



MORARKA FINANCE LIMITED

Regd Off : 511, Maker Chambers V, 221, Nariman Point, Mumbai – 400 021, Tel.: 22832468, 22042945 Fax : 22047288
www.morarkafinance.in, investors@morarkafinance.in
CIN : L67120MH1985PLC035632

REF: MFL/ 2024-25/077

August 20, 2024

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai - 400 001
Fax: 22723 2082 /3132

Scrip Code: 511549

Sub: Regulation 34 – Submission of Notice of 39th Annual General Meeting and Annual Report for the financial year – 2023-24

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Annual Report (AR) of the Company for the financial year 2023-24 including a copy of Notice of 39th Annual General Meeting (refer page no. 1 of Annual Report) scheduled to be held on Monday, September 23, 2024 at 12.00 noon IST at Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.

You are requested to acknowledge receipt of the same.

Thanking you,
Yours Sincerely

Divya Agarwal
Company Secretary & Compliance Officer

Encl: As above



MORARKA
FINANCE
LIMITED

39th ANNUAL REPORT

2024

BOARD OF DIRECTORS

SHRI G. R. MORARKA
Ms. PRIYANKA G. MORARKA
SHRI VIJAY S. BANKA
SHRI K. N. PRITHVIRAJ
(Appointed w.e.f. July 17, 2024)

SHRI S. H. NEVATIA
SHRI B. J. MAHESHWARI
Ms. K. SAVITHA RAO
MS. NINA CHATRATH
(Appointed w.e.f. July 17, 2024)
MS. DIVYA RAO
(Appointed w.e.f. July 17, 2024)

KEY MANAGERIAL PERSONNEL

Mrs. DIVYA S. AGARWAL - CS & COMPLIANCE OFFICER
SHRI PREMCHAND P. SINGH - CFO
SHRI PRANAY G. MORARKA - CEO

AUDITORS

M/S JAYESH DADIA & ASSOCIATES LLP, CHARTERED ACCOUNTANTS

BANKERS

ICICI BANK LTD

REGISTERED OFFICE

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

SOLICITORS

MULLA & MULLA & CRAIGIE BLUNT & CAROE

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
C 101, 247 Park, LBS Road, Vikhroli West, Mumbai - 400083.

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NOTICE

NOTICE is hereby given that the **Thirty Ninth** (39th) Annual General Meeting of the Company will be held on Monday, September 23, 2024 at 12.00 noon IST at Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2024, Directors' Report and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2024.
3. To appoint a Director in place of Ms. Priyanka G. Morarka (DIN: 00001088), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To appoint Shri Prithviraj Natrajan Kokkarne (DIN: 00115317) as a Non-executive Independent Director and in this regard to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulation(s) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Shri Prithviraj Natrajan Kokkarne (DIN: 00115317) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from July 16, 2024 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this 39th Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from July 17, 2024 to July 16, 2029.

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, approval of the Members of the Company, be and is hereby granted for appointing Shri Prithviraj Natrajan Kokkarne (DIN: 00115317) as Non-Executive Independent Director, who has attained the age of 75 (Seventy Five) years as on 03rd March, 2022.

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. To appoint Ms. Nina Chatrath (DIN: 07700943) as a Non-executive Independent Director and in this regard to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulation(s) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Ms. Nina Chatrath (DIN: 07700943) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from July 16, 2024 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this 39th Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from July 17, 2024 to July 16, 2029.



“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To appoint Ms. Divya Rao (DIN: 10684830) as a Non-executive 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 pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulation(s) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Ms. Divya Rao (DIN: 10684830) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from July 16, 2024 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this 39th Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from July 17, 2024 to July 16, 2029.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By order of the Board
For **Morarka Finance Limited**

Divya Agarwal

Company Secretary & Compliance Officer

ACS 55416

Place : Mumbai
Date : July 16, 2024

Regd Office : 511, Maker Chambers V,
221, Nariman Point, Mumbai – 400021
Phone No. 022-22832468, Fax: 022-22047288.
Email ID : investors@morarkafinance.in
CIN : L67120MH1985PLC035632

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. 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. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.
3. 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. Proxy Form is annexed to this Report.
4. Additional information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.
5. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.

6. Members/proxies are requested to bring their copy of Annual Report, while attending the Annual General Meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday, 17th September, 2024 to Monday, 23rd September, 2024 (both days inclusive)** for the purpose of identification of members who shall be entitled to receive Dividend and attend Annual General Meeting of the Company.
8. Securities and Exchange Board of India (SEBI) vide its notification dated June 08, 2018 has notified all listed Companies and Registrar & Transfer Agents that transfer of securities shall be carried out only in dematerialised form.
Accordingly, attention of all shareholders holding shares in physical form if brought to the following:
 - Company & RTA shall not affect transfer of securities held in physical form from April 01, 2019.
 - This restriction shall not be applicable for transmission or transposition of securities held in physical form.
 - To eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited (Formerly M/s. Universal Capital Securities Pvt. Ltd.) ("RTA") for assistance in this regard.
9. To support the 'Green Initiative' by the Ministry of Corporate Affairs, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. 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 RTA.
14. 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.
15. Members are requested to note that, Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments there to dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
16. The Notice of the 39th 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). Members who have not given specific consent for receipt of these documents in electronic form hitherto are requested to register their email addresses by sending their details to their Depository participants or Company or its RTA & also their consent by e-mail to investors@morarkafinance.in or by a written consent to Company's registered office or to its RTA. However, members shall be provided with copy of Annual Report free of cost on their request in writing. Members may note that Soft copy of the Annual report 2023-24 is available on Company's website www.morarkafinance.in, website of BSE Limited at www.bseindia.com and on the website of CDSL www.evotingindia.com.



17. SEBI has mandated the submission of PAN by every participant in securities market. Members who are holding the shares in electronic mode are therefore requested to submit the PAN to their depository participants with whom they are having their demat accounts. Members having shares in physical form can submit their PAN details to the company or its RTA.
18. At the 37th AGM held on June 28, 2022, the Members approved appointment of M/s Jayesh Dadia & Associates LLP, Chartered Accountants, Mumbai having ICAI Firm Registration No.121142W/ W100122 as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 42nd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 39th AGM.
19. In compliance of provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, 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 (FCS No. F-5023 & COP No.4279), 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.
20. A Member can opt for only one mode of voting i.e. either through remote 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.com and on the website of CDSL www.evotingindia.com within two days of the 39th AGM of the Company and shall be communicated to BSE Limited at www.bseindia.com where the shares of the Company are listed.
21. 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 RTA/ Central Depository Services Limited (CDSL) as on Friday, August 16, 2024.
22. SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024, upon their furnishing all the aforesaid details in entirety.
23. Members may note that in accordance with the provisions of the Income-tax Act, 1961 ("IT Act"), as amended from time to time, read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared by the Company is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") on dividend at the applicable rates.

Please take note of the below TDS provisions and information/document requirements for each member:

A. RESIDENT SHAREHOLDERS:

A.1 No tax shall be deducted on payment of dividend to the resident individual members, if the total dividend for a financial year does not exceed Rs. 5,000 (Rupee Five Thousand), subject to availability of PAN of member.

