship in Morarka Finance Limited.
3. Monetary Value : Current monthly fees is of ₹ 3,25,000 per month plus additional GST subject to such increase as is mutually agreed between the parties from time to time for the period upto March 31, 2020.
4. Nature, material terms and particulars of the arrangement:

Contract	Purpose
Management Consultancy Agreement entered into between Morarka Finance Limited and Dwarikesh Sugar Industries Limited for rendering consultancy services for the purpose of fund raising activities of Dwarikesh Sugar Industries Ltd for the Period upto March 31, 2020 at the fees of ₹ 3,25,000 per month plus additional GST with other terms and conditions mentioned therein.	The Company being NBFC can assist one of the group companies – Dwarikesh Sugar Industries Limited to raise funds from the market, financial institutes, banks etc to cater its short term or long term funding requirements as it is being capital intensive industry is in frequent need of financial assistance.

5. 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 Shri G. R. Morarka, who is holding position of Executive Chairman in Dwarikesh Sugar Industries Limited, Ms. Priyanka G. Morarka being daughter of Shri G. R. Morarka and Shri B. J. Maheshwari and Shri V. S. Banka being common directors in both the companies.

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

Item No. 4

Shri Vijay S. Banka is a Non-Executive Independent Director of the Company. He was appointed as an Independent Director of the Company in the 29th AGM for a term of consecutive 5 years which ends in the current AGM. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Vijay S. Banka being eligible seeks re-appointment as an Independent Director of the Company for a further term of consecutive 5 years. 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 re-appointment of Shri Vijay S. Banka as an Independent Director of the Company for a period of 5 years upto the conclusion of the 39th AGM. He is not liable to retire by rotation. A copy of the draft letter for the re-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. 4 for the approval of the members.

Item No. 5

Shri B. J. Maheshwari is a Non-Executive Independent Director of the Company. He was appointed as an Independent Director of the Company in the 29th AGM for a term of consecutive 5 years which ends in the current AGM. In terms of Section 149

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and any other applicable provisions of the Companies Act, 2013, Shri B. J. Maheshwari being eligible seeks re-appointment as an Independent Director of the Company for a further term of consecutive 5 years. 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 re-appointment of Shri B. J. Maheshwari as an Independent Director of the Company for a period of 5 years upto the conclusion of the 39th AGM. He is not liable to retire by rotation. A copy of the draft letter for the re-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. 5 for the approval of the members.

Item No. 6

Shri S. H. Nevatia is a Non-Executive Independent Director of the Company. He was appointed as an Independent Director of the Company in the 29th AGM for a term of consecutive 5 years which ends in the current AGM. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri S. H. Nevatia being eligible seeks re-appointment as an Independent Director of the Company for a further term of consecutive 5 years. 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 re-appointment of Shri S. H. Nevatia as an Independent Director of the Company for a period of 5 years upto the conclusion of the 39th AGM. He is not liable to retire by rotation. A copy of the draft letter for the re-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. 6 for the approval of the members.

By the Order of the Board
For Morarka Finance Limited

Hemalkumar H Shah
Company Secretary
FCS 7620

Place: Mumbai **Regd. Off.:** 511, Maker Chambers V,
Date: May 30, 2019 221, Nariman Point, Mumbai – 400021
Ph.: 022-22832468
Fax: 022-22047288.
E-mail: investors@morarkafinance.in;
Website: www.morarkafinance.in
CIN: L67120MH1985PLC035632



Details of Directors seeking appointment / re-appointment in Annual General Meeting

[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Shri G. R. Morarka	Shri Vijay S. Banka	Shri B. J. Maheshwari	Shri S. H. Nevatia
Date of Birth	January 1, 1962	October 28, 1958	May 2, 1960	October 13, 1961
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	March 15, 1985	September 29, 2011	27/09/1996	13/12/1989
Qualifications	B. Com, ICWA - Inter	Chartered Accountant	Chartered Accountant & Company Secretary	Chartered Accountant
Experience & Expertise	He is born entrepreneur, who incorporated sugar Company in record time of just 14 months, has got many awards and accolades under his belt. He is mentor of the Company and MD of Dwarikesh Sugar Industries Ltd Expertise : Strategic Management, Finance, Business and Industries	He has nearly two decades of rich experience in handling Finance and Strategy Expertise: Finance & Strategy	He has, being CA and CS, enriched himself with expertise in the arenas of taxation – both direct and indirect, corporate law, Listing regulations, SEBI Guidelines, secretarial practice and compliance of law. Expertise: Legal, Taxation, Secretarial And Administrative matters since 1994	He is a Commerce Graduate & a member of The Institute of Chartered Accountants of India .He has rich & varied experience of the Accountancy profession. Expertise: Legal, Taxation, Secretarial And Administrative matters since 1994
Shareholding of Directors in Company	99800	5	5	300
Directorship held in other public companies excluding foreign and private Companies	<ul style="list-style-type: none"> • Dwarikesh Agriculture Research Institute • Dwarikesh Sugar Industries Limited • Dwarikesh Informatics Limited • Dwarikesh Trading Company Limited • Faridpur Sugars Limited 	<ul style="list-style-type: none"> • Faridpur Sugars Limited • Dwarikesh Sugar Industries Limited 	<ul style="list-style-type: none"> • Dwarikesh Agriculture Research Institute • Dwarikesh Sugar Industries Limited • Dwarikesh Informatics Limited • Faridpur Sugars Limited 	<ul style="list-style-type: none"> • Polson Limited • The Indian Link Chain Manufacturers Limited
Chairmanship/ memberships of Committees*	Chairmanship: (0) Membership: (0)	Chairmanship: (0) Membership: (2)	Chairmanship: (0) Membership: (1)	Chairmanship: (1) Membership: (0)
Relationship between Directors inter-se	Shri G. R. Morarka is father of Priyanka G. Morarka	NA	NA	NA

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DIRECTOR'S REPORT

To
The Shareholders,
MORARKA FINANCE LIMITED

The Directors are pleased to present their Thirty fourth (34th) Annual Report to the members together with the audited financial statements of the Company for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

	[Amount in ₹]	
	For the year Ended 31/03/2019	For the year Ended 31/03/2018
Profit / (Loss) before tax	53,45,691	2,37,33,627
Less: Provision for taxation for the year	-	-
Provision for taxation earlier year	-	-
Deferred Tax	6,79,742	3,34,260
Fringe Benefit Tax	-	-
Profit / (loss) after tax	46,65,949	2,33,99,367
Add: Balance b/f from previous years	6,19,71,445	3,85,72,078
Less: Appropriations	54,27,520	-
Balance carried to balance sheet	6,12,09,873	6,19,71,445

2. FINANCIAL PERFORMANCE:

For the financial year ended March 31, 2019, your company has posted Profits of ₹ 46.65 lakhs compared to the profit for the financial year ended March 31, 2018 of ₹ 2.33 Crores. Hence compare to previous year, the company's profits has been declined due to overall NBFC sector's business conditions.

3. TRANSFER TO RESERVE:

During the year under review, no amount has been transferred to reserves.

4. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

The Company does not have any Subsidiary, Joint Ventures or Associate Companies.

5. DIVIDEND:

Since the profits are very less for the year to recommend any dividend, your directors have taken conservative approach of not recommending any dividend and plough back the profits in the business.

6. SHARE CAPITAL:

The paid up Equity Capital of your company as at March 31, 2019 was ₹ 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.

7. DIRECTORS:

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV and Articles of the company, Shri G. R. Morarka, Director retire by rotation and being eligible offer himself for re-appointment.

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.

8. CHANGE IN NATURE OF BUSINESS:

There is no change in nature of business of the company.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No Material changes have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

10. 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.



11. 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.

12. 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 is a gist for company growth and long term survival in this competitive cosmos. 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.

13. 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 in commensurate with its size and nature of its business.

14. 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 Blower 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.

15. EVALUATION OF BOARD:

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 is evaluated by the independent directors. The board has expressed that they are satisfied with process of evaluation.

16. 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 Nomination & Remuneration 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 and placed on below mentioned web link : <http://www.morarkafinance.in/cms/newsimages/file/Jul%202019/Nomination%20Remuneration%20Policy.pdf>. The company's Nomination & Remuneration 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, 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. The details of remuneration has been provided in **Annexure III**.

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17. MEETINGS OF THE BOARD OF DIRECTORS :

The Board of Directors of the Company met Four (4) times during the year, May 28, 2018, August 13, 2018, November 9, 2018 & February 14, 2019.

18. 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 Regulations.

19. 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.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri G. R. Morarka will retire by rotation in the ensuing Annual General Meeting and is eligible for re-appointment. Shri. B. J. Maheshwari, Shri S. H. Nevatia and Shri V. S. Banka are proposed to be re-appointed as Independent Directors of the Company in the ensuing Annual General Meeting. The brief resume/details relating to Directors who are to be appointed / re-appointed as above are furnished in the Corporate Governance Report.

Mr. L. N. Heda resigned as Chief Financial Officer of the Company w.e.f. 1st April, 2018 and Mr. P. P. Singh appointed in his place.

21. 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:

- that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2019 and of the profit of the Company for the year ended on that date;
- 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;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

22. CORPORATE GOVERNANCE:

In accordance with Regulations, 34 of SEBI (LODR), Regulations, 2015, Corporate Governance Report along with Auditors' certificate thereon is enclosed and forms part of the report.

23. 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**.

24. 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 relinquished their remuneration. Further, no sitting fees has been paid to any director during the year, except to Shri 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:

- Employed throughout the year Nil
- Employed for part of the year Nil

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company.



25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has put in place a policy on Anti Sexual Harassment. No complaints have been received under this policy during the period.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO:

Particulars relating to conservation of energy and technology absorption stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is not applicable to the company. The company does not have any foreign exchange earnings and expenditure.

27. AUDITORS:

STATUTORY AUDITORS

M/s.B P Gharda & Co. , Chartered Accountants Firm Reg. No. 103155W, Mumbai were appointed as the Statutory Auditors of the Company at the AGM held on 26th September, 2017 to hold office until the conclusion of the fifth consecutive AGM, are ratified for the Financial Year 2019-20. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s.B P Gharda & Co. that their appointment is made in conformity with the limits specified in the said Section.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. V K M & Associates. (CP No.:4279, FCS: 5023), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as **Annexure IV**. The observations in the said report are self-explanatory and no further comments/explanations are called for.

28. AUDITOR'S REPORT:

There are no adverse remarks or observations of the Statutory Auditors in their Report.

29. MANAGEMENT DISCUSSION AND ANALYSIS:

As required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and listing regulations of Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

No Loans, Guarantees or investments are made under Section 186 of the Act during the year.

31. PUBLIC DEPOSITS:

The Company is an NBFC – ND and hence does not have any fixed deposits at the beginning of the year in terms of Section 74 of the Companies Act, 2013. The Company did not accept any deposits during the year.

32. LISTING:

The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE).

33. CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

34. REPORTING OF FRAUDS:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 & Rules framed thereunder either to the Company or to the Central Government.

