



MORARKA
FINANCE
LIMITED

24th Annual Report 2008 - 2009

24th ANNUAL REPORT



BOARD OF DIRECTORS

G R MORARKA - CHAIRMAN
S H NEVATIA
K P MEDHEKAR
B J MAHESHWARI
PRIYANKA G MORARKA

COMPANY SECRETARY

HEMAL SHAH

AUDITORS

D.P. AGARWAL & CO.
CHARTERED ACCOUNTANTS

BANKERS

PUNJAB NATIONAL BANK

REGISTERED OFFICE

511, MAKER CHAMBERS V,
221, NARIMAN POINT
MUMBAI 400 021.

SOLICITORS

MULLA & MULLA & CRAIGIE BLUNT & CAROE

REGISTRARS & SHARE TRANSFER AGENTS

MONDKAR COMPUTERS PVT. LTD.
21, SHAKIL NIWAS
MAHAKALI CAVES ROAD
ANDHERI (EAST)
MUMBAI 400 093.



NOTICE

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of the Company will be held on Tuesday, 29th September, 2009 at 12.00 noon at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2009, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri S. H. Nevatia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri K. P. Medhekar, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and fix their remuneration.

By order of the Board
FOR MORARKA FINANCE LIMITED

PLACE: Mumbai
DATED: 30th June, 2009

Hemal Shah
Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote and the proxy need not be a member.
2. The instrument of proxy duly completed should be lodged at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 15th September, 2009 to Tuesday, 29th September, 2009 (both days inclusive).
4. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in **Form 2B** which is annexed herewith the Notice or can be obtained from the Company's Registrar & Transfer Agents M/s Mondkar Computers Pvt. Ltd.
5. In terms of Article 146 of the Articles of Association of the Company, Shri S. H. Nevatia, & Shri K. P. Medhekar, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of Directors retiring by rotation in terms of requirement under Clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the Report of Corporate Governance forming part of the Annual Report.

6. Members are requested to notify any change in their address immediately, to the Company.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Registered Office well in advance so that the same reaches the company at least ten days before the date of the meeting to enable the Management to keep the information required readily available.
8. Members holding shares in the same name under different Ledger Folios are requested for consolidation of such folios and send the relevant Share Certificates to the Company.
9. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, as amended and with the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund established by the Central Government. The unclaimed dividend for the financial year 1994-95 has been transferred to the Investor Education Fund and Protection Fund as on 24/10/1998 and no claim shall lie against the said Fund or the Company for the amount of dividend so transferred. Unpaid dividend for following years is due as per the details below for transfer to the Investors Education and Protection Fund. Shareholders who have not yet encashed their dividend warrants are requested to make their claims.

Financial Year	Unpaid Dividend amount (Rs.) as on 31/03/2009	Due date of transfer to the Investor Education and Protection Fund
2004-05	198244.50	28/10/2012
2005-06	129207.00	25/10/2013
2006-07	68579.00	26/10/2014

By order of the Board
FOR MORARKA FINANCE LIMITED

PLACE: Mumbai
DATED: 30th June, 2009

Hemal Shah
Company Secretary

REGISTERED OFFICE:

511, MAKER CHAMBERS - V
221, NARIMAN POINT.
MUMBAI - 400 021

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MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

The Indian Economy is the second fastest growing economies of the world. Our economy has grown at 6.7% in 2008-2009 in comparison to the growth rate of 8.7% in 2007-2008. The slower growth rate was on account of slow down in global economy post the sub prime crisis and the subsequent impact of the same on corporate giant like Lehman Brothers which filed Chapter 11 bankruptcy and the apprehension of few more to come in near terms which induced the governments globally and locally to help the corporate entities by bail out packages, stimulus packages, and tax relaxations. The Government therefore announced package for write off loans to farmers holding land upto a specified hectare, followed by two stimulus packages announced at the end of 2008 and beginning of 2009. We believe now, on macro-economic front, the worst is over as the indices have posted new yearly high gaining 90 percent from its low.

With fall in global financial markets where the Nikkei has posted 26 year's low with Dow at 12 year's low and Nasdaq at 6 year's low, our financial market too has fallen sharply and remained highly volatile in 2008-2009. The Non Banking Finance Sector (NBFC Sector) continued to face fierce competition from the banking sector which has penetrated in almost all the segments of financial services sector. With liquidity crunch and credit squeeze, the working of Non Banking Finance Companies (NBFCs) also continued to be adversely affected by defaults and absence of proper and faster recovery laws and procedures, such as those available to banks and other financial institutes. In this cut throat competitive environment in which the NBFCs are presently functioning, they have no option but to continue streaming and optimizing their operations to adapt to the emerging scenario.

Outlook, Risks and Concerns

The NBFC sector in which your company operates is exposed to stiff competition from the banking sector and with increase in credit risk and defaults, which has increased the Non Performing Assets (NPA) of banks at alarming level. Your company has cut down its exposure to credit operations. The company's operations continued to be focused on capital market related activities. Further, your company will continue to explore additional opportunities in areas related to its operations.

NBFC is exposed to normal industry risk such as credit, interest rate, economic, political, market and operation risks. The company views risk management as integral to its business for creating and maintaining best practices in business operations and administration. Your company follows prudent business and risk management practices to combat these challenges.

Your company is almost a debt-free company. It is persistently pursuing a conservative investment policy over the years and exposure to almost risk free or low risk activities. This approach leads to a larger shareholder value in the long run and is in line with our vision for growth.

Opportunities and threat:

The valuations at the secondary market have gone up sharply in short span of time after the strong outcome of UPA in the elections that has uplifted the sentiments of the capital market not only on the front of political stability but also faster reform process. The sharp upmove in valuations which we believe would again be quite fair and many of the good business opportunities would be available below its book value, there would be robust investment opportunities in the market. Further, India would continue to be the preferred investment destination for the entire world's investor's fraternity seeing the outlook for growth of the country. With lowest inflation and consequent fall in interest rate, we expect the GDP growth for 2009-2010 would be around 7%. The Index for Industrial Production (IIP) rose at merely 1.4 per cent for April, 2009. We have always been and are always looking for the investment opportunities as and when it has arisen and would arise.

Adequacy of internal control:

Your company has proper and adequate system of internal control in place to monitor persistently proper recording of the transactions as per the policies and procedures laid down by the company. The company ensures that the regulatory guidelines are duly complied with at all the levels. The internal audit reports are regularly monitored by the Audit Committee.