A.2 Tax shall be deducted from Dividend paid to resident members (other than category prescribed under A.1 above) as per the details provided below:

| Particulars | Applicable Rate of Tax | Declaration/ documents required |
|---|---|--|
| Where valid PAN is updated with the Depository Participant (in case shares are held in dematerialized form) or with Company's Registrar and Transfer Agent ("RTA") i.e., Link Intime India Private Limited (in case shares are held in physical form) and no exemption is sought by the resident member | 10% | Not applicable |
| No PAN/ Invalid PAN/ Inoperative PAN* or Specified person as per section 206AB of the IT Act and no exemption sought by member | 20% | Not applicable Note: In case of a shareholder being resident individual eligible for obtaining Aadhaar Number have not linked the Aadhar Number allotted with its PAN (as on the date of payment of such dividend), such PAN would be treated as inoperative for the provisions of deduction of TDS. |
| Where lower/ nil tax deduction certificate is issued by Income Tax Department under section 197 of the IT Act | Rate specified in Lower tax withholding certificate obtained from Income Tax Department | <ul style="list-style-type: none"> Copy of PAN card Copy of lower tax withholding certificate obtained from Income Tax Department Note: The certificate should be valid for the financial year 2024-25 and should cover the dividend income from the company. |

* As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar, except person exempted as per Notification No. 37/2017. In case of failure to comply to this, the PAN allotted shall be deemed to be inoperative and tax shall be deducted at higher rates as prescribed under the IT Act.

A.3 No tax shall be deducted on Dividend to resident members if the members submit documents mentioned in the below table with the RTA:

| Particulars | Declaration/ documents required |
|--|--|
| Individual furnishing Form 15G/ 15H | <ul style="list-style-type: none"> Copy of PAN card Form 15G (applicable to an individual who is less than 60 years) OR Form 15H (applicable to individual who is 60 years or more), provided that all the required eligibility conditions are met. (Download format of Form 15G and 15H from the website of the Company) |
| Submitting Certificate under Section 197 of the IT Act | <ul style="list-style-type: none"> Copy of PAN card NIL withholding tax certificate obtained from tax authority Note: The certificate should be valid for the financial year 2024-25 and should cover the dividend income from the company. |



| Particulars | Declaration/ documents required |
|--|---|
| Members [e.g. LIC, GIC,] for whom Section 194 of the IT Act is not applicable | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (Download format SD1 from the website of the Company) along with adequate documentary evidence (e.g., registration certificate) to the effect that no tax withholding is required pursuant to the provisions of Section 194 of the IT Act. |
| Category I and II Alternative Investment Fund (AIF) | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (Download format SD1 from the website of the Company) that the AIF is registered with SEBI as per SEBI Regulations along with copy of registration certificate along with the confirmation that their income is exempted from tax in terms of notification no. 51/2015 issued by CBDT |
| Persons covered under Section 196 of the IT Act (e.g. Mutual Funds specified under clause (23D) of Section 10 of the IT Act, RBI, Govt.) | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (Download format SD1 from the website of the Company) along with documentary evidence (e.g., registration certificate) that the person is covered under said Section 196 of the IT Act |
| Other shareholders exempt as per Section 197A of the IT Act including those mentioned in Circular No. 18/2017 issued by CBDT viz. New Pension System Trust governed by Section 10(44), Recognized Provident Fund, Approved Superannuation Fund or Approved Gratuity Fund | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (Download format SD1 from the website of the Company) along with documentary evidence to the effect that no tax withholding is required Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017) |

B. Non-resident shareholders:

As per Section 90 of the IT Act, the non-resident member has the option to be governed by the provisions of the Double Taxation Avoidance Agreement (“Tax Treaty”) between India and the country of tax residence of the member, if they are more beneficial to them. Please refer to the below table for the details of documents to avail Tax Treaty benefits:

| Particulars | Applicable Rate | Documents required (if any) |
|---|---|---|
| Non-resident Members (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) | 20% plus applicable surcharge and cess OR Tax Treaty Rate (Whichever is lower) | If the member wants to avail the tax rates as per the Tax Treaty, following documents would be required: <ul style="list-style-type: none"> Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority of the country of member’s residency, evidencing and certifying the tax residency status of the member in the country of residency during the Financial Year 2024-25 Electronically generated Form 10F from the link https://eportal.incometax.gov.in In case of FIIs and FPIs, self-attested copy of SEBI registration certificate Self-declaration in the (Download format SD2 from the website of the Company), certifying that – <ol style="list-style-type: none"> You will continue to remain a tax resident of the country of your residency during the Financial Year 2024-25; |

| Particulars | Applicable Rate | Documents required (if any) |
|---|---|---|
| | | <ul style="list-style-type: none"> ii. You are eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company; iii. You have no reason to believe that your claim for the benefits of the Tax Treaty is impaired in any manner; iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company; v. You do not have a taxable presence/ permanent establishment/ fixed base/ Business Connection/ Place of Effective Management, in India in accordance with the applicable Tax Treaty or dividend income is not attributable/ effectively connected to any permanent establishment or fixed base in India (Non-resident having PE in India would need to comply with provisions of section 206AB); vi. Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI'). |
| Submitting Certificate under Section 197 of the IT Act. | Rate specified in Lower/Nil withholding tax certificate | <ul style="list-style-type: none"> • Lower/NIL withholding tax certificate obtained from tax authority <p>Note: The certificate should be valid for the financial year 2024-25 and should cover the dividend income from the company.</p> |
| Alternative Investment Fund – Category III located in International Financial Services Centre | 10% (plus applicable surcharge and cess) | <ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (Download format SD3 from the website of the Company) along with adequate documentary evidence (e.g. registration certificate) substantiating the nature of the entity. |
| Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the IT Act | 30% | Not applicable |
| Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the IT Act | NIL | <ul style="list-style-type: none"> • Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the IT Act issued by the Government of India. • Self-Declaration (Download format SD4 & SD5 from the website of the Company) that the conditions specified in section 10(23FE) have been complied with. |
| Foreign Portfolio Investors (FPIs) – Category I | 10% (plus applicable surcharge and cess) in case of a valid PAN | <ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (Download format SD6 from the website of the Company) along with adequate documentary evidence (e.g. registration certificate) substantiating the nature of the entity. |
| Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the IT Act | NIL | Self-Declaration (Download format SD7 from the website of the Company) substantiating the fulfillment of conditions prescribed under section 10(23FE) of the IT Act |



Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company/ RTA, of the documents submitted by Non-Resident members and meeting requirement of the IT Act read with applicable Tax Treaty. It must be ensured that self-declaration should be addressed to the company and should be in the same format as attached. In the absence of the same, the company will not be obligated to apply the beneficial Tax Treaty rate at the time of tax deduction on dividends.

* **The shareholders can download the format of aforementioned forms on the website of the Company at <https://www.morarkafinance.in/investor-relations/mfl-dividend>**

Section 206AB of the IT Act applicable to all members (resident and non-resident)

Section 206AB(1) of the IT Act provides that where TDS is required to be deducted under Chapter XVIIIB, other than sections 192, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid or payable or credited, by a person to a specified person, the tax shall be deducted at the higher of the below rates:-

- at twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Further, sub section (2) of section 206AB provides that where sections 206AA and 206AB are applicable, i.e., the specified person has not submitted the PAN as well as not filed the income tax return (and the TDS/TCS for the previous year exceeds INR 50,000); the tax shall be deducted at the higher rate between both the said sections.