35. 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
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Dated: May 30, 2019

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ADDENDUM TO THE DIRECTORS' REPORT

ANNEXURE I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Dwarikesh Sugar Industries Limited
Nature of contracts/ arrangements/ transactions	1) Lease of office premise 2) Management Consultancy facilities
Duration of the contracts / arrangements/ transactions	1) Five years 2) Twelve months
Salient terms of the contracts or arrangements or transactions including the value, if any	1) The Company has leased the office premises to Dwarikesh Sugar Industries Limited- A related party for period of 5 years. For this purpose rent of ₹ 18,28,764/- received for the year. 2) For financial assistance and other matters of consultancy to a related party Dwarikesh Sugar Industries Limited, company being NBFC has entered into consultancy arrangements with it. For this purpose fees of ₹ 39,64,800/- was received for the year.
Date(s) of approval by the Board, if any	28 th May, 2018
Amount paid as advances, if any	Nil

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Dated: May 30, 2019



ANNEXURE II

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L67120MH1985PLC035632
Registration Date	:	15/03/1985
Name of the Company	:	Morarka Finance Limited
Category / Sub-Category of the Company	:	Company Limited by shares – Indian Non - Government Company
Address of the Registered office and contact details	:	511, Maker Chambers V, 221, Nariman Point, Mumbai - 400021
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Universal Capital Securities Private Limited 21, Shakil niwas, mahakali caves road, Andheri (east), Mumbai 400 093. Phone: 022 28207203-05, 28257641 Email: Info@unsec.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Dividend Income	64990	35.14%
2	Management Consultancy Fees	70200	46.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
			NONE		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	(1) Indian									
	a) Individual/HUF	7,08,488	0	7,08,488	15.74	7,24,716	0	7,24,716	16.10	0.36
	b) Central Govt	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	22,07,831	0	22,07,831	49.04	22,09,831	0	22,09,831	49.08	0.04
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1):	29,16,319	0	29,16,319	64.78	29,34,547	0	29,34,547	65.18	0.40
	(2) Foreign									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b) Other – Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks / FI	-	-	-	-	-	-	-	-	-
	e) Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2):	0	0	0	0	0	0	0	0	--
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	29,16,319	0	29,16,319	64.78	29,34,547	0	29,34,547	65.18	0.40

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Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% during Change the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public Shareholding									
	(1) Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks / FI	-	-	-	-	-	-	-	-	-
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):	0	0	0	0	0	0	0	0	--
	(2) Non-Institutions									
	a) Bodies Corp.									
	i) Indian	13,823	6,200	20,023	0.44	17,030	6,200	23,230	0.52	0.08
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5,61,159	2,67,407	8,28,566	18.41	5,68,335	2,46,707	8,15,042	18.10	(0.31)
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,79,945	0	6,79,945	15.10	6,66,141	0	6,66,141	14.80	(0.30)
	c) Others									
	Clearing members	1,300	0	1,300	0.03	2,714	0	2,714	0.06	0.03
	NRI /HUF/ OCBs	55,947	0	55,947	1.24	60,426	0	60,426	1.34	0.10
	Sub-total(B)(2):	13,12,174	2,73,607	15,85,781	35.22	13,14,646	2,52,907	15,67,553	34.82	(0.40)
	Total Public Shareholding (B)=(B)(1)+(B)(2)	13,12,174	2,73,607	15,85,781	35.22	13,14,646	2,52,907	15,67,553	34.82	(0.40)
C.	Shares held by	-	-	-	-	-	-	-	-	-
	Custodian for									
	GDRs & ADRs									
	Grand Total (A+B+C)	42,28,493	2,73,607	45,02,100	100	42,49,193	2,52,907	45,02,100	100	-

ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	G.R. Morarka	99,800	2.22	0	99,800	2.22	0	--
2	Dwarikesh Trading Co. Ltd.	22,07,831	49.04	0	22,09,831	49.08	0	(0.04)
3	Pranay Morarka	5,06,032	11.24	0	5,06,032	11.24	0	--
4	S.G. Morarka	1,02,656	2.28	0	1,18,884	2.64	0	(0.36)
	Total	29,16,319	64.78	0	29,34,547	65.18	0	(0.40)



iii. CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	S. G. Morarka				
	At the beginning of the year	1,02,656	2.28	1,02,656	2.28
	Increase/ Decrease in Shareholding during the year:				
	Purchases from the market:				
	29-08-2018	599	0.01	1,03,255	2.29
	30-08-2018	449	0.01	1,03,704	2.30
	05-09-2018	500	0.01	1,04,204	2.31
	12-09-2018	575	0.02	1,04,779	2.33
	21-09-2018	3,227	0.07	1,08,006	2.40
	26-09-2018	1,434	0.03	1,09,440	2.43
	28-09-2018	2,895	0.06	1,12,335	2.49
	12-10-2018	500	0.01	1,12,835	2.50
	26-10-2018	500	0.03	1,13,335	2.53
	19-11-2018	537	0.00	1,13,872	2.53
	22-11-2018	1	0.00	1,13,873	2.53
	03-12-2018	572	0.01	1,11,445	2.54
	06-12-2018	1,920	0.04	1,16,365	2.58
	07-12-2018	480	0.01	1,16,845	2.59
	12-12-2018	9	0.00	1,16,854	2.59
	03-01-2019	100	0.00	1,16,954	2.59
	07-01-2019	275	0.01	1,17,229	2.60
	08-01-2019	295	0.01	1,17,524	2.61
	21-01-2019	900	0.02	1,18,424	2.63
	01-02-2019	360	0.01	1,18,784	2.64
	21-02-2019	100	0.01	1,18,884	2.64
	At the End of the year	1,18,884	2.64	1,18,884	2.64
2	Dwarikesh Trading Company Limited				
	At the beginning of the year	22,07,831	49.04	22,07,831	49.04
	Increase/ Decrease in Shareholding during the year:				
	Purchases from the market:				
	05-04-2018	2,000	0.04	22,09,831	49.08
	At the End of the year	22,09,831	49.08	22,09,831	49.08

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Satish Kumar Subbiah	2,26,000	5.02	2,26,000	5.02
2	Aarathi Srinivasan	1,10,000	2.44	1,10,000	2.44
3	Swati Maheshwari	64,406	1.43	64,406	1.43
4	Trupti Uday Merchant	39,000	0.87	39,000	0.87
5	Moon Hasmukhrai Kamdar	35,022	0.78	35,022	0.78
6	Velammal S	35,000	0.78	35,000	0.78
7	S Sujatha	25,000	0.55	25,000	0.56
8	Dwarkadas Chandak	24,900	0.55	24,900	0.55
9	Ugrabhai V Patel	21,025	0.47	21,025	0.47
10	Kalluri Savitha Rao	20,800	0.46	20,800	0.46

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v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	G.R. Morarka	99,800	2.22	99,800	2.22
2	B. J. Maheshwari	5	--	5	--
3	S. H. Nevatia	300	--	300	--
4	Pranay G. Morarka	5,06,032	11.24	5,06,032	11.24
5	Priyanka G. Morarka	--	--	--	--
6	Vijay S. Banka	5	--	5	--
7	P. P. Singh	3	--	3	--
8	Hemalkumar Shah	3	--	3	--

vi. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		-	-	-	-
i)	Principal Amount	-	-	-	-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year		-	-	-	-
Addition		-	-	-	-
Reduction		-	-	-	-
Net Change		-	-	-	-
Indebtedness at the end of the financial year		-	-	-	-
i)	Principal Amount	-	-	-	-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	-	-	-

V REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

*Note : The company does not have any MD/WTD/Manager.



B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		S. H. Nevatia	Priyanka Morarka	
1.	Independent Directors			
	Fee for attending board / committee meetings	11,500	-	11,500
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	11,500	-	11,500
2.	Other Non-Executive Directors			
	Fee for attending board / committee meetings	-	10,500	10,500
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	10,500	10,500
	Total (B)=(1+2)	11,500	10,500	22000
	Total Managerial Remuneration		₹ 22,000	
	Overall Ceiling as per the Act		₹ 1,00,000 per meeting attended	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

Sl. No.	Particulars of Remuneration	CEO	Key Managerial Personnel		Total
			Company Secretary	CFO	
1	Gross salary	10,05,000	14,17,800	-	24,22,800
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	10,05,000	14,17,800	-	24,22,800

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Dated: May 30, 2019

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MORARKA FINANCE LIMITED

ANNEXURE III

STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Disclosures on Remuneration

1. Ratio of Remuneration of each director to the median employees remuneration for the year:

Designation	Ratio
Chief Executive Officer	1.00
Chief Finance Officer	-
Company Secretary	1.41
Directors	-

Note: The Company is not paying any commission to its directors. The company doesn't pay any remuneration to its directors.

2. Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the FY- 2018-2019

Designation	Increase %
Chief Executive Officer	19.33
Chief Finance Officer	-
Company Secretary	4.34
Directors	--

3. Percentage Increase in the median remuneration of employees in the financial year.

The percentage increase in the median remuneration of the employees in the financial year was 19.33%

4. The number of permanent employees on the rolls of the company :

As of March 31, 2019, the company is having only five directors and three KMPs viz. CEO, CFO and CS.

5. Average percentile increase already made in the salaries of the employee other than the managerial personnel in last financial year and its comparison with percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The company is having only five directors, CEO& VP, CFO and CS. There are no employees other than these Directors and KMPs and hence no comparison is required. The average increase in the salary of CFO and CS is 4.34% and increase in the salary of CEO& VP is 19.33%. The increase in CEO& VP's remuneration is in line with the remuneration paid by peers in the Industry.

6. Affirmation that the remuneration is as per the remuneration policy of the company: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.'

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Dated: May 30, 2019



Annexure IV
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
MORARKA FINANCE LIMITED
511-Maker Chambers V,
221, Nariman Point,
Mumbai - 400021

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Morarka Finance Limited" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute, books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. Reserve Bank of India Act, 1934 and rules and regulations made thereunder and any modification, new enactment from time to time related to Non Banking Financial Company;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (SEBI Act):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any shares during the year under review;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities which were listed during the year under review;
- (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;

We have also examined compliance with the applicable clause of the following;

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MORARKA FINANCE LIMITED

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- II. The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. During the year under review there is no change took place in the composition of the Board of Directors of the Company.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For VKM & Associates
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. 5023
P No.: 4279

Place: Mumbai
Date: 13/05/2019

Note: This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report.



ANNEXURE - A

**To,
The Member,
MORARKA FINANCE LIMITED
511-Makers Chambers, V,
221-Nariman Point,
Mumbai - 400021**

Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For VKM & Associates
Practicing Company Secretary**

**(Vijay Kumar Mishra)
Partner
FCS No. 5023
P No.: 4279**

**Place: Mumbai
Date: 13/05/2019**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**A) GLOBAL ECONOMY:**

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. From an accelerating economic activity almost across the world with projected growth in 2019 being at 3.9 percent, a lot have changed in the last year. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States.

Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets and advanced economies, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.