Segment wise performance:

The company is a Non Banking Finance Company; its core business is financial business. Hence, there are no separate segments for reporting as per Accounting Standard-17 issued by the Institute Of Chartered Accountants Of India.

Discussion on financial performance with respect to operational performance:

The profit after tax for the current year is Rs.8.39 lacs as against profit after tax of Rs.24.87 lacs in the last year. The company's revenue is derived from the dividend income, profit from sale of investments and interest income from advances etc.

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 programmes and seminars at local and national levels by premier institutes.

Cautionary Statement:

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

**DIRECTOR'S REPORT**

To
The Shareholders,
MORARKA FINANCE LIMITED

The Directors are pleased to present their report to the members together with the audited financial statements of the Company for the year ended 31st March, 2009.

1. FINANCIAL RESULTS:

	For the year Ended 31/03/2009	[IN RUPEES] For the year Ended 31/03/2008
Profit / (Loss) before tax	381,069	1,446,044
Less: Provision for taxation for the year	-	80,177
Provision for taxation earlier year	-	14,337
Deferred Tax	(4,61,023)	(1,150,466)
Fringe Benefit Tax	3,156	14,572
Profit / (loss) after tax	838,936	2,487,424
Add: Balance b/f from previous years	33,743,610	31,256,186
	<u>34,582,546</u>	<u>33,743,610</u>
Amount available for Appropriation	34,582,546	33,743,610
Appropriations:		
Proposed Dividend :		
- On Equity Shares	-	-
Additional Dividend Tax	-	-
Transfer to General Reserves	-	-
Balance Carried over to next year	34,582,546	33,743,610
	<u>34,582,546</u>	<u>33,743,610</u>

2. DIVIDEND:

Considering the overall performance of the Company & the fact that profit in the current year is meager, it is proposed to skip the dividend & utilize the profits for ploughing back in the company.

3. DIRECTORS:

Shri S. H. Nevatia, & Shri K. P. Medhekar, Directors retire by rotation and being eligible offer themselves for re-appointment.

4. STATEMENT OF DIRECTOR'S RESPONSIBILITIES:

The Directors are responsible for the preparation of financial statements which comply with the Companies Act, 1956. In preparing those financial statements, the directors have:-

- (a) Selected suitable accounting policies and then applied them consistently.
- (b) Made judgments and estimates those are reasonable and prudent.
- (c) Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- (d) Prepared the financial statements on the going concern basis.

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(e) They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. CORPORATE GOVERNANCE:

Your company is committed to adhere to appropriate standards for good Corporate Governance. Towards this end and in line with the Guidelines recommended by SEBI Committee on Corporate Governance, adequate steps have been taken to ensure that all provisions of Clause 49 of the Listing Agreement are duly complied with.

A report on the Corporate Governance along with a Certificate from the Statutory Auditors of the Company on the Compliance of the provisions of the Corporate Governance along with the Management Discussion and Analysis Report as stipulated under clause 49 of the Listing Agreement are annexed to this report.

6. FORMATION OF VARIOUS COMMITTEES:

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and form part of this report.

7. EMPLOYEES:

The company does not have any employee drawing remuneration equivalent to or more than the limit prescribed in terms of provisions of section 217(2A) of the Companies Act, 1956.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUT GO:

Since your Company is engaged in the activities of dealing in shares, advancing of money, etc, the Board of Directors is advised that the requirements of disclosure for conservation of energy and technology absorption are not applicable to the Company. There are no foreign exchange transactions during the year.

9. AUDITORS:

M/s. D.P. Agarwal & Co., Chartered Accountants retire at this Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board of Directors recommend re-appointment of M/s. D.P. Agarwal & Co., Chartered Accountants as statutory auditors of the Company for the Year 2009-10.

Notes forming part of accounts are self explanatory and therefore do not call for any further comments.

10. DEPOSITS:

The Company did not accept or renew any deposits during the year.

11. LISTING OF SHARES:

Your Company is listed on the Bombay Stock Exchange. The Listing fee for the financial year 2008-09 & 2009-10 is paid to the Stock Exchange within the prescribed time limits.

12. ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their appreciation for the co-operation received from Employees and overwhelming support extended by the shareholders.

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN

B. J. Maheshwari
Director

PLACE: Mumbai
DATED: 30th June, 2009



REPORT ON CORPORATE GOVERNANCE

Introduction: Corporate Governance is the mechanism by which the values, principles, management policies and procedures of a corporation are made manifest in the real world. Corporate Governance contemplates fairness, transparency, accountability and responsibility in the functioning of the management and the board of companies. Corporate Governance represents moral framework, the ethical framework and the value framework under which an enterprise takes decisions.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company has implemented and continuously tries to improve the Corporate Governance Practices which attempt to meet stakeholders' expectations and company's commitment to society through high standards of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and finally with strict compliance with regulatory guidelines on corporate governance.

"Transparency, honesty, efficiency, complete and timely disclosure and sustained enhancement of shareholders value, justice to vendors, employees and the society at large are the cardinal principles of Corporate Governance for your Company"

CLAUSE 49 OF THE LISTING AGREEMENT

Clause 49 of the Listing Agreement with the Stock Exchange sets up the norms and disclosures that are to be met by the Company on the Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause, vide this report. Certificate of the Statutory Auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, is enclosed.

2. COMPOSITION OF BOARD OF DIRECTORS

As at 31st March, 2009, the Board of Directors comprised 5 Directors as under:

- ❖ All 5 Non-Executive Directors.
- ❖ All Directors are Independent Non-Executive Directors except Mr. G. R. Morarka, who is promoter & Non-Executive Chairman & Ms Priyanka G. Morarka.
- ❖ Ms Priyanka G Morarka is daughter of Shri G. R. Morarka. Other Directors are not related to each other.