The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

The Income Tax Department has also released a Compliance Check Functionality to determine whether a payee is a specified person under section 206AB of the Act and whether the PAN in case of individual is operative/ inoperative and the Company would be relying on the report generated from the said facility for compliance with section 139AA read with section 206AA and 206AB of the IT Act.

For all members (Resident and Non- Resident)

- Members holding shares under multiple accounts under different residential status/ shareholder category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category, will be considered on their entire shareholding which is held under different accounts.
- The aforementioned forms (duly completed, signed and scanned) along with PAN (unless already registered) shall be submitted to our RTA, M/s. Link Intime India Private Limited (Formerly M/s. Universal Capital Securities Pvt. Ltd.) on email id morarkatds@linkintime.co.in on or before **September 16, 2024**, in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable.
- After receipt of any of the declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the IT Act.
- It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents or for any other reason, there would still be an option available with the member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such tax deduction.
- A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the IT Act, in the hands of a person other than the member in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of name, address, PAN, along with other documents mentioned above depending upon the tax residency status of such person to whom credit is to be given and proportion of credit to be given in respect of dividend income.
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the members (s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

- This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.
 - All communications/ queries in this respect should be addressed and sent to our RTA, M/s. Link Intime India Private Limited (Formerly M/s. Universal Capital Securities Pvt. Ltd.) at its email address at rnt.helpdesk@linkintime.co.in.
24. The Company has fixed **Monday, September 16, 2024** as the 'Record Date' for determining entitlement of members to dividend for the financial year ended March 31, 2024, if approved at the AGM.
25. 'SWAYAM' is a secure, user-friendly web-based application, developed by "Link Intime India Pvt Ltd.", our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.

This application can be accessed at <https://swayam.linkintime.co.in>

- Effective Resolution of Service Request - Generate and Track Service Requests/Complaints through SWAYAM.
- Features - A user-friendly GUI.
- Track Corporate Actions like Dividend/Interest/Bonus/split.
- PAN-based investments - Provides access to PAN linked accounts, Company wise holdings and security valuations.
- Effortlessly Raise request for Unpaid Amounts.
- Self-service portal – for securities held in demat mode and physical securities, whose folios are KYC compliant.
- Statements - View entire holdings and status of corporate benefits.
- Two-factor authentication (2FA) at Login - Enhances security for investors.

26. INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS FOLLOWS:

STEP 1 : ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

STEP 2 : ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

- The voting period begins on **Friday, September 20, 2024 at 9.00 a.m. and ends on Sunday, September 22, 2024 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 **Monday, September 16, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



STEP 1 : ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | 1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000 |

STEP 2 : ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

(v) Login method for Remote e-voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | 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. • 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. |



- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for **Morarka Finance Limited** on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at vkmassociates@gmail.com and to the Company at the email address viz; investor@morarkafinance.in if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA**.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting.

If you have any queries or issues regarding e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

(xviii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

By the Order of the Board
For **Morarka Finance Limited**

Divya Agarwal
Company Secretary & Compliance Officer
ACS 55416

Place : Mumbai
Date : July 16, 2024

Regd Office :
511, Maker Chambers V,
221, Nariman Point, Mumbai – 400021
Phone No. 022-22832468, Fax: 022-22047288.
Email ID : investors@morarkafinance.in
CIN : L67120MH1985PLC035632



ANNEXURE TO NOTICE

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

ITEM NO. 4:

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Shri Prithviraj Natrajan Kokkarne (K. N. Prithviraj) (DIN: 00115317), as an Additional Director in the capacity of Independent Director of the Company, with effect from July 16, 2024, for a term of five consecutive years, under Sections 149, 150 and 152 of the Act and in line with the Articles of Association of the Company, subject to the approval of the shareholders.

Shri K. N. Prithviraj shall hold office until the date of General Meeting or for a period of three months from the date of appointment, whichever is earlier and is eligible for appointment as an Independent Director for a term of five consecutive years, subject to the approval of the Shareholders as required under Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on July 16, 2024, recommended the appointment of Shri K. N. Prithviraj as an Independent Director on the Board of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from July 17, 2024 to July 16, 2029.

Shri K. N. Prithviraj has attained the age of 75 years on 03rd March, 2022. Pursuant to Regulation 17(1A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, the Company seeks consent of the members by way of special resolution for appointing him as an Independent Director after the age of 75 years as the Board of Directors after considering his background and experience deems him valuable addition to the Board of the Company.

The Company has also received a declaration of independence from Shri K. N. Prithviraj. In terms of Regulation 25(8) of the Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director without any external influence. Further, he is neither disqualified from being appointed as a Director in terms of Section 164 of the Act, nor debarred from holding the office of a director by virtue of any SEBI Order or any other such authority and had registered himself in the Independent Director's Data Bank maintained by Indian Institute of Corporate Affairs.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars of Shri K. N. Prithviraj including his profile and specific areas of expertise are annexed to the AGM Notice.

Except Shri K. N. Prithviraj and his relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends passing of the proposed Resolution stated in Item No. 4 of this Notice as a Special Resolution.

ITEM NO. 5:

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Ms. Nina Chatrath (DIN: 07700943), as an Additional Director in the capacity of Independent Director of the Company, with effect from July 16, 2024, for a term of five consecutive years, under Sections 149, 150 and 152 of the Act and in line with the Articles of Association of the Company, subject to the approval of the shareholders.

Ms. Nina Chatrath shall hold office until the date of General Meeting or for a period of three months from the date of appointment, whichever is earlier and is eligible for appointment as an Independent Director for a term of five consecutive years, subject to the approval of the Shareholders as required under Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on July 16, 2024, recommended the appointment of Ms. Nina Chatrath as an Independent Director on the Board of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from July 17, 2024 to July 16, 2029.

The Company has also received a declaration of independence from Ms. Nina Chatrath. In terms of Regulation 25(8) of the Listing Regulations, she has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director without any external influence. Further, she is neither disqualified from being appointed as a Director in terms of Section 164 of the Act, nor debarred from holding the office of a director by virtue of any SEBI Order or any other such authority and had registered herself in the Independent Director's Data Bank maintained by Indian Institute of Corporate Affairs.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars of Ms. Nina Chatrath including her profile and specific areas of expertise are annexed to the AGM Notice.

Except Ms. Nina Chatrath and her relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends passing of the proposed Resolution stated in Item No. 5 of this Notice as a Special Resolution.

ITEM NO. 6:

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Ms. Divya Rao (DIN: 10684830), as an Additional Director in the capacity of Independent Director of the Company, with effect from July 16, 2024, for a term of five consecutive years, under Sections 149, 150 and 152 of the Act and in line with the Articles of Association of the Company, subject to the approval of the shareholders.

Ms. Divya Rao shall hold office until the date of General Meeting or for a period of three months from the date of appointment, whichever is earlier and is eligible for appointment as an Independent Director for a term of five consecutive years, subject to the approval of the Shareholders as required under Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on July 16, 2024, recommended the appointment of Ms. Divya Rao as an Independent Director on the Board of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from July 17, 2024 to July 16, 2029.