B) GLOBAL OUTLOOK:

As a result of these developments, global growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019, before returning to 3.6 percent in 2020. The projected pickup in the second half of 2019 is predicated on an ongoing buildup of policy stimulus in China, recent improvements in global financial market sentiment, the waning of some temporary drags on growth in the euro area, and a gradual stabilization of conditions in stressed emerging market economies.

While global growth could surprise favourably if trade differences are resolved quickly so that business confidence rebounds and investor sentiment strengthens further, the balance of risks to the outlook remains on the downside. A further escalation of trade tensions and the associated increases in policy uncertainty could further weaken growth. Across all economies, the imperative is to take actions that boost potential output, improve inclusiveness, and strengthen resilience.

C) DOMESTIC:

After averaging close to 8 per cent through Q3:2017-18 to Q1:2018-19, domestic economic activity lost speed. Domestic economic activity lost pace in Q2 and Q3:FY2019, with coincident indicators suggesting a sharper deceleration in Q4. Aggregate demand weakened in Q2 by a large drag from net exports, which became entrenched in Q3 due to deceleration in public spending and private consumption.

Headline CPI inflation has declined sharply since mid-2018, driven by the sustained fall in food inflation (even turning into deflation during October 2018-February 2019), the waning away of the direct impact of house rent allowances for central government employees, and more recently, by a sharp fall in fuel inflation. During the end of second quarter, amid certain defaults in the NBFC sector, a credit freeze was witnessed in the bond market especially for NBFCs. The spread of 5-year AAA corporate bond yield over 5-year G-sec yield went up, further the spread for NBFCs/HFCs were even higher with availability of liquidity being limited. For NBFCs and HFCs combined, the share of participation in the issuance of Commercial Paper reduced from upwards of one-half to closer to one-third of the total issuances reflecting increased credit risk premia in the aftermath of the defaults.

D) DOMESTIC OUTLOOK:

Looking ahead, favorable factors such as an increase in financial flows to the commercial sector, stabilisation of crude oil and other commodity prices, consumption and investment enhancing proposals in the Union Budget 2019-20, and, the expectation of a normal monsoon are expected to boost economic activity. However, there could be headwinds from greater than expected moderation in global growth and global trade as well as unanticipated volatility in global financial markets. GDP growth is projected to improve from 7.0 per cent in 2018-19 to 7.2 per cent in 2019-20. There are upside as well as downside risks to the baseline growth scenario. The boost to private investment activity from faster resolution of stressed assets and increased as well as more broad-based credit offtake amidst rising capacity utilisation can raise the baseline growth projection. Conversely, further escalation of trade tensions and protectionist trends, increased volatility in global financial conditions over the uncertainty of the stance of monetary policy in the US and other advanced economies, uncertainty surrounding Brexit, a sharper slowdown in the Chinese economy and deviations of the south-west monsoon from the baseline assumption of a normal monsoon may pose downside risks to the baseline growth path.

Source: International Monetary Fund (IMF), RBI

E) FINANCE & CAPITAL MARKET:

The NBFC sector experienced liquidity problems in the second half of the financial year 2018-19. The funding squeeze has contributed to higher funding costs and a slowdown in loan growth for non-banking financial companies. Your Company continued to focus on managing cash efficiently.

The MPC changed its stance from "neutral" to "calibrated tightening" in the fourth policy review and reverted back to "neutral" in the sixth policy review. The market continued to expect further reduction in the policy rate.

Divergent movements were observed in various segments of the domestic financial market as they reacted differently to the evolving global and local developments during second half of the Financial Year 2018-19. Lower inflation prints, continuing fall and buoyed sentiments after the announcement of multiple open market purchases by the RBI, resulted in a decline in yields.



Capital markets play crucial role in the economic development of a country and the Reserve Bank has been taking efforts to expand the investor base. Capital markets provide financial resources for the long-term sustainable development of the economy, therefore it is considered an important element in the macro-financial policy.

Indian capital market outperformed several major global markets, including the developed ones like the US and the UK as well as developing economies such as China and Brazil, with double-digit returns in the fiscal ended March 2019 despite numerous global and domestic headwinds, data shows.

The Indian market benchmark indices also improved on their own performance in the previous fiscal, with the BSE's Sensex (17.3 per cent) giving relatively better returns than the NSE's Nifty (14.9 percent) in 2018-19.

With positive performance by benchmark indices and increasing fund raising from the market, the size of the capital market in India also continued to expand during 2018-19, with the market capitalisation rising by over 6 per cent to over ₹ 151 lakh crore.

Besides, mutual fund asset under management grew by 11.4 per cent to nearly ₹ 24 lakh crore and Foreign Portfolio Investors' asset under custody expanded by 8.6 per cent to close to ₹ 30 lakh crore.

The Indian debt market is going through a tough phase post the IL&FS crisis. The yield on the 10-year government bond slid to below 7 percent for the first time since November 2017.

Also, faltering of payments on fixed maturity plans (FMPs) by some asset management companies (AMCs) have further pushed Indian debt and bond market to its worse crisis since the Lehman meltdown.

The ongoing crisis on the debt market is likely to have a contagion effect on the performance of the equity markets with investors either pulling out of their existing investments or avoiding the market altogether.

Equities are inherently volatile, while debt is seen as a relatively safer bet. The current crisis has already taken a toll on investors' confidence and for retail and risk-averse investors who shun equities because of their ingrained volatility; it will only push them further away from investing into these asset class that has the potential to deliver inflation-adjusted returns in the long run.

OPPORTUNITIES, THREATS AND STRATEGIES:

India's NBFC sector continues to remain at the forefront in driving new credit disbursements for the country's underserved retail and MSME market. Over the last five years, the NBFC lending book has grown at nearly 18% driven by a deep understanding of target customer segments, use of technology advances, lean cost structures and differentiated business models to reach credit-starved segments. Despite recording robust growth, the NBFC market share has been dominated by large players, while many small players have struggled to scale up operations profitably. Moreover, recently, the sector has taken a beating in the stock market with defaults and liquidity challenges, specifically related to one large NBFC. Although the problem seems isolated, it has concerned regulators due to the risk of contagion effect and the overall governance in the sector. Given the sector is fairly large now to impact the overall economy, this certainly entails some potential implications, including new compliance measures by the regulator, lending slowdown and potential consolidation by larger players. Furthermore, the NBFC lending model is also under pressure as a result of increased internal and external forces such as:

1. Operational Risk

It arises when the flow of and controls over the operations of the company are lacking, which has adverse impact on the continuity of business, reputation and profitability of the company.

2. Credit Risk

It is a risk of default or non-repayment of loan by a borrower which involves monetary loss to the company, both in terms of principal and interest.

3. Business Risk

Morarka Finance being a NBFC is exposed to various external risks which have direct bearing on the sustainability and profitability of the Company. Foremost amongst them are Industry Risk and Competition Risk. The volatile macro-economic conditions and changes in sector attitude in various economic segments cause ups and downs in the business, and result in loan asset impairment.

4. Regulatory Risk

It is the risk of change in laws and regulations materially impacting the business.

5. Human Capital Risk

Human capital risk is the gap between the goals of the organisation and the skills of its workforce.

6. Technology advances (e.g., cloud computing, and big data analytics) that are enabling personalisation, realtime and social mobility, in addition to reducing cost to-serve and an increased ability to launch new product and reach new customer segments.

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Despite concerns surrounding the sector, we believe such NBFCs with robust business models, strong liquidity mechanism, governance and risk management standards are well positioned to take advantage of the market opportunity. Hence, it is even more critical for incumbent and new-to-market NBFCs to define and implement a balanced strategy that meets table-stakes across essential, core capabilities and differentiates across high value-adding capabilities.

For a large and diverse country such as India, ensuring financial access to fuel growth and entrepreneurship is critical.

KEY FINANCIAL INDICATORS:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 the Company is required to give details of Significant changes (Change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	2019	2018
Debtors Turnover	NA*	NA*
Inventory Turnover	NA*	NA*
Interest Coverage Ratio	NA*	NA*
Current ratio	7.16	8.26
Debt Equity Ratio	0.01	0.01
Operating Profit Margin%	55.92	86.19
Net Profit Margin%	48.81	84.98
Return on net worth	0.40	0.20

**Not applicable*

BUSINESS & OPERATIONAL OVERVIEW:

The company, in current fiscal has made profits of ₹ 46.65 lakhs as against profit of ₹ 233.99 lakh for the Previous year. The revenue from the rental income and management consultancy fees will be contributing regularly and steadily rather than dependence on volatile capital market revenue generation. The company for the first time after almost a period of a decade declared a dividend of Re 1 per share.

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.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

For enhanced performance of any organization, its important that its human resources are abreast of new developments and possess relevant skill sets. To realize this, the emphasis on training and development activities has been increased. Executives were nominated for various program and seminars at local and national levels by premier institutes.

CAUTIONARY STATEMENT:

The statements in above analysis, describing the company's projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable security laws and regulations. The actual results may differ from those expressed or implied. The important factors that may impact the operations of the company may consist of economic developments - globally and locally, government regulations, tax regimes and other related factors.



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 attempts to meet stakeholders' expectations'. The company's commitment to society can be seen through it's high standards of ethics, sound business decisions, prudent financial management practices, professionalism in decision making, conducting the business and finally with strict compliance of 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"

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder is given below:

2. COMPOSITION OF BOARD OF DIRECTORS:

As at 31st March, 2019, the Board of Directors comprised of 5 Directors as under:

- All Directors are Independent Non-Executive Directors except Shri G. R. Morarka, who is Promoter & Non-Executive Chairman & Ms. Priyanka G. Morarka, Promoter Director.
- Ms. Priyanka G. Morarka is daughter of Shri G. R. Morarka.
- Other Directors are not related to each other.
- Shri Pranay G. Morarka has been appointed as a Vice President (Chief Executive Officer) pursuant to the requirements Section 203 of the Companies Act, 2013 being Key Managerial Personnel (KMP) of the company. He is a son of Shri G. R. Morarka.

During the year, 4 (four) Board Meetings were held on: May 28, 2018, August 13, 2018, November 9, 2018 & February 14, 2019.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2018-2019 are as under:

Name of Director	Category	Attendance Board Meeting	Last AGM	No. of Directorship	No. of membership of other Board committee	No. of Board Committee for which Chairman
Shri G. R. Morarka	Promoter, Non-Executive Chairman	3	No	4	0	0
Shri S. H. Nevatia	Independent Non-Executive Director	3	No	2	-	1
Shri B. J. Maheshwari	Independent Non-Executive Director	4	Yes	3	1	0
Shri Vijay S. Banka	Independent Non-Executive Director	4	Yes	2	2	0
Ms. Priyanka G. Morarka	Promoter Director	3	No	1	0	0

**In accordance with Listing Regulations, directorships of only public limited companies have been considered. The directorships in section 8 companies and private companies have been excluded. Further, memberships & chairmanships of only Audit committee and Stakeholders Relationship Committee of all Public Limited Companies (excluding Morarka Finance Limited) have been considered.*

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Pursuant to Schedule V, Part C of SEBI (LODR) Regulations, the details of directors holding directorship in other listed companies and category of directorship is given below.