During the year, 4 Board Meetings were held on : 30th June, 2008, 29th July, 2008, 31st October, 2008 & 31st January, 2009.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2008-2009 are as under:

Name of Director	Category	Attendance			Other Board Representation*	
		Board Meeting	AGM	Last AGM	Directorships	Committees
Shri G.R. Morarka	Promoter, Chairman & Non-Executive Director	1		No	4	-
Shri S.H. Nevatia	Independent Non-Executive Director	1		No	-	-
Shri B.J. Maheshwari	Independent Non-Executive Director	3		Yes	3	-
Shri K.P. Medhekar	Independent Non-Executive Director	3		Yes	4	3
Ms. Priyanka G. Morarka	Promoter Non-Executive Director	3		No	2	-

* In accordance with Clause 49, Memberships and Chairmanships of only Audit Committee and Shareholders / Investors Grievance Committee of all Public Limited Companies (excluding Morarka Finance Limited) have been considered.

3. COMMITTEES OF BOARD

A. AUDIT COMMITTEE

Pursuant to Clause 49 II of the Listing Agreement and also pursuant to the provisions of the Companies Act, 1956, the Committee was reconstituted on 26th September, 2000, to comprise two Independent Non-Executive Directors and one Promoter Non-Executive Director. Members of Audit Committee are eminent persons in their field. The Company Secretary acts as the secretary to the Committee.

Terms of Reference: The Audit Committee reviews and reports to the Board on the following:

- Overseeing the financial reporting process.
- Appointment and remuneration of Auditors.
- Reviewing the financial and risk management policies.

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- Reviewing the adequacy of internal control systems.
- Compliance with listing and other legal requirements.
- Changes in accounting policies and practices and reasons for the same.
- Periodical and yearly financial results of the Company.

The Committee also reviews the observations of the Internal and Statutory Auditors, along with the comments and action taken thereon by the Management and invites senior executives to its Meetings as necessary.

During the year, 4 Audit Committee Meetings were held on; 28th June, 2008, 29th July, 2008, 31st October, 2008 and 31st January, 2009.

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

		Status	No. of Meetings Attended
Mr. G.R. Morarka	Non-executive Promoter Director	Member	NIL
Mr. S.H. Nevatia	Non-executive Independent Director	Member	4
Mr. B.J. Maheshwari	Non-executive Independent Director	Member	3

B. REMUNERTION COMMITTEE

The Board of Directors of the Company at their meeting held on 4th March, 2003, constituted a remuneration committee of Directors, to comprise three Independent Non-Executive Directors as members and one Promoter Non-Executive Director as chairman. The Company Secretary acts as the secretary to the Committee.

The Remuneration Committee is required to be constituted for deciding the terms and conditions of appointment, remuneration and related matters of Managerial Personnel such as Managing Director, Executive Director & Directors etc.

The composition and name of members of the Remuneration Committee are as under:

1. Shri G.R. Morarka Non-executive Promoter Director
(Chairman of the Board)
2. Shri S.H. Nevatia Non-executive Independent Director
3. Shri B.J. Maheshwari Non-executive Independent Director
4. Shri K.P. Medhekar Non-executive Independent Director

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

Sitting fees @ Rs. 250 is payable to a member for attending meeting of the remuneration committee and in an event the meeting is held out side Mumbai, additionally out of pocket expenses of Rs. 250 per meeting is payable.

C. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Board has constituted a Shareholders/Investors Grievance Committee as a step to achieve the objectives of Corporate Governance, consisting of the following directors:

1. Shri G.R. Morarka Non-executive Promoter Director
(Chairman of the Board)
2. Shri S.H. Nevatia Non-executive Independent Director
3. Shri B.J. Maheshwari Non-executive Independent Director
4. Shri K.P. Medhekar Non-executive Independent Director

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

1. To attend to investors grievances or shareholders grievances.
2. To appoint Registrars and Share Transfer Agent.
3. To transfer, transmit, consolidate, issue duplicate share certificates, split share certificates, etc.
4. To attend to complaints of Shareholders regarding non-receipt of Balance Sheet and non-receipt of Declared dividend etc.
5. To do all such acts, things, deeds as may be required to be done in the above regard.

The sitting fees @ Rs. 250/- per meeting is payable to a member for attending the committee meeting.

The Shareholders / Investors Grievance Committee is also required to submit their reports / suggestions to the Board of Directors of the Company from time to time.

Investor Services

Your Company has appointed M/s Mondkar Computers Pvt. Ltd. as Registrar and Share Transfer Agent, which has adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.



4. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2005-06	Ashoka Hall, Arcadia, Nariman Point, Mumbai - 400 021	26/09/2006	11.00 a.m.
2006-07	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.	27/09/2007	11.30 a.m.
2007-08	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020	29/09/2008	12.00 noon

5. 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 pursuant to Clause 49 of the Listing Agreement. The code has been posted on the website of the company.

6. 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 Listing Agreement with the Stock Exchange as well as the Regulations and Guidelines prescribed by SEBI and 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.

➤ Disclosures regarding appointment or reappointment of Directors [Pursuant to clause 49 of the Listing Agreement with the Stock Exchange] :

Given below are the brief resumes of the directors retiring by rotation and being eligible, are offering themselves for election:

Shri S. H. Nevatia: Age 47 years, is Director of the company. He is commerce Graduate and holding the degree of a Chartered Accountant. He has more than 25 years of experience in the field of profession and business.

He is not related to any Director of the Company

He is holding 113 equity shares in the company.

Shri K. P. Medhekar: Age 82 years, is a retired IPS officer and former Director General of Police Maharashtra, Ex-Member of the Public Service Commission, Vice Chairman of International Institute of Security and Management. He is recipient of many awards including Police Medal, President's Police Medal, Kathin Sewa Padak with Bar, Eastern Star for Bangladesh War, Western Star, Indo Pak war and few others.

He is not related to any Director of the Company

He is not holding any equity shares in the company.

7. MEANS OF COMMUNICATION

The Company's quarterly results in the proforma prescribed by the Stock Exchanges pursuant to clause 41 of the Listing Agreement 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 - Free Press Journal in English & Navshakti in Marathi.

As per the requirements of clause 51 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern etc. has been forwarded to Bombay Stock Exchange (BSE) and also on the Company's website: (www.morarkafinance.in) within the time prescribed in this regard. The Company's website also displays the official news releases.