The Company has also received a declaration of independence from Ms. Divya Rao. In terms of Regulation 25(8) of the Listing Regulations, she has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director without any external influence. Further, she is neither disqualified from being appointed as a Director in terms of Section 164 of the Act, nor debarred from holding the office of a director by virtue of any SEBI Order or any other such authority and had registered herself in the Independent Director's Data Bank maintained by Indian Institute of Corporate Affairs.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars of Ms. Divya Rao including her profile and specific areas of expertise are annexed to the AGM Notice.

Except Ms. Divya Rao and her relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends passing of the proposed Resolution stated in Item No. 6 of this Notice as a Special Resolution.



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 | Ms Priyanka G. Morarka | Shri K. N. Prithviraj |
| Date of Birth | June 11, 1985 | March 03, 1947 |
| Nationality | Indian | Indian |
| Date of Appointment | December 19, 2020 | - |
| Qualifications | BMS, MBA | CAIIB- I, MA (Economics) |
| Experience & Expertise | She holds a bachelor's degree in management studies from the University of Mumbai, post-graduate diploma degree from the Institute of Management Technology, diploma in international management from the University of London. | He, as an independent director of various companies' boards, has contributed significantly to the growth of many entities. He was also a research fellow of Dept. of Economics, Uni. of Madras and has been associated with organisations of repute like OBC, UBI, PNB, Oriental Insurance Company Award, Indira Gandhi Sadbhavna Award and Swami Krishnanand Saraswati Purashkar. |
| | Expertise: Finance & Strategic Management | Expertise: Banking, Finance & Economics |
| Shareholding of Directors in Company | Nil | Nil |
| Directorship held in other public companies excluding foreign and private Companies | <ul style="list-style-type: none"> • Dwarikesh Informatics Limited • Dwarikesh Trading Company Limited | <ul style="list-style-type: none"> • Dwarikesh Sugar Industries Limited |
| Chairmanship/memberships of Committees* | Chairmanship: (0) Membership: (0) | Chairmanship: (2) Membership: (0) |
| Relationship between Directors inter-se | Shri G. R. Morarka is the father of Ms Priyanka G. Morarka | NA |

*Committee Membership or Chairmanship includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (Whether listed or not)

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 | Ms. Nina Chatrath | Ms. Divya Rao |
|---|---|--|
| Date of Birth | October 16, 1962 | May 06, 2000 |
| Nationality | Indian | Indian |
| Date of Appointment | - | - |
| Qualifications | B.Com | Bachelors in Mass media, Post-graduation in Integrated marketing, advertising & communication, Advance certificate in Brand Communication Management. |
| Experience & Expertise | She has nearly two decades of rich experience in Handling business management and leadership consultancy | She has experience at handling leading brands like Mullen Lowe Lintas, Ogilvy, Little Black Book (LBB), The Neevs Venture, and Laugh Guru in various capacities including Brand Planning Manager, Content Planner, Social Media Manager, Digital Marketing Copywriter, and Digital Marketing Intern. Two of the cases written by her for Future Generali helped the Brand to secure Gold at the Pitch BFSI Awards, 2023. |
| | Expertise: Business Management and Leadership Consultancy | Expertise: Marketing & Brand Management |
| Shareholding of Directors in Company | Nil | Nil |
| Directorship held in other public companies excluding foreign and private Companies | <ul style="list-style-type: none"> • Oriental Hotels Limited • Dwarikesh Sugar Industries Limited | Nil |
| Chairmanship/memberships of Committees* | Chairmanship: (1) Membership: (2) | Chairmanship: (0) Membership: (0) |
| Relationship between Directors inter-se | NA | NA |

*Committee Membership or Chairmanship includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (Whether listed or not)



DIRECTOR'S REPORT

To
The Shareholders,

MORARKA FINANCE LIMITED

The Directors are pleased to present their Thirty Ninth (39th) Annual Report to the members together with the Audited Financial Statements of the Company for the year ended 31st March, 2024.

1. FINANCIAL RESULTS:

| Particulars | [Amount in ₹ lakhs] | |
|---|----------------------------------|----------------------------------|
| | For the year Ended 31/03/2024 | For the year Ended 31/03/2023 |
| Profit / (Loss) before tax | 711.93 | 547.32 |
| Less: Current Tax | 54.76 | 68.54 |
| Provision for taxation earlier year | 0.02 | 3.51 |
| Deferred Tax | 25.56 | 7.22 |
| Profit / (loss) after tax | 631.59 | 468.05 |
| Add: Balance b/f from previous years | 1596.61 | 1402.25 |
| Less: Appropriations | - | - |
| Transfer to reserve Fund u/s 45 IC of RBI Act | 126.32 | 93.61 |
| Dividend Paid | 225.12 | 180.08 |
| MAT Credit Balance Written-off | Nil | Nil |
| Balance carried to balance sheet | 1876.76 | 1596.61 |

2. FINANCIAL PERFORMANCE:

For the financial year ended March 31, 2024, your company has posted Profits of ₹ 631.59 lakhs compared to the profit for the financial year ended March 31, 2023 of ₹ 468.05 lakhs.

3. TRANSFER TO RESERVE:

As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

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

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

5. DIVIDEND:

Your Board of Directors has recommended dividend of ₹ 6 per Equity share (i.e., 60%) for the financial year 2023-24.

SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024, upon their furnishing all the aforesaid details in entirety.

6. SHARE CAPITAL:

The paid up Equity Capital of your company as at March 31, 2024 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 year under the review. Further, none of the directors of the company hold instruments convertible into equity shares of the company.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to Section 152(6) of the Companies Act, 2013 read with Schedule IV and Articles of the company, Ms. Priyanka G. Morarka (DIN: 00001088), Director of the Company retire by rotation and being eligible offers herself for re-appointment.

The Board of Directors of the Company at its meeting held on July 16, 2024, based on the recommendation of Nomination and Remuneration Committee, had approved the appointment of Shri Prithviraj Natrajan Kokkarne (K. N. Prithviraj), Ms. Nina Chatrath and Ms. Divya Rao as Additional Directors categorised as Non-Executive and Independent Directors of the Company for a term of five consecutive years commencing from July 17, 2024 to July 16, 2029, subject to the approval of members at its ensuing AGM.

There is no change in the Key Managerial Personnel(s) of the Company as on March 31, 2024.

The brief resume/details relating to Directors who are to be appointed / re-appointed as above are furnished in the Notice of the Annual General Meeting.

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.

Completion of tenure of Directors:

Shri B. J. Maheshwari, Shri Vijay S. Banka and Shri S.H. Nevatia, Independent Directors of the Company, would complete their second term of tenure with the Company with the conclusion of Annual General Meeting of the Company to be held on September 23, 2024. Accordingly, they would cease to be the Directors of the Company with effect from that date. The Board places on record its appreciation for the extensive contribution rendered by the Independent Directors during their tenure with the Company.

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 six 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.