Director	Listed Entity	Category of Directorship	List of core skill expertise and competence
Shri. G. R. Morarka	Dwarikesh Sugar Industries Limited	Executive Chairman	Strategic Management, Cost Accounting
Shri. B. J. Maheshwari	Dwarikesh Sugar Industries Limited	Managing Director & CS cum CCO	Accounts, Secretarial, Corporate Law, Taxations
Shri. Vijay S. Banka	Dwarikesh Sugar Industries Limited	Managing Director	Strategic Management, Finance, Accounting,
Shri S. H. Nevatia	Polson Limited	Director	Chartered Accountant
	The Indian Link Chain Manufactrers Limited	Managing Director	

Inter-se relationship:

Ms. Priyanka G. Morarka, Promoter Non-Executive Director is daughter of Shri G. R. Morarka, Promoter Non-Executive Director, Chairman of the Company.

Number of shares held by Non- Executive Directors:

Sr. No.	Name of Director	No. of shares held
1	Shri. G. R. Morarka	99800
2	Shri S. H. Nevatia	300
3	Shri B. J. Maheshwari	5
4	Shri Vijay S. Banka	5
5	Ms. Priyanka G. Morarka	0

Familiarization Programme:

In terms of Regulation 25 of the Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of such programmes for familiarisation of the Independent Directors are put on the website of the Company at the following web-link: <http://www.morarkafinance.in/cms/newsimages/file/Jul%202019/Familiarisation%20programme%20for%20Independent%20Director.pdf>.

Skills/Expertise/Competence of Board of Directors:

In order to ensure effective functioning of the Company, the Board requires specialized knowledge, experience and expertise in the specified areas Nomination and Remuneration Committee while considering of appointment of any person as Director ensure that he possess the skills as required for the efficient functioning of the Company and all other qualifications as prescribed under Listing Regulations and the Act.

3. INDEPENDENT DIRECTORS:

A meeting of independent directors of the company was held on February 14, 2019 and the same was attended by Shri B. J. Maheshwari, Shri Sudhir Nevatia and Shri Vijay S. Banka. Terms and Conditions for appointment of Independent Directors are available on the website of the Company.

4. DETAILS OF REMUNERATION AND SITTING FEES:

The details of remuneration to the non- executive directors and sitting fees and out of pocket expenses paid to independent directors for the year ended March 31, 2019 are as follows:

(in ₹)

Particular	G. R. Morarka	B. J. Maheshwari	Vijay S. Banka	Priyanka Morarka	Sudhir Nevatia
Basic	-	-	-	-	-
Allowances	-	-	-	-	-
P F	-	-	-	-	-
Superannuation	-	-	-	-	-
Sitting fees and out of pocket expenses	-	-	-	10,500/-	11,500/-

Note: Shri B. J. Maheshwari and Shri V. S. Banka have relinquished sitting fees payable to them for attending Board and Committee meetings.



5. COMMITTEES OF THE BOARD:

A. AUDIT COMMITTEE

Pursuant to Regulation 18 of the Listing Regulations and also pursuant to the provisions of Section 177 Companies Act, 2013, 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:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence, performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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 (four) Audit Committee Meetings were held on : May 28, 2018, August 13, 2018, November 9, 2018, February 14, 2019.

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MORARKA FINANCE LIMITED

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

Name of the Director	Category	Status	No. of Meetings Attended
Shri G.R. Morarka	Non- Executive Director	Member	3
Shri S.H. Nevatia	Non- Executive Independent Director	Member	3
Shri B.J. Maheshwari	Non- Executive Independent Director	Chairman	4
Shri Vijay S. Banka	Non- Executive Independent Director	Member	4

B. NOMINATION & REMUNERTION COMMITTEE

The Board of Directors of the Company at their meeting held on 4th March, 2003, constituted a remuneration committee of Directors, to comprise three Independent Non-Executive Directors as members and Non-Executive Director acts as the Chairman. The committee is re-constituted / renamed as a Nomination and Remuneration Committee pursuant to the requirements of Section 178(1) of the Companies Act, 2013. The Company Secretary acts as the secretary to the Committee.

The Nomination & 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.

During the year, there was one meeting of Nomination and Remuneration Committee held on: February 14, 2019.

Name of the Director	Category	Status	No. of Meetings Attended
Shri V. S. Banka	Non- Executive Independent Director	Member	1
Shri S.H. Nevatia	Non- Executive Independent Director	Member	1
Shri B.J. Maheshwari	Non- Executive Independent Director	Chairman	1

The Chairman of the Remuneration Committee is to be elected by its members from amongst themselves.

Out of pocket expenses of ₹ 250 per meeting is payable to a member for attending meeting of the nomination and remuneration committee.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation of Independent Directors were based on various criteria, inter alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends etc.

The manner in which the annual performance evaluation is done by the Board including the criteria for the same is discussed in detail in Director's Report.

C. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholder's Relationship Committee as a step to achieve the objectives of Corporate Governance, consisting of the following directors with their meeting attendance:

Name of the Director	Category	Status	No. of Meetings Attended
Shri V. S. Banka	Non-executive Independent Director	Member	6
Ms. Priyanka Morarka	Non-executive Director	Member	3
Shri B.J. Maheshwari	Non-executive Independent Director	Chairman	6

During the year, 6 (Six) meetings of Stakeholder's Relationship Committee held on: May 28, 2018, August 13, 2018, November 9, 2018, February 14, 2019, March 1, 2019 and March 20, 2019.

The scope of Stakeholder's Relationship Committee is as follows:

1. To attend to investors grievances of all types of security holders.
2. To appoint Registrars and Share Transfer Agent.
3. To transfer, transmit, consolidate, issue duplicate share certificates, Split of Share certificates, etc.
4. To attend to complaints of Security holders 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.

Out of pocket expenses @ ₹ 250/- per meeting is payable to a member for attending the committee meeting.

The Stakeholder's Relationship Committee is also required to submit their reports / suggestions to the Board of Directors of the Company from time to time. During the year ended 31st March, 2019, there were no investor's complaints pending at the beginning of the year.



As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee attended the Annual General Meeting of the Company held on September 28, 2018.

Complaints, Share Transfer & Issue of Duplicate Share Certificates:

During the year ended 31st March, 2019, no complaint was received during the year. The Company has acted upon all valid requests for share transfer and issue of duplicate share certificates received during the year and no such transfer is pending.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The company is not falling under the purview of the 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.

6. INVESTOR SERVICES:

Your Company has appointed M/s Universal Capital Securities Private Limited as Registrar and Share Transfer Agent, which have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.

7. VIGIL MECHANISM:

The company has established a whistle blower mechanism to provide an avenue to raise concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of directors / employees / customers who avail of the mechanism. No complaints were received under this policy during the year. The policy is available on the Company's website at <http://www.morarkafinance.in/cms/newsimages/file/Jul%202019/Whistle%20Blower%20Policy.pdf>

8. CODES AND POLICIES WEBLINK:

The details of codes and policies are required to be framed and formulated under Companies Act, 2013, rules made thereunder and SEBI (LODR) Regulations, 2015, and other applicable statutes, rules and regulations and accordingly it has been provided on the website of the company having weblink: <http://morarkafinance.in/news/investor-relations>.

9. INSIDER TRADING:

The Company has adopted new Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with effect from April 01, 2019, so as to bring it in line with amended SEBI (Prohibition of Insider Trading) Regulations, 2018 wherein some new requirements are brought in and the companies are required to revise its existing code of conduct on prohibition of Insiders Trading by a new set of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). The Company Secretary is responsible for the implementation of the code. All Board of Directors, designated employees and connected persons have affirmed compliance with the code.

10. GENERAL BODY MEETINGS:

The details of the last three Annual General Meetings are as under:

Financial Year	Location	Date	Time
2015-16	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	26/09/2016	12.00 noon
2016-17	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	26/09/2017	12.00 noon
2017-18	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	28/09/2018	12.00 noon

SPECIAL RESOLUTIONS PASSED IN GENERAL MEETINGS DURING LAST 3 YEARS

Date	Particulars
September 26, 2016	Approval for related party transaction of entering into management consultancy arrangement with related party – Dwarikesh Sugar Industries Limited
September 26, 2017	Approval for related party transaction of entering into management consultancy arrangement with related party – Dwarikesh Sugar Industries Limited

No postal ballots conducted during the year.

11. CODE OF BUSINESS CONDUCT AND ETHICS:

In keeping with its proactive approach to achieve best governance standards, your company has laid down the Code of Business Conduct and Ethics. The code has been posted on the website of the company having weblink: [http://www.morarkafinance.in/cms/newsimages/file/code_conduct%20\(1\).pdf](http://www.morarkafinance.in/cms/newsimages/file/code_conduct%20(1).pdf)

12. DISCLOSURES:

- The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board.
- The Company has complied with all requirements of the applicable Listing Regulations with the Stock Exchange as well as the Regulations and Guidelines prescribed by SEBI and other statutory authorities related to the capital market, during the last three years. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.
- **Disclosure of Related party transactions**
All related party transactions have been entered into in the Ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis.
- **Disclosure of Accounting Treatment**
All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- **Risk Management:**
The Company has in place mechanism to inform the Board Members about the Risk Assessment and Minimisation procedures and periodical reviews, to ensure that risk is controlled by the Executive Management through the means of a properly defined policy.
- **Subsidiary Companies:**
There are no subsidiary companies.
- Disclosure with respect to demat suspense account/unclaimed suspense account as required under Schedule V (F) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Nil
- The Board of directors hereby do confirm that the independent directors fulfil the conditions specified in the Listing Regulations and are independent of the management.
- None of the independent directors of the company have resigned from the company during the year.
- Since there are no any audit qualifications, the details as required under Schedule IV, Part A of SEBI LODR Regulations are not applicable to the company.

13. CERTIFICATE FROM PRACTISING COMPANY SECRETARY FOR NON-DISQUALIFICATION OF DIRECTORS:

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

14. MEANS OF COMMUNICATION:

The Company's quarterly results in the pro-forma prescribed by the Stock Exchanges pursuant to Regulations 33 and 47 of the Listing Regulations are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all Stock Exchanges on which the Company's shares are listed. These results are being published in leading newspapers - Business standard in English Edition & Mumbai Lakshdeep in Marathi Edition.

All the data related to quarterly financial results, shareholding pattern etc. has been posted on the Company's website: (www.morarkafinance.in). The Company's website also displays the official news releases.

Management discussion and Analysis report is included in the Annual Report for the year.

15. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	34th Annual General Meeting
Date, time and venue	Thursday, 26th September, 2019 at 12 noon at Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.
Financial Calendar Particulars (April-March)	The financial year of the Company is from 1st April to 31st March every year
First Quarter Results	On or before 14th August, 2019
Second Quarter Results	On or before 14th November, 2019
Third Quarter Results	On or before 14th February, 2020
Last Quarter Results	On or before 30th May, 2020
Dates of Book Closure	Friday, 20 th September, 2019 to Thursday, 26th September, 2019 (both days inclusive).
Dividend Payment Date	Will be paid within 30 days of AGM
Listing Details	BSE



The details of the Stock Exchanges on which the Company's shares are listed are as under:

Name	Address	Stock Code
The Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	511549
International Securities Identification Number (ISIN)	INE 367A 01015 The securities of the Company have never been suspended from trading.	

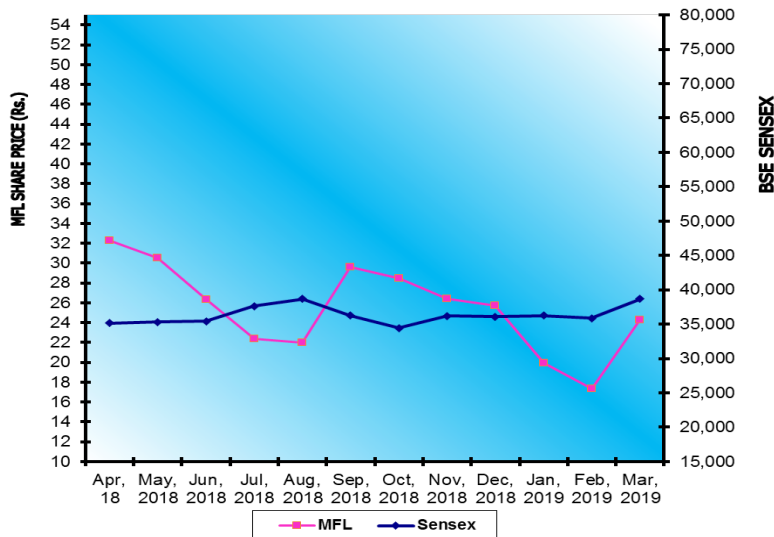
16. MARKET PRICE DATA:

Monthly high/low of market price of the Company's equity shares traded on the Bombay Stock Exchange Limited (BSE) during the last financial year was as under:

Month	Highest (₹) Of the Month	Lowest (₹) Of the Month	Volume (No. of Shares)
April, 2018	32.30	30.70	26
May, 2018	30.50	25.10	1,361
June, 2018	26.35	22.35	1,255
July, 2018	22.35	21.00	8
August, 2018	22.00	19.00	17,719
September, 2018	29.60	21.25	47,780
October, 2018	28.50	19.00	2,849
November, 2018	26.40	18.90	6,246
December, 2018	25.70	20.00	4,780
January, 2019	19.95	15.80	2,701
February, 2019	17.35	14.70	7,033
March, 2019	24.30	16.50	6,170

17. MORARKA FINANCE SHARE PRICE VIS A VIS BSE SENSEX:

MORARKA FINANCE SHARE PRICE V/S BSE SENSEX



18. PAYMENT OF LISTING FEES:

Annual listing fee for the year 2019-20 (as applicable) has been paid by the Company to BSE.

19. REGISTRAR AND TRANSFER AGENTS:

Universal Capital Securities Private Limited

21, Shakil Niwas, Mahakali Caves Road Andheri (East), Mumbai - 400 093.

- Share Transfer System:**

Effective November 29, 1999, the Company's shares are compulsorily traded in dematerialised form.

All share transfers and other share related issues are approved by a Director authorised by the Board; approvals are obtained at intervals not exceeding 15 days.

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• **Distribution of Shareholding as on 31st March, 2019:**

No. of Shares	No of Shareholders	Percentage	No. of Shares	Percentage
Upto 500	1,833	84.083	3,81,517	8.474
501 - 1,000	193	8.853	1,51,040	3.355
1,001 - 2,000	68	3.119	1,05,057	2.334
2,001 - 3,000	26	1.193	65,574	1.457
3,001 - 4,000	19	0.872	65,219	1.449
4,001 - 5,000	10	0.459	47,314	1.051
5,001 - 10,000	11	0.505	71,382	1.586
10,001 And above	20	0.917	36,14,997	80.296
Total	2,180	100.000	45,02,100	100.00

• **Categories of Shareholders on 31st March, 2019:**

Category	No. of Shares of ₹ 10/- each	%
Promoters		
* Indian	7,24,716	16.10
* Foreign	-	-
Persons Acting in Concert	22,09,831	49.08
Mutual Funds	-	-
Banks	-	-
Indian Institutional Investors	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	23,230	0.52
General Public	14,81,183	32.90
NRIs, OCBs	7,692	0.17
Clearing Members	2,714	0.06
HUF	52,734	1.17
Others		
Total	45,02,100	100.00

• **Dematerialisation of Shares:**

The company was amongst the first few companies to sign an agreement with the National Securities Depository Limited for joining the Depository System. The company has also signed an agreement with the Central Depository Services (India) Limited. As intimated by SEBI, trading in the shares of the company is compulsorily to be in the dematerialised form for all the investors with effect from November 29, 1999. As on 31st March, 2019, 94.38% of the total shares of the Company have been dematerialised.

• **Address for Correspondence:** Corporate Secretarial Department

The Corporate Secretarial Department is located at the Company's Registered Office situated at 511, Maker Chambers - V, 221, Nariman Point, Mumbai - 400 021. Tel: 22832468; Fax: 22047288.

The shareholders may address their communications/grievances/ queries to Shri Hemalkumar Shah, Company Secretary at the above mentioned address.

20. RESULTS:

Quarterly & Half-yearly results as published in the newspapers are made available to the Members on request.

21. Discretionary Requirements under Regulation 27 of the SEBI (Listing Obligation & Disclosure Requirements (LODR) Regulations, 2015:

The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI (LODR), Regulations is provided below:

- **Chairman's Office:** Shri G. R. Morarka is designated as non-executive chairman of the company.
- **Separate posts of Chairman and CEO:** Shri G. R. Morarka is holding the position of chairman and his son Shri Pranay G. Morarka is designated as Vice-President & CEO.
- **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- **Modified Opinion in Auditors Report:** The Company's financial statement for the year ended March 31, 2019 are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

On behalf of the Board of Directors

G. R. Morarka
Chairman
(DIN:00002078)

Place: Mumbai
Dated: May 30, 2019



CODE OF BUSINESS CONDUCT AND ETHICS

The Board at its meeting held on 29th September, 2010 adopted the Code of Business Conduct and Ethics for Directors and Senior Management ('the Code'). This code is a comprehensive code applicable to all Directors, Executive & Non-Executive and members of senior management. A copy of the Code has been put on the Company's website: www.morarkafinance.in.

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by Shri Pranay Morarka, CEO is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Accounting period 2018-19.

For & on behalf of the Board of Directors

Pranay Morarka
CEO

Place: Mumbai

Dated: May 23, 2019

CERTIFICATE

{This Certificate is being issued in pursuance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.}

We have examined and verified the records of the Board of Directors available and maintained on the online portal of Ministry of Corporate Affairs of MORARKA FINANCE LIMITED (hereinafter will be known as "the Company"), having its Registered Office at 511, Makers Chambers V, Nariman Point, Mumbai – 400021, Maharashtra, India incorporated vide its Company Registration Number L67120MH1985PLC035632 on 15th March, 1985 under the jurisdiction of Registrar of Companies, Mumbai, Maharashtra.

On the basis of examination and verification, we hereby state that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities Exchange Board of India / MCA or any such statutory authority.

The Board of Directors of the Company comprises of 5 (Five) Directors and the Board is composed as follows:

Sr. No	Name of the Director	DIN	Type of the Director	Status of the Director
1	PRIYANKA GAUTAM MORARKA	00001088	Non-Executive Director	Active
2	SUDHIR NEVATIA	00001258	Independent Director	Active
3	BALKISHAN JAWARILAL MAHESHWARI	00002075	Independent Director	Active
4	GAUTAM RADHESHYAM MORARKA	00002078	Non-Executive Director	Active
5	VIJAY SITARAM BANKA	00963355	Independent Director	Active

This Certificate is being issued at the request of the Company for the rightful compliance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

For VKM & ASSOCIATES
Company Secretaries

(Vijay Kumar Mishra)
Partner

Place: Mumbai

Date : 15/05/2019

M. No. F-5023
COP No. 4279

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MORARKA FINANCE LIMITED

CEO AND CFO CERTIFICATION

To,
The Board of Directors,
Morarka Finance Limited

Re: Financial Statements for the year ended on 31st March, 2019

Dear Sirs,

We, Pranay G. Morarka, CEO and P. P. Singh, CFO of Morarka Finance Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ending 31st March, 2019 and to the best of our knowledge and belief, hereby clarify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 1) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
 - 2) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
 - 3) We have indicated to the auditors and the Audit committee
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Morarka Finance Limited

Place: Mumbai
Date: May 30, 2019

Pranay G. Morarka
CEO

P. P. Singh
C.F.O.



SECRETARIAL AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

Morarka Finance Limited.

511, Maker Chambers,

V, 221, Nariman Point, Mumbai - 400021

1. This certificate is issued in accordance with the terms of our engagement letter with **Morarka Finance Limited (the "Company")**.
2. We, VKM & Associates, Practising Company Secretary, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2019.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For VKM & Associates.
Practising Company Secretary

Vijay Kumar Mishra
Partner

CS: 5023

P No: 4279

Place: Mumbai

Dated: May 23, 2019

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MORARKA FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of **Morarka Finance Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Morarka Finance Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations having major implication on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B. P. Gharda and Co.,**
Firm Registration No.103155W
CHARTERED ACCOUNTANTS

Place : Mumbai
Date: 30th May, 2019

Subodh Mody
Partner
Membership No.: 37866

ANNEXURE TO AUDITOR'S REPORT**ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING****"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

Re: **Morarka Finance Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) The Company's business does not involve inventories except stock-in-trade and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed applicable statutory dues such as provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, whichever is applicable, were not outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (c) According to the records of the Company, there are no outstanding dues in respect of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon. Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **B. P. Gharda and Co.,**
Firm Registration No.103155W
CHARTERED ACCOUNTANTS

Subodh Mody
Partner

Membership No.: 37866



ANNEXURE TO AUDITOR'S REPORT

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MORARKA FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")
To the Members of **Morarka Finance Limited**

We have audited the internal financial controls over financial reporting of **Morarka Finance Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. P. Gharda and Co.**,
Firm Registration No.103155W
CHARTERED ACCOUNTANTS

Subodh Mody
Partner

Membership No.: 37866

Place : Mumbai
Date: 30th May, 2019

34TH ANNUAL REPORT 2018-19
MORARKA FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in ₹)