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

8. GENERAL SHAREHOLDER INFORMATION:

- Annual General Meeting
Date, time and venue
24th Annual General Meeting
Tuesday, 29th September, 2009 at 12 noon at Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.
- Financial Calendar Particulars (April-March) (tentative and subject to change)
Date of Approval/publication
First Quarter Results
End of July, 2009
Second Quarter Results
End of October, 2009
Third Quarter Results
End of January, 2010
Last Quarter Results
End of June, 2010
- Dates of Book Closure
15th September, 2009 to 29th September, 2009 (both days inclusive).
- 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 Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	511549

International Securities Identification Number (ISIN)INE 367A 01015

➤ Market Price Data - Bombay Stock Exchange

Month	Highest (Rs.) Of the Month	Lowest (Rs.) Of the Month	Volume (No. of Shares)
April, 2008	15.98	10.00	15610
May, 2008	15.25	13.25	6783
June, 2008	16.37	13.21	14170
July, 2008	14.45	9.55	6509
August, 2008	16.75	10.14	14573
September, 2008	17.30	14.05	4978
October, 2008	14.00	11.59	2320
November, 2008	11.59	10.26	1666
December, 2008	12.00	10.74	2280
January, 2009	10.55	8.61	12540
February, 2009	9.18	8.35	9040
March, 2009	8.40	8.00	5791

➤ Registrar and Transfer Agents:

Mondkar Computers Pvt. Ltd.
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 and during the last financial year, 33 Approvals were obtained.

The total number of shares in physical form transferred during the year under review were 6,700.

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3. Shareholders Rights

The quarterly, Half Yearly and Annual Results are published in leading English News Paper having circulation all over India and also in Marathi News Paper circulating in the District. The results are also posted on the Company's website and Corp Filing Website, therefore the same are not sent to the Shareholders individually.

4. Audit Qualification

The company is in the regime of un-qualified financial statements

5. Training of Board Members

The Board of Directors consists of professionals having considerable experience and expertise in their respective fields and industry.

6. Mechanism for evaluating Non-Executive Board Members

As the Non-Executive Directors are professionals, no such mechanism exists.

7. Whistle Blower Policy

There is no Whistle Blower Policy. However the company recognises the importance of reporting to the management by any employee at any-level about the unethical behaviour or suspected fraud in violation of the Company's Code of Conduct or any other point of concern.

On behalf of the Board of Directors

Place: Mumbai
Dated: 30th June, 2009

B. J. Maheshwari
Director

CERTIFICATE FROM CHAIRMAN & CFO FOR COMPLIANCE WITH CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

To,
**The Shareholders of
Morarka Finance Limited**

Dear Sirs,

This is certify that your company has put in place the Code of Conduct for the Board of Directors and Senior Management with effect from 1st July, 2005 to all the Directors of the company and the members of senior management, which includes the employees of the Company who are one level below the Whole time directors and all the functional heads. The Directors and Members of the Senior Management have affirmed compliance with the code of Conduct for Board and Senior Management as on 31st March, 2009.

For Morarka Finance Limited

Place: Mumbai
Date: 30th June, 2009

G. R. Morarka
Chairman

L. N. Heda
C.F.O.



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➤ Distribution of Shareholding as on 31st March, 2009

No. of Shares	No of Shareholders	Percentage	No. of Shares	Percentage
Upto 500	2078	82.92	474382	10.54
501 - 1000	247	9.85	198774	4.42
1001 - 2000	90	3.59	141897	3.15
2001 - 3000	22	0.88	57916	1.29
3001 - 4000	24	0.96	85225	1.89
4001 - 5000	16	0.64	76121	1.69
5001 - 10000	11	0.44	66362	1.47
10001 And Above	18	0.72	3401423	75.55
Total	2506	100.00	4502100	100.0

➤ Categories of Shareholders on 31st March, 2009

Category	No. of Shares of Rs. 10/- each	%
Promoters		
* Indian	509595	11.33
* Foreign	-	-
Persons Acting in Concert	2208431	49.05
Mutual Funds	-	-
Banks	14000	0.31
Indian Institutional Investors	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	51118	1.14
General Public	1702436	37.81
NRIs, OCBs	8948	0.20
Clearing Members	7272	0.16
Total	4502100	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, 2009, 92.74% 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 Mr. Hemal Shah, Company Secretary at the above mentioned address.

Results

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

Non-Mandatory Requirements:

Mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company. Non-mandatory requirements are as hereunder:

1. The Board

The Company has non executive chairman. Maximum tenure of Independent Directors as mentioned is not adopted.

2. Remuneration Committee

The Company has already appointed Remuneration Committee on 4th March, 2003 and the Committee is operational.



MORARKA FINANCE LIMITED

To,
**The Board of Directors,
Morarka Finance Limited**

Re: Financial Statements for the year ended on 31st March, 2009

Dear Sirs,

We, G.R. Morarka, Chairman and L.N. Heda, 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, 2009 and to the best of our knowledge and belief, hereby clarify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2009 which are fraudulent, illegal and violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We hereby certify that:
 - a) there have been no significant changes in internal control during this year.
 - b) there have been no significant changes in accounting policies during this year.
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system.

For Morarka Finance Limited

Place: Mumbai
Date: 30th June, 2009

G. R. Morarka
Chairman

L. N. Heda
C.F.O.

Auditors' Report on Compliance of Conditions of Corporate Governance

To,
**The Shareholders of
Morarka Finance Limited**

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by M/s. Morarka Finance Limited for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated to the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

We further 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

For **D. P. AGARWAL & CO.**
Chartered Accountant

D P Agarwal
PROPRIETOR
Membership No: 35500

Place: Mumbai
Date: 30th June, 2009

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AUDITORS' REPORT

We have audited the attached Balance Sheet of M/S. MORARKA FINANCE LIMITED as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the significant accounting policies in Schedule "N" and the notes on accounts in Schedule "O" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date,
- c) in the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For D. P. AGARWAL & CO.
Chartered Accountants

D. P. AGARWAL
Membership No.35500

Place: Mumbai
Date : 30th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (3) of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. We are informed that the fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
3. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. In our opinion, and according to the information and explanation given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to book records.
6. The Company has granted unsecured loan to one company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 2,543,942/- and the year-end balance of loan granted to the said company was Rs.2,168,942/-.
7. In our opinion, the rate of interest and other terms and conditions on which loan has been granted to the company listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
8. According to the records of the company and information and explanation given to us, repayment of principal amount and