In terms of requirements of RBI - Scale Based Regulations, 2021 (SBR), a Risk Management Committee (RMC) was required to be constituted and the same was constituted by the Company as on February 02, 2022 having following members:



1. Shri B. J. Maheshwari - Chairman
2. Shri Vijay S. Banka - Member
3. Ms. Priyanka G. Morarka - Member

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. 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. No complaints were received under the said policy during the financial year 2023-24. The policy is placed at the website at <https://www.morarkafinance.in/static-data/2019-20/Whistle-Blower-Policy.pdf>

15. PERFORMANCE 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 have constituted 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 responsible to identify persons who are qualified to become directors on the Board and to evaluate them on criteria such as academic qualifications, previous experience, track record and integrity of the persons identified, before recommending their appointment to the Board. The compensation policy of the company, duly reviewed and recommended by the Nomination and Remuneration committee has been articulated in line with the requirements of the Companies Act, 2013 and placed on below mentioned weblink: <https://www.morarkafinance.in/static-data/2019-20/Nomination-and-Remuneration-Policy.pdf>

The company's compensation policy is aimed to attract, retain, reward and motivate talented individuals, critical for achieving strategic goals and long-term success. Remuneration policy is aligned to business strategy, market dynamics, internal characteristics and complexities within the organization. The ultimate objective is to provide a fair and transparent structure that helps the organization to retain and acquire the talent pool critical in building competitive advantage and brand equity. The compensation system also considers 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 & Independent Directors for attending meetings of the Board and its Committees. Non-Executive & Independent 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 does not have any subsidiary and hence holding of directorships by any of the directors in subsidiary is not applicable. Policy on Terms of Appointment of Independent Directors is placed at:

<https://www.morarkafinance.in/static-data/2019-20/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>

17. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company met Four (4) times during the year, April 25, 2023, July 18, 2023, October 18, 2023 & January 19, 2024.

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 and placed on below mentioned weblink: <https://www.morarkafinance.in/static-data/2019-20/Policy-on-Related-Party-Transactions.pdf>

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. STATEMENT OF DIRECTOR'S RESPONSIBILITIES:

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

- a. that in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

21. CORPORATE GOVERNANCE:

A separate section on Corporate Governance as stipulated under Schedule V (C) of the SEBI Listing Regulations forms part of this report. The Corporate Governance Report along with the requisite certificate from the statutory auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI Listing Regulations forms part of this Annual Report.



22. ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013, the Annual Return in form MGT-7 is provided on the website of the Company and same can be view at this link <https://www.morarkafinance.in/static-data/2023-24/Form-MGT7-31032024-MFL.pdf>

23. 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 II**.

All the Non-Executive Directors of the company, due to financial constraints being faced by the company, have relinquished their remuneration. Further, only sitting fees has been paid to the directors of the Company during the year. The CFO is on deportation & is remunerated by the group Company. Besides this, there are only two employees i.e. CS & CEO in the Company & the same is disclosed in **Annexure II**.

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

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

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

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

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

25. MSME RETURN

MCA vide order dated 22nd January, 2019 directed all companies, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty five days during the year. The Company is not required to file MSME Return as all payments have been done within prescribed time.

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 Jayesh Dadia & Associates LLP, Chartered Accountants, Mumbai having **ICAI Firm Registration No.121142W/W100122** were appointed as the Statutory Auditors of the Company at the AGM held on June 28, 2022, to hold office until conclusion of the 42nd AGM, are ratified for the Financial Year 2024-25. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Jayesh Dadia & Associates LLP, 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 III**. 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
Date : July 16, 2024



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 arm's 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 3) Other Reimbursements (Part of Lease Agreement) |
| 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 ₹ 46,02,000/- was received for the year. 3) The Company had in connection to the lease of office premises to Dwarikesh Sugar Industries Limited had incurred certain expenses which were claimed as reimbursement. A total of ₹ 1,13,379/- received for the year. |
| Date(s) of approval by the Audit Committee /Board, if any | May 17, 2024 (Omnibus Approval in Audit Committee & Board Approval obtained) |
| 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
Date : July 16, 2024

ANNEXURE II

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 | Total in (₹) | Ratio |
|-------------------------------|--------------|-------|
| Chief Executive Officer (CEO) | 25,78,125 | 1.52 |
| Chief Finance Officer (CFO) | - | - |
| Company Secretary (CS) | 8,24,046 | 0.48 |
| 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- 2023-24

| Designation | Increase / Decrease % |
|-------------------------|-----------------------|
| Chief Executive Officer | 14.27% |
| Chief Finance Officer | - |
| Company Secretary | 49.15%** |
| Directors | - |

**For the purpose of CS remuneration for Financial Year 2022-23, salary for 9 months had been considered i.e. from July to March whereas for the Financial Year 2023-24, salary for 12 months have been considered, therefore there is significant increase in the ratio as compared to previous year.

3. Percentage Increase/ Decrease 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 72.71%. The increase in remuneration is because for calculation of salary of CS for Financial Year 2022-23, salary for 9 months had been considered i.e. from July to March whereas for the Financial Year 2023-24, salary for 12 months have been considered.

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

As of March 31, 2024, the company is having only Six directors and three KMPs viz. CEO, CFO and CS. The CFO is on deputation & is remunerated by the group Company.

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 Six directors, CEO, CFO and CS. There is no other employee other than these Directors and KMPs and hence no comparison is required. The increase in remuneration is because for calculation of salary of CS for Financial Year 2022-23, salary for 9 months had been considered i.e. from July to March whereas for the Financial Year 2023-24, salary for 12 months have been considered.

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
Date : July 16, 2024



Annexure III

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
MORARKA FINANCE LIMITED
511, Makers 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, 2024 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, 2024 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: Not Applicable to the Company during the Audit Period.
5. Reserve Bank of India, 1934 and rules and regulations made there under 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;- Not applicable to the Company during the year under review;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;- Not applicable to the Company during the year under review;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 –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;

- 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.

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

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- 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
C P No.: 4279
PR. No. : 1846/2022
UDIN : F005023F000403597

Place : Mumbai
Date : 17/05/2024

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



“ANNEXURE A”

To,
The Members,
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
C P No.: 4279
PR. No. : 1846/2022
UDIN : F005023F000403597

Place : Mumbai
Date : 17/05/2024

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Global Economy

As per the Global Economic Prospects Report, January 2024, amid a barrage of shocks during the past four years, the global economy has proved to be surprisingly resilient. Major economies are emerging mostly unscathed after the fastest rise in interest rates in 40 years—without the usual scars of steep unemployment rates or financial crashes. Global inflation is being tamed without tipping the world into a recession.

Global growth is set to slow further this year amid tight monetary policy, restrictive financial conditions, and feeble global trade and investment. Downside risks include an escalation of the recent conflict in the Middle East, financial stress, persistent inflation, trade fragmentation, and climate-related disasters. Global cooperation is needed to provide debt relief, facilitate trade integration, tackle climate change, and alleviate food insecurity. Among emerging market and developing economies (EMDEs), commodity exporters continue to grapple with fiscal policy procyclicality and volatility. Across all EMDEs, proper macroeconomic and structural policies, and well-functioning institutions, are critical to help boost investment and long-term prospects.

The forecasts in Global Economic Prospects imply that most economies—advanced as well as developing—are set to grow more slowly in 2024 and 2025 than they did in the decade before COVID19. Global growth is expected to slow for a third year in a row—to 2.4 percent—before ticking up to 2.7 percent in 2025. Those rates, however, would still be far below the 3.1 percent average of the 2010s. Per-capita investment growth in 2023 and 2024 is expected to average just 3.7 percent—barely half the average of the previous two decades. Without corrective action, global growth will remain well below potential for the remainder of the 2020s.