	Particulars	Note No.	As at 31-03-2019		As at 31-03-2018	
I.	EQUITY AND LIABILITIES					
(1)	Shareholder's Funds					
	(a) Share capital	1	4,50,21,000		4,50,21,000	
	(b) Reserves and surplus	2	6,98,42,327		7,06,03,899	
	(c) Money received against share warrants		-		-	
				11,48,63,327		11,56,24,899
(2)	Share application money pending allotment			-		-
(3)	Non-Current Liabilities					
	(a) Long-term borrowings		-		-	
	(b) Deferred tax liabilities (net)		-		-	
	(c) Other long term liabilities		-		-	
	(d) Long term provisions	3	3,36,661		2,21,059	
				3,36,661		2,21,059
(4)	Current Liabilities					
	(a) Short-term borrowings		-		-	
	(b) Trade payables	4	9,728		31,669	
	(c) Other current liabilities	5				
	Current maturities of long term debts					
	Others		5,78,323		5,17,051	
	(d) Short-term provisions		-		-	
				5,88,051		5,48,720
	TOTAL			11,57,88,039		11,63,94,678
II.	ASSETS					
(1)	Non-current assets					
	(a) Fixed assets	6				
	(i) Tangible assets		6,97,309		7,35,362	
	(ii) Intangible assets		-		-	
	(iii) Capital work-in-progress		-		-	
	(iv) Intangible assets under development		-		-	
			6,97,309		7,35,362	
	(b) Non-current investments	7	11,08,77,758		11,11,26,453	
	(c) Long term loans and advances		-		-	
	(d) Other non-current assets		-		-	
				11,15,75,067		11,18,61,815
(2)	Current assets					
	(a) Current investments		-		-	
	(b) Inventories	8	16,83,168		18,14,125	
	(c) Trade receivables		-		-	
	(d) Cash and bank balances	9	6,61,247		6,73,014	
	(e) Short-term loans and advances	10	17,20,458		12,17,883	
	(f) Other current assets		-		-	
	(g) Deferred tax assets (net)	11	1,48,099		8,27,841	
				42,12,972		45,32,863
	TOTAL			11,57,88,039		11,63,94,678

The notes from an integral part of these financial statements

As per our report of even date attached

For B. P. GHARDA & CO.,
Chartered Accountants

Subodh Mody
Partner
Membership No.37866
Firm Regn No: 103155W

Place: Mumbai
Date: 30th May, 2019

G.R. Morarka
DIN : 00002078
Chairman

B.J. Maheshwari
DIN : 00002075
Director

V.S. Banka
DIN : 00963355
Director

Hemalkumar Shah
Company Secretary
F7620

Place: Mumbai
Date: 30th May, 2019



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

Particulars		Note No.	Year ended 31-03-2019	Year ended 31-03-2018
I.	REVENUE:			
I.	Revenue from operations (Gross)	12	95,59,967	2,75,35,989
II.	Other income	13	18,834	123
	Total Revenue (I +II)		95,78,801	2,75,36,112
IV.	EXPENSES:			
	Cost of materials consumed		-	-
	Purchase of stock-in-trade		-	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	14	1,30,957	(2,54,105)
	Employee benefit expenses	15	29,45,965	27,47,212
	Finance cost		-	-
	Depreciation and amortization expenses	16	38,053	40,346
	Other expenses	17	11,18,136	12,69,033
	Total Expenses		42,33,111	38,02,486
V.	Profit before exceptional and extraordinary items and tax (III-IV)		53,45,691	2,37,33,627
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		53,45,691	2,37,33,627
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII - VIII)		53,45,691	2,37,33,627
X.	Tax expense:			
	(1) Current tax			
	Current year(net of Mat credit entitlement of ₹ 3,82,579/- (Previous year ₹ 1,98,498/-)		-	-
	Add: Reversal of MAT credit entitlement		-	-
	Previous year		-	-
	(2) Deferred tax		6,79,742	3,34,260
XI.	Profit/(Loss) for the period (IX-X)		46,65,949	2,33,99,367
XII.	Earning per equity share:			
	(1) Basic		1.04	5.20
	(2) Diluted		1.04	5.20
	Weighted average number of shares outstanding		45,02,100	45,02,100
	Significant Accounting Policies & Notes to Accounts form an intergral part of these financial statements			

As per our report of even date attached

For B. P. GHARDA & CO.,
Chartered Accountants

Subodh Mody
Partner
Membership No.37866
Firm Regn No: 103155W

Place: Mumbai
Date: 30th May, 2019

G.R. Morarka
DIN : 00002078
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DIN : 00963355
Director

Hemalkumar Shah
Company Secretary
F7620

Place: Mumbai
Date: 30th May, 2019

34TH ANNUAL REPORT 2018-19
MORARKA FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2019

Particulars		2018-2019		2017-2018	
		₹		₹	
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net profit/(loss) before tax		53,45,691		2,37,33,627
	Items				
	Adjustments for :				
	Depreciation	38,053		40,346	
			38,053		40,346
	Operating profit before working capital		53,83,744		2,37,73,973
	Changes				
	Adjustments for :				
	Trade and other receivables	1,77,167		(3,48,890)	
	Inventories	1,30,957		(2,54,105)	
	Trade payables	1,54,933		1,27,874	
	Direct taxes & deferred tax	(6,79,742)	(2,16,685)	(3,34,260)	(8,09,381)
	Cash generated from operations		51,67,059		2,29,64,592
	Net cash flow from operating activities		51,67,059		2,29,64,592
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of investments/sale of investment	2,48,694		(2,23,48,176)	
	Net cash flow from investing activities		2,48,694		(2,23,48,176)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Unsecured loan		-		-
	Dividend paid		(45,02,100)		-
	Dividend tax paid		(9,25,420)		-
	Net increase/decrease in cash and				
	Cash equivalents(a-b+c)		(11,767)		6,16,416
	Cash and cash equivalents(opening balance)		6,73,014		56,598
	Cash and cash equivalents(closing balance)		6,61,247		6,73,014

Notes :

- Above statement has been prepared by the indirect method except in case of interest, dividend, purchase and sale of investments and taxes which have been considered on the basis of actual movement of cash and cash equivalents with corresponding adjustments in assets and liabilities investments and taxes which have been considered on the basis of actual movement of cash and cash equivalents with corresponding adjustments in assets and liabilities.
- Previous year figures have been regrouped, wherever required.

As per our report of even date attached

For B. P. GHARDA & CO.,
Chartered Accountants

Subodh Mody
Partner
Membership No.37866
Firm Regn No: 103155W

Place: Mumbai
Date: 30th May, 2019

G.R. Morarka
DIN : 00002078
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Director

V.S. Banka
DIN : 00963355
Director

Hemalkumar Shah
Company Secretary
F7620

Place: Mumbai
Date: 30th May, 2019



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

(Annexed to and forming part of financial statements for the year ended March 31, 2019)

SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standard notified under section 133 and other relevant provisions of the Companies Act, 2013 read with rule 7 of the Companies (accounts) rules, 2014.

All the assets and liabilities have been classified as current or noncurrent as per company's normal operating cycle and other criteria set out in Schedule II and III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the company has recognized its operating cycle being period of 12 months.

b. Fixed Assets

(i) Fixed assets are valued at cost of acquisition.

(ii) Expenditure relating to existing fixed assets is added to the cost of the assets where it increases the performance/life of the assets as assessed earlier.

c. Inventories

Inventories representing stock of shares, debentures etc. are valued at lower of cost or market price.

d. Investments

Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.

e. Retirement Benefits

Provision for leave encashment are determined and accrued on actual basis. Gratuity is accounted for on cash basis.

f. Depreciation

The Company provides for depreciation on fixed assets at the rates and in the manner specified in Schedule II of the Companies Act, 2013, on written down value method.

g. Taxes on Income

(i) Provision for income is determined on the basis of the estimated taxable income of the current year in accordance with the Income Tax Act, 1961.

(ii) Deferred tax is recognized in respect of deferred tax assets (subject to the consideration of prudence) and to the extent there is virtual certainty that the asset will be realized in future and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

h. Contingencies and events occurring after the Balance Sheet Date

Accounting for contingencies (gains & losses) arising out of contractual obligations, are made only on the basis of mutual acceptances. Events occurring after the date of the Balance Sheet are considered up to the date of approval of the accounts by the Board, where material.

i. Intangible Assets:

i. Intangible Assets are recognized only where:

a) It is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and

b) The cost of the asset can be measured reliably.

ii. Intangible Assets are capitalized at cost of acquisition including any import duty and other taxes and any directly attributable expenditure on making the assets ready for its intended use.

iii. Amortization of Intangible Assets:

a) Intangible assets recognized are amortized over its best-estimated useful life, under a rebuttable presumption that the useful life of an intangible asset will not exceed ten years.

b) Where the expenditure incurred on intangible assets do not meet recognition criteria, it is recognized as an expense for the period.

j. Use of Estimates:

The preparation of financial statements requires the use of estimates and assumptions to be made that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

k. Government Grants:

Grants relating to specific fixed assets are deducted from the original cost of specified assets.

l. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

m. Impairment:

Where the recoverable amount of the fixed asset is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided for on the revised carrying value of the asset over its remaining useful life. The impairment loss recognized in prior accounting period is reversed if there is a favourable change in the estimate of recoverable amount.

34TH ANNUAL REPORT 2018-19

MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31/03/2019 ₹	As at 31/03/2018 ₹
1	SHARE CAPITAL		
	AUTHORISED:		
	48,00,000 equity shares of ₹ 10 each	4,80,00,000	4,80,00,000
	1% 1,50,000 Redeemable non cumulative preference shares of ₹ 100 each	1,50,00,000	1,50,00,000
		6,30,00,000	6,30,00,000
	ISSUED, SUBSCRIBED AND PAID UP:		
	45,02,100 equity shares of ₹ 10 each fully paid up	4,50,21,000	4,50,21,000
	Total Share Capital	4,50,21,000	4,50,21,000
A	Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period: There was no change in the paid up capital (Equity) of the company during the Financial Years 2017-2018 & 2018-2019.		
B	Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:		
		March 31, 2019	March 31, 2018
	Equity Shares:-		
	Dwarikesh Trading Company Limited	22,09,831	22,07,831
		49.08%	49.04%
	Pranay Gautam Morarka	5,06,032	5,06,032
		11.24%	11.24%
	Satishkumar Subbiah	2,26,000	2,26,000
		5.02%	5.02%
C	Rights & restrictions attached to various shares are as under: Equity Shares:- The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.		