- interest on the loan granted aforesaid are regular.
9. According to the record of the company and information and explanations given to us, there were no overdue amount of loans granted to companies covered in the register maintained under section 301 of the Companies Act, 1956.
 10. The Company has not taken any Deposit from any parties covered in the register maintained under section 301 of the Act.
 11. In our opinion, and according to the information and explanations given to us, there are adequate control procedure commensurate with the size of the company and nature of its business with regards to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
 12. According to the information and explanations given to us, the transactions that need to be entered into register in pursuance of section 301 of the Companies Act 1956 have been duly entered.
 13. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 14. The Company has not accepted deposits from the public; therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company. According to the information and explanation given to us, no order has been passed by the Company Law Board.
 15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 16. According to the information and explanation to us, Central Government has not prescribed maintenance of cost record under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.
 17. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income tax, Wealth Tax and other statutory dues applicable to it. As explained to us, the Company has no liability in the course of its business of Employee's State Insurance, Custom Duty, Excise Duty, Cess and Sales Tax during the year.
 18. According to the records of the Company and the information and explanations given to us, there are no dues of Income Tax and Wealth Tax which have not been deposited on account of dispute.
 19. The Company does not have any accumulated losses as at 31st March 2009. The Company has not incurred any cash losses during the financial year covered by the audit and immediately preceding the financial year.
 20. The Company has made no borrowings from financial institutions or banks nor it has issued any debentures and therefore the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 21. According to the records of the Company and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 22. We are informed that the provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Society do not apply to the Company and, therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 23. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts in relation to dealing in shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the Company has held shares, securities, debentures and other securities in its own name.
 24. The Company has not taken any term loans and therefore the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable.
 25. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
 26. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 27. The Company has not issued debentures and hence question of creating security does not arise.
 28. The Company has not raised any money by public issue during the year.
 29. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **D. P. AGARWAL & CO.**
Chartered Accountants

Place: Mumbai
Date : 30th June, 2009

D. P. AGARWAL
Membership No.35500

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BALANCE SHEET AS AT 31ST MARCH 2009

Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS:			
Share Capital	A	45,021,000	45,021,000
Reserves and Surplus	B	43,215,000	42,376,064
		<u>88,236,000</u>	<u>87,397,064</u>
Loan Funds:	C		
Unsecured Loans		-	520,661
			<u>-520,661</u>
TOTAL		<u><u>88,236,000</u></u>	<u><u>87,917,725</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS	D		
Gross Assets		4,081,986	4,081,986
Less : Depreciation		<u>(2,871,760)</u>	<u>(2,798,433)</u>
TOTAL NET BLOCK		<u>1,210,226</u>	<u>1,283,553</u>
INVESTMENTS	E	82,818,808	82,632,908
Deferred Tax Assets (Refer Schedule P, note 3)		871,345	410,321
CURRENT ASSETS, LOANS & ADVANCES	F		
Inventories		975,705	1,130,584
Cash and Bank Balances		584,727	143,435
Loans & Advances		<u>2,360,217</u>	<u>2,792,293</u>
		<u>3,920,649</u>	<u>4,066,312</u>
LESS: CURRENT LIABILITIES & PROVISIONS	G		
Liabilities		350,717	242,558
Provisions		<u>234,311</u>	<u>232,811</u>
		<u>585,028</u>	<u>475,369</u>
NET CURRENT ASSETS		<u>3,335,621</u>	<u>3,590,943</u>
TOTAL		<u><u>88,236,000</u></u>	<u><u>87,917,725</u></u>
Significant Accounting Policies	O		
Notes On Accounts	P		
Cash Flow Statement	Q		

As per our report of even date
FOR D.P. AGARWAL & CO.
Chartered Accountants
by the hand of

G. R. MORARKA
CHAIRMAN

B. J. MAHESHWARI
DIRECTOR

DAMODAR AGARWAL
PROPRIETOR
MEMBERSHIP NO. 35500

Mumbai,
Dated: 30th June, 2009

Mumbai,
Dated: 30th June, 2009



MORARKA FINANCE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Sales /Income From Operations	H	-	339,999
Income from Investments, Stock in Trade and Advances	I	1,818,108	1,330,283
Other Income	J	79,012	1,771,196
Increase/(Decrease) in Stock	K	(154,879)	(208,895)
		<u>1,742,241</u>	<u>3,232,583</u>
EXPENDITURE			
Purchases & Expenses on operations		27,700	225,361
Staff Expenses	L	301,247	284,278
Interest	M	5,152	-
Other Expenditure	N	953,745	1,183,575
Depreciation and Obsolescence		73,327	79,265
Loss On Sale of Investments		-	14,060
		<u>1,361,171</u>	<u>1,786,539</u>
Profit(Loss) before tax		381,069	1,446,044
Provision for			
Current Tax		-	80,177
For earlier years		-	14,337
For Fringe Benefit Tax		3,156	14,572
		<u>377,913</u>	<u>1,336,958</u>
Deferred Tax (Refer... Schedule '0',note 3)		(461,023)	(1,150,466)
Profit(Loss) after tax		838,936	2,487,424
Balance b/f from previous year		33,743,610	31,256,186
Profit Available for Appropriation		<u>34,582,546</u>	<u>33,743,610</u>
APPROPRIATIONS			
Proposed Dividend on equity shares		-	-
Additional tax on dividend		-	-
Transfer to General Reserves		-	-
Balance carried to Balance Sheet		<u>34,582,546</u>	<u>33,743,610</u>
Earnings Per Share(Refer schedule 'P' note 4)			
Basic and Diluted		0.19	0.55
Significant Accounting Policies	O		
Notes on Accounts	P		
Cash Flow Statement	Q		

As per our report of even date
FOR D.P. AGARWAL & CO.
Chartered Accountants.
by the hand of

G. R. MORARKA
CHAIRMAN

B. J. MAHESHWARI
DIRECTOR

DAMODAR AGARWAL
PROPRIETOR
MEMBERSHIP NO. 35500
Mumbai,
Dated:30th June,2009

Mumbai,
Dated:30th June,2009

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SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2009