B) Global Outlook

The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops.

The report on World Economic Outlook, April 2024, forecasts Global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024 and 2025. According to the latest projections, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. The projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth rise slightly, with the increase mainly reflecting a recovery in the euro area from low growth in 2023, whereas emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

C) Domestic Outlook

The International Monetary Fund (IMF) in its latest outlook raised India's growth projections for 2024 from 6.5 per cent to 6.8 per cent, with the country maintaining the fastest-growing status in emerging markets and developing economies. For the year 2025, the IMF maintained India's growth rate at 6.5 per cent. It attributed robustness and strength in domestic demand and a rising working-age population behind its growth projections.

The IMF sees India's consumer price inflation cooling off from an average of 5.4% in FY24, to 4.6% in FY25, and further to 4.2% in FY26.

(<https://www.cnbctv18.com/economy/imf-raises-indias-fy25-growth-forecast-to-6-8-pegs-global-growth-at-3-2-in-2024-2025-19397578.htm>)

The Reserve Bank of India in its monthly bulletin, April 2024, stated that in India, conditions are shaping up for an extension of the trend upshift that took the average real GDP growth above 8 per cent during 2021-24. To achieve its developmental aspirations over the next three decades, the Indian economy must grow at a rate of 8-10 per annum over the next decade. So far, capital deepening is powering the step-up in the growth trajectory, led by sustained public investment, and supported by productivity improvements. More recently, a resurgence of private investment has become visible, according to the Asian Development Bank (ADB), which is shifting its investment strategy to expand space for private capital.



D) Finance & Capital Market

NBFCs have emerged as the crucial source of finance for a large segment of the population and economically unserved and underserved people. The sector has grown significantly, with a number of players with heterogeneous business models starting operations. The last few years have seen a transformation in the Indian financial services landscape. The increasing penetration of neo-banking, digital authentication, rise of UPI and mobile phone usage as well as mobile internet has resulted in the modularisation of financial services, particularly credit.

As per the report 'NBFC's in India: Growth and Stability' put together by KPMG in India and CII which was launched at the 6th CII NBFC Summit in Mumbai on 9th February 2024, after a moderation in growth post the COVID-19 pandemic, NBFCs are back on track with an expected credit growth of 13–14 per cent during FY24. The industry is expected to continue to witness the emergence of newer NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits, as well as increasing availability of data for credit decision-making, has made it possible to build an NBFC lending business without investing large sums to have brick-and-mortar presence on the ground. Overall, between FY23 and FY25, research shows NBFC credit will increase at a CAGR of 13–15 per cent.

NBFCs in India face a challenging yet transformative landscape. By exploring alternative funding sources and aligning strategies with regulatory measures, these financial entities can secure their future growth and resilience.

OPPORTUNITIES, THREATS AND STRATEGIES:

NBFCs have various ways to grow their business, including obtaining affordable loans from multilateral development banks and using blended finance instruments to access concessional capital. Additionally, NBFCs can transform their operations by utilising digital tools and resources, which not only reduces their environmental impact but also improves governance and resource management. Overall, opportunities and sustainability are important drivers for growth in the NBFC sector and being innovative and ahead of the curve will lead to success in the market.

Risk is synonym with NBFCs which is inherent part of their business. Your Company is also subjected to various types of such risks. Your Company has identified these risks and guarded itself by adopting a range of strategies and measures to reduce the impact of such risks. Few risks listed are as follows:

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. The Company has placed internal controls to mitigate these risks.

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. The Company does not have any loans so this is not applicable to our Company.

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.

4. Regulatory Risk

It is the risk of change in laws and regulations materially impacting the business. The Company takes compliance very seriously & is strict in adherence to various statutory laws.

5. Human Capital Risk

Human capital risk is the gap between the goals of the organisation and the skills of its workforce. To mitigate this our company regularly provides training & awareness programmes to its employees.

6. Cybersecurity Risk

Cybersecurity risk is the probability of exposure or loss resulting from a cyber-attack or data breach on your organization. To deal with this our Company uses Internal servers & encryption so that data cannot be tampered with or accessed by any outsider.

Despite these risks & concerns, we believe NBFCs core strategic advantage comes from their years of building know-how of borrower industries and behaviour, gathering regional insights and developing well-oiled distribution mechanisms iteratively over decades. Leveraging their agility, NBFCs also moved fast to adopt alternate data to better understand their customers and develop efficiencies in underwriting which has further enabled growth. 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.

The overall investment philosophy stems from our objective of delivering superior risk adjusted returns to investors over an extended time frame. The investment philosophy is rooted in a set of well-established but flexible principles that relies extensively on fundamental research. It is our belief that over the time, stock prices will reflect a business' underlying intrinsic values and its long-term prospects. As a result, our near strategy is to arrive at a comprehensive understanding of a company's business including the nature of its interactions with customers, suppliers, competitors and regulators. While doing so our strategy is to rely on various earnings multiples besides analyzing private market value and appropriate regional and global comparisons. The basic principles that serve as the foundation for the above investment approach are managing risk, maintain a balanced outlook on the market and focus on the long term.

BUSINESS & OPERATIONAL OVERVIEW

The company, in current fiscal has made profits of ₹ 631.59 lakhs as against profit of ₹ 468.05 lakhs for the Previous year. The revenue from the dividend, rental income and management consultancy fees will be contributing regularly and steadily rather than dependence on volatile capital market revenue generation.

RISK MANAGEMENT:

Company has formulated a internal 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 Standards issued by the Institute of Chartered Accountants of India.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

For enhanced performance of any organization, it is 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, 2024, the Board of Directors comprised of 6 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, who is Promoter Director and Ms. K. Savitha Rao who is Non-Independent Non-Executive 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 Chief Executive Officer of the Company pursuant to the requirements of Section 203 of the Companies Act, 2013 being Key Managerial Personnel (KMP) of the company. He is the son of Shri G. R. Morarka.

*During the year, Four (4) Board Meetings were held on: April 25, 2023, July 18, 2023, October 18, 2023 & January 19, 2024.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2023-2024 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 | 4 | Yes | 4 | 0 | 0 |
| Shri S. H. Nevatia | Independent Non-Executive Director | 4 | Yes | 0 | 0 | 0 |
| 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 | 4 | No | 2 | 0 | 0 |
| Ms. K. Savitha Rao | Non-Independent Non-Executive Director | 4 | Yes | 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.

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/she possess the skills as required for the efficient functioning of the Company and all other qualifications as prescribed under Listing Regulations and the Act.

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 | NA | NA | Chartered Accountant |
| Ms. Priyanka G. Morarka | NA | NA | BMS from the University of Mumbai, PGD degree from the Institute of Management Technology, diploma in International Management from the University of London. |
| Ms. K. Savitha Rao | NA | NA | Bachelor of Arts |

Inter-se relationship:

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

Shri Pranay G. Morarka, Chief Executive Officer is the son 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 | 1,67,279 |
| 2 | Shri S. H. Nevatia | 300 |
| 3 | Shri B. J. Maheshwari | 5 |
| 4 | Shri Vijay S. Banka | 5 |
| 5 | Ms. Priyanka G. Morarka | 0 |
| 6 | Ms. K. Savitha Rao | 22,690 |



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 <https://www.morarkafinance.in/static-data/2023-24/Familiarization-Program-2023-24.pdf>

3. INDEPENDENT DIRECTORS:

A meeting of independent directors of the company was held on January 19, 2024 and the same was attended by Shri B. J. Maheshwari, Shri Sudhir H. Nevatia and Shri Vijay S. Banka. Terms and Conditions for appointment of Independent Directors are available on the website of the Company

<https://www.morarkafinance.in/static-data/2019-20/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>

During the year under review, no Independent Director had resigned from the Company.