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31/03/2019 ₹	As at 31/03/2018 ₹
2	RESERVES AND SURPLUS		
a)	Capital redemption reserves*		
	As per last account	65,30,000	65,30,000
	Add: during the year	-	-
	Less: utilised during the year	-	-
		<u>65,30,000</u>	<u>65,30,000</u>
b)	Other reserves		
	General reserve		
	As per last account	21,02,454	21,02,454
	Add: during the year	-	-
	Less: utilised during the year	-	-
		<u>21,02,454</u>	<u>21,02,454</u>
c)	Surplus in Profit and Loss Account		
	As per last account	6,19,71,445	3,85,72,078
	Add: during the year	46,65,949	2,33,99,367
	Less: appropriations	-	-
	Dividend on equity shares and Tax on Dividend Paid	54,27,520	-
	Transfer to general reserve	-	-
		<u>6,12,09,873</u>	<u>6,19,71,445</u>
	Total Reserves & Surplus	<u>6,98,42,327</u>	<u>7,06,03,899</u>
	*Capital Redemption Reserve represents reserve created on account of: Redemption of 65,300 1% redeemable non cumulative preference shares of ₹ 100/- each amounting to ₹ 65,30,000/- in terms of section 80 of the Companies Act, 1956		
3	LONG-TERM PROVISIONS		
	Provision for employee benefits		
	Gratuity	1,18,269	1,06,442
	Leave encashment	2,18,392	1,14,617
	Total Long Term Provisions	<u>3,36,661</u>	<u>2,21,059</u>
4	TRADE PAYABLES		
	Others	9,728	31,669
	Total Trade Payables	<u>9,728</u>	<u>31,669</u>
5	OTHER CURRENT LIABILITIES		
	Other payables		
	TDS liability	20,160	21,386
	Salary & wages payable	2,31,140	1,74,400
	Provision for Tax	2,03,566	2,03,566
	Others	1,23,457	1,17,699
	Total Other Current Liabilities	<u>5,78,323</u>	<u>5,17,051</u>

NOTES TO THE FINANCIAL STATEMENTS

6 FIXED ASSETS

PARTICULARS		Gross Block			D E P R E C I A T I O N				Net Block		
		As at 01-04-2018	Added during the year	Disposals	As at 31-03-2019	Up to 01-04-2018	For the year	Disposals	Up to 31-03-2019	As at 31-03-2018	As at 31-03-2019
		₹	₹		₹	₹	₹	₹	₹	₹	₹
i)	Tangible Assets										
	Buildings *	28,76,706 (28,76,706)	-	-	28,76,706 (28,76,706)	21,51,689 (21,13,530)	36,251 (38,159)	-	21,87,940 (21,51,689)	7,25,017 (7,63,176)	6,88,766 (7,25,017)
	Furniture and Fixtures	11,26,053 (11,26,053)	-	-	11,26,053 (11,26,053)	11,17,380 (11,15,463)	1,570 (1,917)	-	11,18,950 (11,17,380)	8,673 (10,590)	7,103 (8,673)
	Office equipment	79,227 (79,227)	-	-	79,227 (79,227)	77,555 (77,285)	232 (270)	-	77,787 (77,555)	1,672 (1,942)	1,440 (1,672)
	Total	40,81,986	-	-	40,81,986	33,46,624	38,053	-	33,84,677	7,35,362	6,97,309
ii)	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Grand Total	40,81,986	-	-	40,81,986	33,46,624	38,053	-	33,84,677	7,35,362	6,97,309
	Previous Year	(40,81,986)	-	-	(40,81,986)	(33,06,278)	(40,346)	-	(33,46,624)	(7,75,708)	(7,35,362)

Note:- Figures in the brackets are for the previous year.

* Building represents value of office premises on ownership basis in a Co-operative society and includes cost of Ten shares of ₹ 50/- each aggregating to ₹ 500/-



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31/03/2019 ₹	As at 31/03/2018 ₹
7	NON-CURRENT INVESTMENTS		
	Trade investments		
	long term, unquoted investments valued at cost in associate companies		
a)	Investment in quoted equity instruments		
	2,15,91,180 (previous year 2,15,91,180) equity shares of ₹ 1/- each (previous Year ₹ 1/-each) fully paid up in "Dwarikesh Sugar Industries Limited"	4,74,41,611	4,74,41,611
	extent of holding : 11.47% (previous year 11.47%)		
b)	Investment in unquoted equity instruments		
	12,582 (previous year 12,582) equity shares of ₹ 10 each fully paid up in 'Dwarikesh Trading company Limited' extent of holding :3.23% (previous year 3.23%)	3,26,553	3,26,553
	19,100 (previous year 19,100) equity shares of ₹ 4 each fully paid up in 'Ormerods (India) Private Limited' extent of holding :18.40% (previous year 18.40%)	1	1
	9,500 (previous year 9,500) equity shares of ₹ 10 each fully paid up in 'Dwarikesh Informatics Limited' extent of holding : 19% (previous year 19%)	1	1
	9,500 (previous year 9,500) equity shares of ₹ 10 each fully paid up in 'Faridpur Sugars Limited' extent of holding : 19% (previous year 19%)	95,000	95,000
	10 (previous year 10 Equity shares of ₹ 50 each fully paid up in 'Maker Chambers V Premises Co-op Society Ltd."	500	500
c)	Investments in unquoted preference shares instruments		
	3,00,000 (previous year 3,00,000) 8% Non redeemable cumulative preference shares of ₹ 100 each fully paid up in 'Dwarikesh Trading company Limited' extent of holding : 100% (previous year 100%)	3,00,00,000	3,00,00,000
	Nil (previous year 4,500) 12% redeemable cumulative preference shares of ₹ 100 each fully paid up in 'Dwarikesh Sugar Industries Limited' extent of holding : Nil (previous year 4.09%)	-	4,50,000
	75,200 (previous year 75,200) 6% Non redeemable non cumulative preference shares of ₹ 100 each fully paid up in 'Dwarikesh Trading company Limited' extent of holding : 94% (previous year 94%)	75,20,000	75,20,000
d)	Investments in quoted Mutual Fund instruments		
i)	2,54,936.73 (previous year 99,906.50) Mutual Fund of ₹ 100 each in " Adity Birla Saving Fund Daily Dividend-Direct Plan"	2,54,94,092	1,00,03,548
	Nil (previous year 13,84,932.53) Mutual Fund of ₹ 10 each in " Adity Birla Enhance Arbitrage Fund Direct-Div Reinv	-	1,52,89,240
	Total Non Trade Investments	3,79,42,055	3,83,92,055
	Total Non-Current Investments	11,08,77,758	11,11,26,453
	Aggregate amount of unquoted investments (B+C)	3,79,42,055	3,83,92,055
	Aggregate amount of quoted investments (A+D)	7,29,35,703	7,27,34,398
	Market value of quoted investments	69,26,89,612	57,15,49,642
8	INVENTORIES		
	(At lower of cost or Market Value)		
	Stock of Securities	16,83,168	18,14,125
	Total Inventories	16,83,168	18,14,125

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MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31/03/2019 ₹	As at 31/03/2018 ₹
9	CASH & BANK BALANCES		
	Cash & Cash Equivalents		
	Balance with scheduled banks		
	Current accounts	6,45,646	6,56,328
	Cash on hand	15,601	16,686
	Total Cash & Cash Equivalents	6,61,247	6,73,014

* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

10	SHORT TERM LOANS & ADVANCES		
	unsecured, considered good		
a)	Loans & advances to related parties	-	-
b)	Others		
	Security Deposit	15,230	15,230
	Advance taxes & TDS	16,90,745	11,99,413
	Advances recoverable in cash or in kind or for value to be received	14,483	3,240
	Total Short Term Loans & Advances	17,20,458	12,17,883

11 DEFERRED TAX LIABILITIES (NET):

Particulars	AS AT 31-03-2019		AS AT 31-03-2018	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
	₹	₹	₹	₹
Difference between book depreciation and tax depreciation		(1,31,205)		(1,30,371)
Excess/Non payment of bonus, leave & gratuity	28,901	-	-	(14,809)
Brought forward losses & depreciation	2,50,403		9,73,021	
Total	2,79,304	(1,31,205)	9,73,021	(1,45,180)
Total	1,48,099		8,27,841	

Deferred tax assets in respect of brought forward losses and depreciation have been recognized owing to virtual certainty of availability of future taxable income to realize such assets.



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	Year ended 31-03-2019 ₹	Year ended 31-03-2018 ₹
12	REVENUE FROM OPERATIONS		
	a) Sale of Securities	-	11,700
	b) Lease Rent	15,49,800	15,49,800
	c) Management Consultancy	33,60,000	30,00,000
	d) Dividend	44,64,525	2,28,55,011
	e) Service charge	1,85,642	1,19,478
	Total Net Revenue From Operations	95,59,967	2,75,35,989
13	OTHER INCOME		
	Other operating income:		
	Others	18,834	123
	Total Other Income	18,834	123
14	(INCREASE)/DECREASE IN STOCKS		
	Closing stock of shares & debentures	(16,83,168)	(18,14,125)
	Opening stock of shares & debentures	18,14,125	15,60,020
	NET (INCREASE)/DECREASE IN STOCK	1,30,957	(2,54,105)
	Total (Increase)/Decrease In Stocks	1,30,957	(2,54,105)
15	EMPLOYEE BENEFIT EXPENSES		
a)	Salary and wages		
	Salary and wages	27,62,665	27,29,303
	Bonus & Exgratia	67,422	66,558
	Leave encashment	1,03,775	(68,786)
	Gratuity	11,827	11,827
		29,45,689	27,38,902
b)	Contribution to provident and other funds		
	Provident fund	276	155
		29,45,965	27,39,057
c)	Staff welfare expenses	-	8,155
	Total Employee Benefit Expenses	29,45,965	27,47,212
16	DEPRECIATION AND AMORTIZATION EXPENSES		
a)	Depreciation		
	Depreciation of tangible assets	38,053	40,346
	Obsolescence	-	-
		38,053	40,346
b)	Amortization of intangible assets	-	-
	Total Depreciation and Amortization Expenses	38,053	40,346

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MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	Year ended 31-03-2019 ₹	Year ended 31-03-2018 ₹
17	OTHER EXPENSES		
	Rates and taxes	10,971	18,590
	Travelling & conveyance	92,974	4,61,199
	Postage, telephone & telex	1,78,753	1,69,729
	Printing & stationery	1,19,614	34,849
	Short Term Loss On sale of Mutual Fund	91,748	-
	Payment to the auditors		
	Audit fees	40,000	40,000
	Taxation matters	-	-
	Reimbursement of expenses	-	-
	Miscellaneous expenses	5,84,077	5,44,666
	Total Other Expenses	11,18,136	12,69,033

18 Related party disclosures as required by Accounting Standard AS-18 for the year ended 31st March,2019

a) Names of the related parties and description of relationship:

- i) **Enterprises over which key management personnel are able to exercise significant influence**
 - Dwarikesh Trading Company Limited
 - Dwarikesh Informatics Limited
 - Faridpur Sugars Limited
 - Dwarikesh Sugar Industries Limited
- ii) **Key Management Personnel**
 - Shri Pranay G. Morarka CEO And Vice President
 - Shri P.P. singh CFO
 - Shri HemalKumar Shah CS & Corporate Affairs
- iii) **Relatives of Key Managerial Personnel**
 - Shri Prany G. Morarka**
 - Smt. Smriti G. Morarka (Mother)
 - Ms. Priyanka G. Morarka (Sister)
 - Shri G.R. Morarka (Father)

b) Details of Transactions

Sl. No.	Name of Related Party	Nature of Transaction	Volume of Transaction (₹)	Amount due to (₹)	Amount due from (₹)
1	Dwarikesh Sugar Industries Ltd.	Inter Corporate Deposit Repaid	(Nil)	(Nil)	
		Inter Corporate Deposit Received	(Nil)		
		Management consultancy Received	39,64,800/-	(Nil)	
		Lease Rent Received	18,28,764/-	(Nil)	

19. Provision for net income tax ₹ Nil (previous year ₹ Nil (Current year Tax ₹ Nil & Mat credit entitlement ₹ 3,82,579/- (Previous year ₹ 1,98,498/-) has been Provided in Accounts.