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
SCHEDULE - A :		
CAPITAL		
AUTHORISED		
48,00,000 Equity Shares of Rs.10/- each	48,000,000	48,000,000
1,50,000 1% Redeemable Non Cumulative Preference Shares of Rs.100/- each)	15,000,000	15,000,000
	<u>63,000,000</u>	<u>63,000,000</u>
ISSUED SUBSCRIBED & PAID UP		
45,02,100 Equity Shares of Rs.10/- each fully paid-up	45,021,000	45,021,000
	<u>45,021,000</u>	<u>45,021,000</u>
SCHEDULE - B :		
RESERVES & SURPLUS		
General Reserve:	2,102,454	2,102,454
Add: Transfer from Profit & Loss account during the year	2,102,454	-
	<u>2,102,454</u>	<u>2,102,454</u>
Profit & Loss account	34,582,546	33,743,610
Capital Redemption Reserve	6,530,000	6,530,000
	<u>43,215,000</u>	<u>42,376,064</u>
SCHEDULE - C :		
UNSECURED LOANS		
Inter Corporate deposits: from a body corporate	-	520,661
	<u>-</u>	<u>520,661</u>

SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2009

SCHEDULE D :

FIXED ASSETS

Assets	GROSS BLOCK (at cost)				DEPRECIATION				NET BLOCK	
	As at 1.04.2008	Additions during the Year	Deletions	As at 31.03.2009	As at 1.04.2008	For the year	Deletions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings *	2,876,706	0	0	2,876,706	1,665,795	60,546	0	1,726,341	1,150,365	1,210,911
Office Equipment	79,227	0	0	79,227	70,464	1,219	0	71,683	7,544	8,763
Furniture & Fixtures	1,126,053	0	0	1,126,053	1,062,174	11,562	0	1,073,736	52,317	63,879
TOTAL	4,081,986	0	0	4,081,986	2,798,433	73,327	0	2,871,760	1,210,226	1,283,553
As at 31.03.2008	4,081,986	0	0	4,081,986	2,719,168	79,265	0	2,798,433	1,283,553	0

* Building represents value of office premises on ownership basis in a Co-operative society and includes cost of five shares of Rs.50/- each aggregating to Rs.250/-



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SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2009

	Rupees	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<u>SCHEDULE- E :</u>			
Investments			
<u>QUOTED :</u>			
<u>Non Trade Investments</u>			
DWARIKESH SUGAR INDUSTRIES LIMITED			
As per last year's accounts			
(23,48,818 Equity Shars of Rs.10/- each fully paid up)	52,063,904		52,063,904
Add: Purchase during the year			
(5,000 Equity Shares of Rs.10/- each fully paid up)	185,900	52,249,804	
	(A)	52,249,804	52,063,904
<u>Non Trade Investments</u>			
DWARIKESH TRADING COMPANY LIMITED			
(12,582 Equity Shares of Rs.10/- each fully paid up)		326,553	326,553
ORMERODS(INDIA)PRIVATE LIMITED			
(19,100 Equity Shares of Rs.4/- each fully paid up)		242,450	242,450
DWARIKESH INFORMATICS LIMITED			
(23,000 Equity Shares of Rs.10/- each fully paid up)		1	1
DWARIKESH TRADING CO. LTD.			
(3,00,000 8% Redeemable Cumulative Preference Shares @100/- each		30,000,000	30,000,000
	(B)	30,569,004	30,569,004
	(A+B)	82,818,808	82,632,908
<u>Quoted Investments</u>			
Book Value		52,249,804	52,063,904
Market Value		94,388,102	124,487,354
<u>Unquoted Investments</u>			
Book value		30,569,004	30,569,004



MORARKA FINANCE LIMITED

SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2009

Rupees	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<u>SCHEDULE - F :</u>		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Stock of Shares & Debentures	975,705	1,130,584
(At lower of cost or Market value)		
(refer Schedule 'P' Note 2)		
Cash and Bank balances :		
Cash on hand	44,011	44,417
Balances with Scheduled Banks in Current account	540,716	584,727
	<hr/>	<hr/>
Loans & Advances :		
Advances recoverable in cash		
or in kind or for value to be received		
Unsecured, considered good	2,360,217	2,792,293
	<hr/>	<hr/>
	3,920,649	4,066,312
	<hr/> <hr/>	<hr/> <hr/>
<u>SCHEDULE - G :</u>		
CURRENT LIABILITIES & PROVISIONS		
<u>Sundry Creditors :</u>		
Other Liabilities	350,717	350,717
	<hr/>	<hr/>
Provision		
For Leave Encashment	33,750	32,250
For Provision For Tax	200,561	200,561
	<hr/>	<hr/>
	234,311	232,811
	<hr/>	<hr/>
	585,028	475,369
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SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2009

	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE - H :		
SALES /INCOME FROM OPERATIONS		
Sale of Securities	-	339,999
	-	339,999
SCHEDULE - I :		
INCOME FROM INVESTMENTS, STOCK IN TRADE AND ADVANCES		
Interest : Advances (Gross)	207,922	212,462
(Tax deducted at source Rs.42,832/- previous year Rs 43,767/-)		
Interest : Industrial Development Bank of India 13% Bonds	-	18,538
(Tax deducted at source Rs.Nil previous year Rs.4,017)		
Dividend from Shares	1,610,186	1,099,283
	1,818,108	1,330,283
SCHEDULE - J :		
OTHER INCOME		
Bad debts Written off Recovered	-	1,725,000
Miscellaneous Income	6,916	7,968
Sundry Balance Written Back	14,161	9,000
Interest on Income tax Refund	57,935	29,228
	79,012	1,771,196

**SCHEDULES FORMING PART OF ACCOUNTS: 31ST MARCH 2009**

	2008-2009 Rupees	2007-2008 Rupees
<u>SCHEDULE - K :</u>		
INCREASE/(DECREASE) IN STOCKS		
Closing Stock of Securities	975,705	1,130,584
Less: Opening Stock of Securities	(1,130,584)	(1,339,479)
	<u>(154,879)</u>	<u>(208,895)</u>
<u>SCHEDULE L - L :</u>		
STAFF EXPENSES		
Salaries , Bonus and Other Benefits	301,163	284,194
Staff Welfare Expenses	84	84
	<u>301,247</u>	<u>284,278</u>
<u>SCHEDULE - M :</u>		
Interest Others	5,152	-
	<u>5,152</u>	<u>-</u>
<u>SCHEDULE N :</u>		
OTHER EXPENDITURE		
Advertisement	42,113	41,374
Audit fees	30,000	30,000
Rates and taxes	65,929	64,992
Rent	-	6,000
Travelling & Conveyance	152,949	176,953
Legal & Professional charges	82,500	171,000
Membership & Subscription	18,630	20,168
Printing & Stationery	22,701	26,098
Postage, Telephone & Telex	47,205	66,161
Society Maintenance Expenses	45,848	21,248
Charity & Donations	-	84,000
Short Term Loss On FMP	-	6,732
Expenses for News & Subscription	360,000	400,000
Miscellaneous Expenses	72,620	54,349
Sitting Fees To Directors	13,250	14,500
	<u>953,745</u>	<u>1,183,575</u>

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SCHEDULE O: SIGNIFICANT ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

The accounts have been prepared using historical cost convention and on the basis of going concern with revenues recognised and expenses accounted on accrual including committed obligations and are in accordance with Section 211(3C) and other provisions of the Companies Act, 1956.