4. DETAILS OF REMUNERATION AND SITTING FEES:

The Company does not pay any remuneration to its Non-Executive Directors. The details of remuneration to the non-executive directors and sitting fees paid to directors for the year ended March 31, 2024 are as follows:

(in ₹)

| Particular | G. R. Morarka | B. J. Maheshwari | Vijay S. Banka | Priyanka G. Morarka | Sudhir Nevatia | K. Savitha Rao |
|----------------|---------------|------------------|----------------|---------------------|----------------|----------------|
| Basic | - | - | - | - | - | - |
| Allowances | - | - | - | - | - | - |
| P F | - | - | - | - | - | - |
| Superannuation | - | - | - | - | - | - |
| Sitting fees | 27,000/- | 31,500/- | 31,500/- | 25,000/- | 27,900/- | 22,000/- |

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 of the Companies Act, 2013, the Committee was reconstituted on 26th September, 2000, comprising three 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, Four (4) Audit Committee Meetings were held on: April 25, 2023, July 18, 2023, October 18, 2023 & January 19, 2024.



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

| Name of the Director | Category | Status | No. of Meetings Attended |
|-----------------------|-------------------------------------|----------|--------------------------|
| Shri B. J. Maheshwari | Non- Executive Independent Director | Chairman | 4 |
| Shri G.R. Morarka | Non- Executive Director | Member | 4 |
| Shri S.H. Nevatia | Non- Executive Independent Director | Member | 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, comprising three Independent Non-Executive Directors and one Non-Independent Non-Executive Director as members and Independent 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 were Two (2) meetings of Nomination and Remuneration Committee held on: April 25, 2023 & January 19, 2024.

| Name of the Director | Category | Status | No. of Meetings Attended |
|----------------------|---|----------|--------------------------|
| Shri B.J. Maheshwari | Non- Executive Independent Director | Chairman | 2 |
| Shri V. S. Banka | Non- Executive Independent Director | Member | 2 |
| Shri S.H. Nevatia | Non- Executive Independent Director | Member | 2 |
| Ms. K. Savitha Rao | Non- Executive Non-Independent Director | Member | 2 |

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

Out of pocket expenses of ₹ 250 /- (only in case of physical meetings) per meeting is payable to a member for attending meeting of the Nomination & Remuneration committee.

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 Tuesday, September 26, 2023.

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 Directors Report.

C. STAKEHOLDER'S RELATIONSHIP COMMITTEE :

The Board of Directors of the Company at their meeting held on 4th March, 2003, constituted a Stakeholder's Relationship Committee, comprising three Independent Non-Executive Directors and one Non-Independent Promoter Director as members and Independent Non-Executive Director acts as the Chairman.

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 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.

During the year, Five (5) meetings of Stakeholder's Relationship Committee were held on: April 25, 2023, July 18, 2023, October 18, 2023, January 19, 2024, March 05, 2024.

| Name of the Director | Category | Status | No. of Meetings Attended |
|------------------------|------------------------------------|----------|--------------------------|
| Shri B.J. Maheshwari | Non-Executive Independent Director | Chairman | 5 |
| Shri V. S. Banka | Non-Executive Independent Director | Member | 5 |
| Ms. Priyanka Morarka | Non-Executive Director | Member | 5 |
| Shri Sudhir H. Nevatia | Non-Executive Independent Director | Member | 4 |

Out of pocket expenses @ ₹ 250/- (only in case of physical meetings) 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, 2024, 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 Tuesday, September 26, 2023.

Complaints, Share Transfer & Issue of Duplicate Share Certificates:

During the year ended 31st March, 2024, two (2) complaints were received which were timely resolved. No complaints were pending at the beginning or at the end of 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. Link Intime India Private Limited** (Formerly M/s. Universal Capital Securities Pvt. Ltd.) 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: <https://www.morarkafinance.in/static-data/2019-20/Whistle-Blower-Policy.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:
<https://www.morarkafinance.in/investor-relations/mfl-policies-codes-agreements>



9. INSIDER TRADING

The Company has in place a Code of Conduct to Prohibit Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, so as to bring it in line with amended SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time). The Company provides timely disclosures under the provisions & no such case of insider trading was reported during the year. 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. The policy is available on the website of the Company at: <https://www.morarkafinance.in/static-data/2022-23/Code-of-Conduct-Prohibition-of-Insider-Trading.pdf>

10. GENERAL BODY MEETINGS

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

| Financial Year | Location | Date | Time |
|----------------|---|--------------------|------------|
| 2020-21 | Conducted Through Video Conferencing | August 05, 2021 | 11.30 a.m. |
| 2021-22 | Conducted Through Video Conferencing | June 28, 2022 | 12.00 noon |
| 2022-23 | Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, Churchgate, Mumbai – 400020 | September 26, 2023 | 12.00 noon |

SPECIAL RESOLUTIONS PASSED IN GENERAL MEETINGS DURING LAST 3 YEARS: No special resolutions were passed in the last 3 years.

- No postal ballots conducted during the financial year 2023-24.

b) **Extraordinary General Meeting:** No extraordinary general meeting of the members was held during FY 2023-24.

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: <https://www.morarkafinance.in/static-data/2019-20/code-of-conduct.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, RBI 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**

During the year 2023-24, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. All related party transactions have been entered into in the Ordinary course of business. For all related party transactions omnibus approval was obtained and the same 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. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is also available on the website of the Company at <https://www.morarkafinance.in/static-data/2019-20/Policy-on-Related-Party-Transactions.pdf>

- **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. As per the requirements of RBI Scale Based Regulations (SBR), 2021, the Company had constituted a Risk Management Committee as on February 02, 2022.

- **Subsidiary Companies:**

There are no subsidiary companies.

- 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 not 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 format prescribed by the SEBI & 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, corporate governance, 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 (MDA) report is included in the Annual Report for the year.