20. The Board of Directors are of the opinion that with respect to the disclosure of investments in shares and debentures held by the Company for trade as at 31st March, 2019 as required under Companies Act, 2013, in view of the number of scripts bought and sold being large, it is not practicable to disclose the same individually.

21. Pursuant to the Accounting Standard 22 relating to "Accounting for Taxes on Income", the Company has recognized net Deferred Tax Liabilities to the extent of ₹ 6,79,742/- for the year. The same has been recognized since the management is virtually certain of realizing the same in due course within the statutory time frame of allow ability of the unabsorbed losses / allowances under the Income Tax Act, 1961, particularly in view of the income arising from financing activities in the subsequent period.



NOTES TO THE FINANCIAL STATEMENTS

22. Earnings per Share:

In view of Accounting Standard 20 on "Earning per Share" issued by "The Institute of Chartered Accountants of India" and made mandatory w.e.f. 1st April, 2001, the following are the disclosures in respect of the calculation of earnings per share for the year ended 31st March, 2019.

Particulars			31/03/2019	31/03/2018
a)	Numerator Profit / (loss) after tax	₹	46,65,949/-	2,33,99,367/-
b)	Denominator Weighted average number of equity shares	Nos.	4502100	4502100
c)	Earnings per Share (Basic & diluted) = Numerator / Denominator	₹	1.04	5.20

Contingent Liabilities in respect of :

PARTICULARS		Amount [₹ In Crores]	
		2018-2019	2017-2018
a)	In respect of show cause notice from SEBI under Regulation 8(3) of SEBI take over code regulation	0.0175	0.0175

23. Related Party Disclosures:

A. Name of the related party and nature of relationship where control exists

- i. Group Companies
 - Dwarikesh Trading Company Limited.
 - Dwarikesh Informatics Limited.
 - Faridpur Sugars Limited.
 - Dwarikesh Sugar Industries Limited.
- ii. Key Management Personnel:

Name	Designation
Shri Hemal Kumar Shah	CS
Shri Pranay G. Morarka	CEO and Vice President
Shri P.P. Singh	CFO

B. Transactions with related parties as per the books of account

			31 st March, 2019	
			Associates	Key Management Personnel
			₹	₹
1.	(a)	Lease Rent Received	18,28,764/-	-
	(b)	Management Consultancy	39,64,800/-	-
2.		Maximum amount Receivable at any time	-	-

C. Related parties have been identified by the management. This has been relied upon by the auditors.

No amounts have been written off / back in respect of the aforesaid related parties.

24. There are no Small Scale and Ancillary Industrial Undertakings to which the Company owes any sum for a period exceeding thirty days.

25. There are no amounts due and outstanding to be transferred to Investor Education & Protection Fund as on 31st March, 2019.

26. Schedule to Balance Sheet of a Non-Banking Financial Company as required in terms of paragraph 9 BB of Non-Banking Financial Companies prudential norms (Reserve Bank) Directions, 1998 is annexed.

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MORARKA FINANCE LIMITED

Refer to in Note No. 26 to Notes on Accounts Schedule to the

Balance Sheet of a Non-Banking Financial Company

(Additional disclosure as required in term of para 13 of Non- banking financial (Non-deposit accepting or holding) companies prudential norms (Reserve Bank) Directors, 2007 issued by Reserve Bank of India.

(₹ in lakhs)

	Particulars		
	<u>Liabilities side :</u>		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount out-standing	Amount overdue
	(a) Debentures Secured	-	-
	Unsecured (Other than falling with meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans (specify nature)	-	-
	<i>* Please see Note 1 below</i>		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other public deposits		
	<u>Assets side :</u>		
		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	a) Secured	-	
	b) Unsecured	-	
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	
	(b) Operating lease	-	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	
	(b) Repossessed Assets	-	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	-	
	(b) Loans other than (a) above	-	



Particulars		
(5)	<u>Break-up of Investments :</u> <u>Current Investments :</u> 1. Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify) 2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)	

34TH ANNUAL REPORT 2018-19

MORARKA FINANCE LIMITED

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below (₹ in lakhs)			
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties **			
(a) Subsidiaries	-	-	
(b) Companies in the same Group	-	-	
(c) Other related parties	-		
i) DSIL Equity Shares	6671.67	474.42	
ii) DTCL - Preference Shares	375.20	375.20	
iii) DTCL – Equity	3.27	3.27	
iv) DIL – Equity	0.00	0.00	
iv) FSL – Equity	0.95	0.95	
2. Other than related parties			
i) ABSL Saving fund	254.94	254.94	
Total	7306.03	1108.78	

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	-
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	-
(iii)	Assets acquired in satisfaction of debt	-

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our report of even date attached.

For B. P. GHARDA & CO.,
Chartered Accountants

Subodh Mody
Partner
Membership No.37866
Firm Regn No: 103155W

Place: Mumbai
Date: 30th May, 2019

G.R. Morarka
DIN : 00002078
Chairman

B.J. Maheshwari
DIN : 00002075
Director

V.S. Banka
DIN : 00963355
Director

Hemalkumar Shah
Company Secretary
F7620

Place: Mumbai
Date: 30th May, 2019

**MORARKA FINANCE LIMITED**

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

CIN : L67120MH1985PLC035632**ATTENDANCE SLIP****(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 34TH ANNUAL GENERAL MEETING of the Company held on Thursday, 26th September, 2019 at 12 noon at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400020.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy**MORARKA FINANCE LIMITED****CIN : L67120MH1985PLC035632**

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) Registered address		E-mail Id Folio No/ *Client Id *DP Id	
--------------------------------------	--	---	--

I/We, being the member(s) of _____ shares of Morarka Finance Limited, hereby appoint:

- 1) _____ of _____ having e-mail id or failing him _____ or failing him
 2) _____ of _____ having e-mail id or failing him _____ or failing him
 3) _____ of _____ having e-mail id or failing him _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **34TH Annual General Meeting** of the Company, to be held on Thursday, 26th September, 2019 at 12:00 noon at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Item	For	Against
1	Adoption of financial statement for the year ended March 31, 2019		
2	Re-appointment of Mr G. R. Morarka (DIN 00002078); who retires by rotation.		
3	Approval of Related Party Transaction with Dwarikesh Sugar Industries Limited		
4	Re-appointment of Shri Vijay S. Banka (DIN : 00963355) as an Independent Director		
5	Re-appointment of Shri B. J. Maheshwari (DIN : 00002075) as an Independent Director		
6	Re-appointment of Shri S. H. Nevatia (DIN : 00001258) as an Independent Director		

Signed this _____ day of _____ 2019

Affix
Revenue
Stamp

Signature of shareholder

Signature of first proxy holder

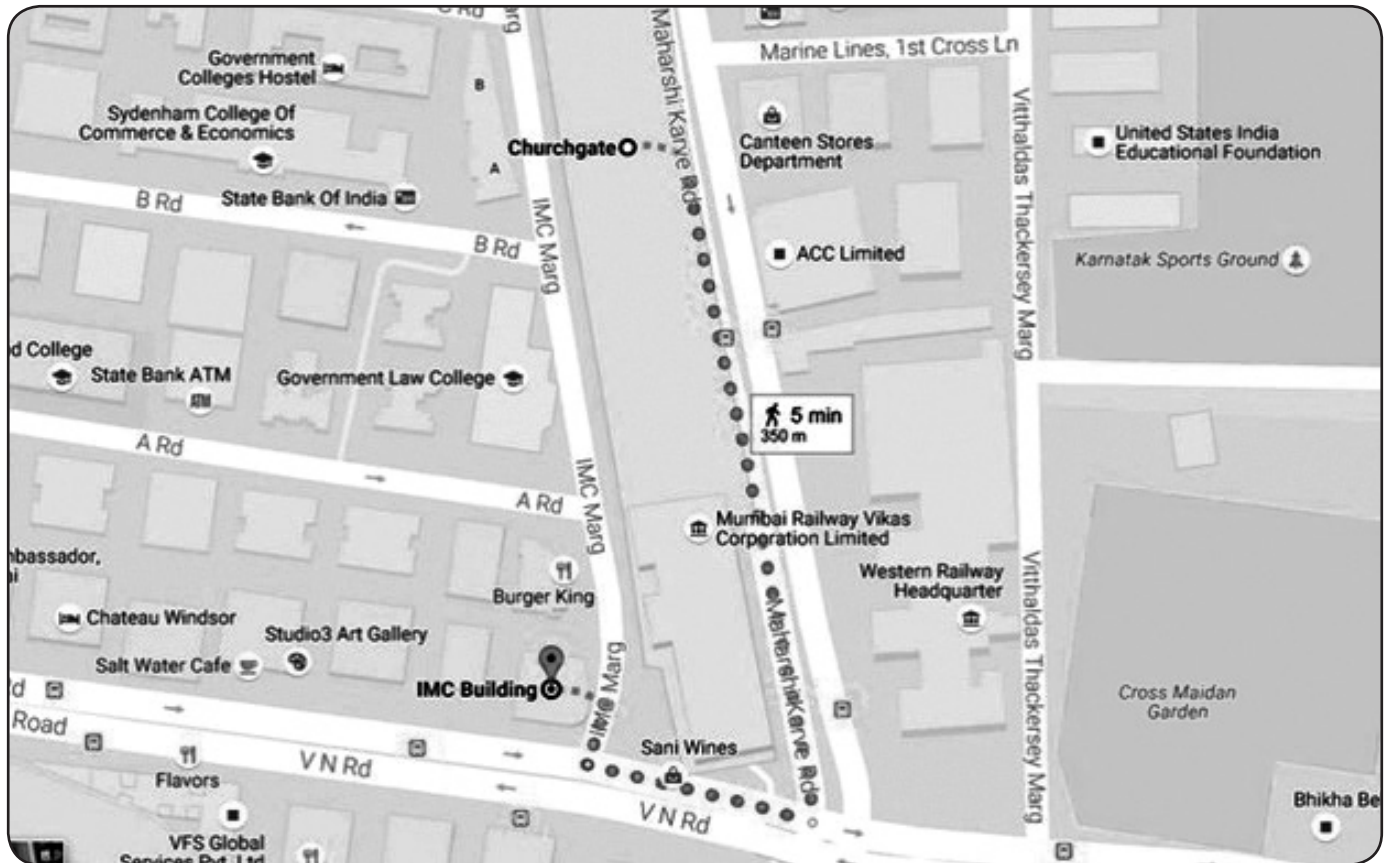
Signature of second proxy holder

Signature of third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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 a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

AGM VENUE ROUTE MAP



If undelivered, please return to :
MORARKA FINANCE LIMITED
511, Maker Chambers V,
221, Nariman Point,
Mumbai - 400 021.