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 XIV of the Companies Act, 1956, on written down value method.

g. Taxes on Income

- (i) Provision for income tax Rs. Nil 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 recognised 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 upto the date of approval of the accounts by the Board, where material.

i. Intangible Assets:

ii. 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.

iii. 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.

iv. 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.

SCHEDULE P: NOTES ON ACCOUNTS

1. a) Provision for income tax has not been made in these accounts since the Company does not have taxable income.
b) The Company does not have taxable wealth and hence no provision for wealth tax has been made in these accounts.
2. 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, 2009 as required by Part I of Schedule VI to the Companies Act, 1956, in view of the number of scripts bought and sold being large, it is not practicable to disclose the same individually.



MORARKA FINANCE LIMITED

3. Pursuant to the Accounting Standard 22 relating to "Accounting for Taxes on Income", the Company has recognized net Deferred Tax Assets to the extent of **Rs.8,71,345/-** 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 allowability 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.

4. Earning 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, 2009.

Particulars		31/03/2009	31/03/2008
a) Numerator Profit / (loss) after tax	Rs.	8,38,936	24,87,424
b) Denominator Weighted average number of equity shares	Nos.	4502100	4502100
c) Earnings per Share (Basic & diluted) = Numerator / Denominator	Rs.	0.19	0.55

5. Contingent Liabilities in respect of :

PARTICULARS	Amount [Rs. in Crores]	
	2008 – 2009	2007 – 2008
a) In respect of show cause notice from SEBI under Regulation 8(3) of SEBI take over code regulation	0.0175	0.0175

6. Related Party Disclosures:

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

i. Associates

Dwarikesh Sugar Industries Limited
Dwarikesh Trading Company Limited
Dwarikesh Informatics Limited

ii. Key Management Personnel:

Name

Designation

Shri G. R. Morarka

Chairman

Miss Priyanka G. Morarka

Director

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

	31 st March, 2009	
	Associates	Key Management Personnel
	Rs.	Rs.
1. Interest Income		
Dwarikesh Sugar Industries Ltd.	2,07,922	-
2. Dividend received		
Dwarikesh Trading Co. Ltd.	15,04,201	-
3. Interest Exp.		
Dwarikesh Trading Co., Ltd.	5,152	-
4. Amounts Payable		
Dwarikesh Informatics Ltd.	2,40,780	-
5. Amounts Receivable		
Dwarikesh Sugar Industries Ltd.	21,68,912	-
6. Maximum amount due at any time		
a. Dwarikesh Trading Co. Ltd.	1,17,513	-
b. Dwarikesh Informatics Ltd.	5,24,092	-
7. Maximum amount Receivable at any time		
Dwarikesh Sugar Industries Ltd.	25,43,942	-

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

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

24th ANNUAL REPORT



7. Additional information pursuant to the provision of Part II of the Schedule VI to the Companies Act, 1956 is not applicable to the Company for the year.
8. There are no Small Scale and Ancillary Industrial Undertakings to which the Company owes any sum for a period exceeding thirty days.
9. There are no amounts due and outstanding to be transferred to Investor Education & Protection Fund as on 31st March, 2009.
10. 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.
11. Balance Sheet Abstract and Company's General Business Profile as per Part (IV) of Schedule VI to the Companies Act, 1956.

I Registration Details

Registration No.:	L67120 MH1985PLC035632	State Code	11
Balance Sheet Date:	31/03/2009		

II Capital raised during the year

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Rupees)

Total Liabilities	88,236,000	Total Assets	88,236,000
Source of Funds			
Paid-Up Capital	45,021,000	Reserves & Surplus	43,215,000
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	1,210,226	Investments	82,818,808
Net Current Assets	3,336,597	Deferred Tax Assets	871,345
Accumulated Losses	NIL	Misc. Expenditure	NIL

IV Performance of Company

Turnover	1,742,241	Total Expenditure	1,361,171
Profit/(Loss)Before Tax	381,069		
Profit/(Loss)After Tax	838,936		
Earning per Share	0.19	Dividend Rate	NIL

V Generic names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. NIL

Product Description : Financial / Leasing / Advisory Services etc.

12. Figures for the previous year have been regrouped, wherever necessary.

Signature to Schedules "A" to "Q"

As per our report of even date
For **D. P. AGARWAL & CO.**
Chartered Accountants
by the hand of

G. R. MORARKA) CHAIRMAN

DAMODAR AGARWAL
PROPRIETOR
MEMBERSHIP NO. 35500
PLACE : Mumbai
DATED : 30th June, 2009

B. J. MAHESHWARI) DIRECTOR

PLACE : Mumbai,
DATED : 30th June, 2009



MORARKA FINANCE LIMITED

SCHEDULE - Q

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st, MARCH 2009

A. CASH FLOW FROM OPERATING ACTIVITIES :

	2008-2009 (Rupees)	2007-2008 (Rupees)
NET PROFIT/(LOSS) BEFORE TAX	381,069	1,446,044
ADJUSTMENTS FOR:		
DEPRECIATION	73,327	79,265
LOSS ON SALE OF INVESTMENTS	0	20,792
INVESTMENT INCOME	<u>(1,610,186)</u>	<u>(1,099,283)</u>
	<u>(1,536,859)</u>	<u>(999,226)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>(1,155,790)</u>	<u>446,818</u>
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	432,076	(1,735,595)
INVENTORIES	154,879	208,895
TRADE PAYABLES	109,659	(694,534)
SALE OF FIXED ASSETS	0	0
DIRECT TAXES PAID	<u>(3,156)</u>	<u>(109,086)</u>
CASH GENERATED FROM OPERATIONS	<u>(462,332)</u>	<u>(1,883,502)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>(462,332)</u>	<u>(1,883,502)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF INVESTMENTS	(185,900)	(30,000,000)
INVESTMENT INCOME	1,610,186	1,099,283
SALE OF INVESTMENTS	0	32,500,000
LOSS ON SALE OF INVESTMENT	0	(20,792)
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>1,424,286</u>	<u>3,578,491</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend-Equity Shares	0	(2,251,050)
Unsecured loan paid	0	520,661
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS(A-B+C)	<u>441,292</u>	<u>(1,730,389)</u>
CASH AND CASH EQUIVALENTS(OPENING BALANCE)	143,435	178,835
CASH AND CASH EQUIVALENTS(CLOSING BALANCE)	<u>584,727</u>	<u>143,435</u>

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
- Previous year figures have been regrouped, wherever required.

As per our report of even date
FOR D.P. AGARWAL & CO.
Chartered Accountants
by the hand of

DAMODAR AGARWAL
PROPRIETOR
MEMBERSHIP NO. 35500

Mumbai,
Dated: 30th June, 2009

G. R. MORARKA
CHAIRMAN

B. J. MAHESHWARI
DIRECTOR

Mumbai,
Dated: 30th June, 2009



MORARKA FINANCE LIMITED

(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
Long Term investments :	
1. Quoted :	
(i) Shares : (a) Equity	522.50
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
2. Unquoted :	
(i) Shares : (a) Equity	5.69
(b) Preference	300.00
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :	
Please see Note 2 below	
Category	Amount net of provisions
	Secured Unsecured Total
1. Related Parties **	
(a) Subsidiaries	- - -
(b) Companies in the same group	- - -
(c) Other related parties	- - -
2. Other than related parties	
Total	- - -
(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	
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	825.76
2. Other than related parties	2.42
Total	828.18
** 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.

POLL CARD

MORARKA FINANCE LIMITED

REGD. OFFICE : 511, MAKER CHAMBERS - V,
221, NARIMAN POINT, MUMBAI - 400 021

24th ANNUAL GENERAL MEETING - HELD ON TUESDAY, 29TH SEPTEMBER, 2009

FOR	AGAINST
NAME :	NAME :
SIGNATURE :	SIGNATURE :
FOLIO NO. :	FOLIO NO. :
NO. OF SHARES :	NO. OF SHARES :
REMARKS :	VERIFIED BY :

POLL CARD

MORARKA FINANCE LIMITED

REGD. OFFICE : 511, MAKER CHAMBERS - V,
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24th ANNUAL GENERAL MEETING - HELD ON TUESDAY, 29TH SEPTEMBER, 2009

FOR	AGAINST
NAME :	NAME :
SIGNATURE :	SIGNATURE :
FOLIO NO. :	FOLIO NO. :
NO. OF SHARES :	NO. OF SHARES :
REMARKS :	VERIFIED BY :

"FORM 2 B"
 (See rules 4ccc and 5D)
NOMINATION FORM

(To be filled in by individual(s) applying singly or jointly)

I/We the holders of Shares / Debentures / Deposit Receipt bearing number (s) of M/s. wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and / or amount payable in respect of shares / debentures / deposits shall vest in the event of my / our death.

Name(s) and Address (es) of Nominee (s)

Name

Address

Date of Birth *

(* To be furnished in case the nominee is a minor)

** The Nominee is a minor whose guardian is

Name and Address

(** To be deleted if not applicable)

Signature

Name

Address

Date

Signature

Name

Address

Date

Signature of two Witnesses

Name and Address

Signature with Date

1.

2.

Date :

Instructions :

1. The Nomination can be made by individuals only, applying / holding shares / debentures on their own behalf singly or jointly upto two persons. Non-individuals including society, trust body corporate, partnership firm, Karta & Hindu undivided Family, holders of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form, Space is provided in the Specimen, if there are more joint holders more sheets can be added for signatures of holders of share / debentures and witness.
2. A minor can be nominated by a holder of shares / debentures / deposits and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
4. Nomination stand rescind upon transfer of shares / debentures or repayment / renewal of deposits made.
5. Transfer of shares debentures in favour of a nominee and repayment of amount of deposit to nominee shall be valid discharge by a company against the legal heir.
6. The intimation regarding nomination / nomination form shall be filled in duplicate with company / Registrar and Share transfer agents of the company who will return one copy thereof to the share or debenture or deposit holder.

* Please submit the aforesaid form in duplicate.

MORARKA FINANCE LIMITED
ELECTRONICS CLEARING SERVICE (CREDIT CLEARING)
MANDATE FORM

I Wish to participate in the Electronic Clearing Service (ECS) introduced by Reserve Bank of India. I give below details of my bank account, to which you may electronically credit payment of dividend due to me.

1. First Shareholder's Name (in Block Letters) _____

2. (a) Reference Folio No. (For physical shares) _____

For Demat Shares _____

(b) DP I. D. _____

(c) Client I. D. No. _____

3. Particulars of the Bank

(a) Name of the Bank _____

(b) Branch Address & Tel. Nos. _____

* (c) 9 digit code Number of the Bank and Branch as appearing in the MICR cheque issued by the Bank

--	--	--	--	--	--	--	--	--

(d) Account type

<input type="checkbox"/>	Saving	<input type="checkbox"/>	Current	<input type="checkbox"/>	Cash Credit
--------------------------	--------	--------------------------	---------	--------------------------	-------------

(e) Ledger Folio No. (If any) of your bank account

--	--	--	--	--	--	--	--	--	--	--	--	--	--

(f) Account No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--

I hereby declare that the above particulars are correct and complete. I undertake to inform subsequent changes (if any) in the above particulars before the relevant book closure date(s). If the payment transaction is delayed or not effected at all for reasons of incomplete or incorrect information or for reasons beyond the control of the Company, I will not hold the Company responsible.

* The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number. Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code numbers. Mandate requests received without the photocopy of a cheque or blank cancelled cheque will not be considered.

Date _____

Place _____

Signature of the first holder

Notes :

1. Please send the form to the Registrar - M/s. Mondkar Computers Private Limited or your depository participant as applicable.
2. ECS mode of payments is valid only for payments upto Rs. 5,00,000/-
3. The Company reserves the right to pay dividend by issue of Warrant.

BOOK - POST

If undelivered, please return to :
MORARKA FINANCE LIMITED
511, MAKER CHAMBERS V,
221, NARIMAN POINT
MUMBAI 400 021.