15. GENERAL SHAREHOLDER INFORMATION:

| Annual General Meeting | 39 th Annual General Meeting |
|---|--|
| Date, time and venue | Monday, September 23, 2024 at 12.00 noon at Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020. For details please refer to the Notice of this AGM. |
| Financial Calendar Particulars (April-March) | The financial year of the Company is from 1 st April to 31 st March every year |
| First Quarter Results | On or before 14 th August, 2024 |
| Second Quarter Results | On or before 14 th November, 2024 |
| Third Quarter Results | On or before 14 th February, 2025 |
| Last Quarter Results | On or before 30 th May, 2025 |
| Dates of Book Closure | Tuesday, 17 th September, 2024 to Monday, 23 rd September, 2024 (both days inclusive) |
| Dividend Payment Date | Will be paid within 30 days of AGM, if declared. |
| Listing Details | BSE |

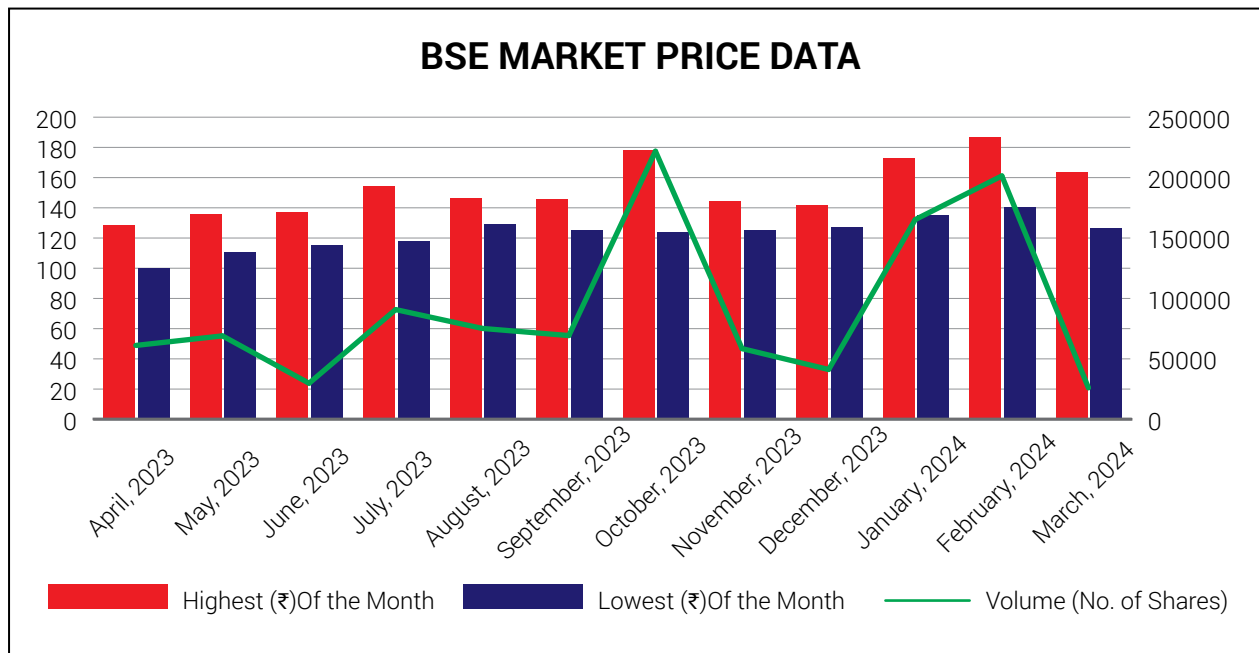
The details of the Stock Exchanges on which the Company's shares are listed are as under:

| 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, 2023 | 128.45 | 100.25 | 60,854 |
| May, 2023 | 136.00 | 110.30 | 68,769 |
| June, 2023 | 136.95 | 115.50 | 29,564 |
| July, 2023 | 154.00 | 118.00 | 90,519 |
| August, 2023 | 146.45 | 129.15 | 74,938 |
| September, 2023 | 146.00 | 125.20 | 69,023 |
| October, 2023 | 178.35 | 124.00 | 2,21,581 |
| November, 2023 | 144.65 | 125.25 | 58,223 |
| December, 2023 | 142.00 | 127.00 | 40,938 |
| January, 2024 | 172.70 | 135.00 | 1,65,022 |
| February, 2024 | 187.00 | 140.10 | 2,01,134 |
| March, 2024 | 163.75 | 126.65 | 25,738 |

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

18. PAYMENT OF LISTING FEES:

Annual listing fee for the year 2024-25 (as applicable) has been paid by the Company to BSE.

19. REGISTRAR AND TRANSFER AGENTS:

The Company has appointed M/s. Link Intime India Private Limited (Formerly M/s. Universal Capital Securities Pvt. Ltd.) as Registrar and Share Transfer Agent, who have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.

Link Intime India Private Limited

(Formerly known as Universal Capital Securities Pvt.Ltd.)

C-101, 247 Park,

1st Floor, LBS Marg,

Vikhroli West, Mumbai - 400083

Tel: +91 22 49186000 - 79

Fax: +91 022 - 4918 6060

E-mail: rnt.helpdesk@linkintime.co.in

• Share Transfer System:

Trading in equity shares of the Company is permitted only in dematerialised form.

All valid share transfer requests / demat requests are processed and put into effect within a maximum period of 21 days from the date of receipt.

Link Intime India Private Limited (Formerly M/s. Universal Capital Securities Pvt. Ltd.) is acting as RTA of the Company for servicing all matters relating to physical and demat shares such as transfer, transmission, dematerialisation, rematerialisation, dividend etc. Accordingly, members may please address all correspondence and requests relating to the Shares of the Company to M/s. Link Intime India Private Limited (Formerly M/s. Universal Capital Securities Pvt. Ltd.) at the abovementioned address.

Securities and Exchange Board of India (SEBI) vide its notification dated June 08, 2018 has notified all listed Companies and Registrar & Transfer Agents that transfer of securities shall be carried out only in dematerialised form.

Accordingly, attention of all shareholders holding shares in physical form if brought to the following:

- Company & RTA shall not effect transfer of securities held in physical form from April 01, 2019.
- This restriction shall not be applicable for transmission or transposition of securities held in physical form.

• Change of Address:

The shareholders holding shares in Physical form should contact the share transfer agent of the Company for change of address. The shareholders holding shares in Dematerialised form should contact their depository participants for change of address.

• Distribution of Shareholding as on 31st March, 2024:

| No. of Shares | No of Shareholders | Percentage | No. of Shares | Percentage |
|------------------|--------------------|------------|------------------|------------|
| Upto 500 | 2,975 | 91.9061 | 2,87,120 | 6.3775 |
| 501 - 1,000 | 142 | 4.3868 | 1,10,527 | 2.4550 |
| 1,001 - 2,000 | 50 | 1.5446 | 72,605 | 1.6127 |
| 2,001 - 3,000 | 23 | 0.7105 | 58,971 | 1.3099 |
| 3,001 - 4,000 | 11 | 0.3398 | 37,869 | 0.8411 |
| 4,001 - 5,000 | 6 | 0.1854 | 27,174 | 0.6036 |
| 5,001 - 10,000 | 5 | 0.1545 | 32,024 | 0.7113 |
| 10,001 And above | 25 | 0.7723 | 38,75,810 | 86.0889 |
| Total | 3,237 | 100 | 45,02,100 | 100 |

Note: Please note that No. of Shareholders provided in Distribution of Shareholding is without Clubbing PAN of Shareholders and Shareholding Pattern filed with stock exchange is with clubbing of PAN of Shareholders.



• **Categories of Shareholders on 31st March, 2024:**

| Category | | No. of Shares of ₹ 10/- each | % |
|---|---------|------------------------------|---------------|
| Promoters | | | |
| * | Indian | 7,96,510 | 17.69 |
| * | Foreign | - | - |
| Promoters – Bodies Corporate | | 22,09,854 | 49.08 |
| Mutual Funds | | - | - |
| Banks | | - | - |
| Indian Institutional Investors | | - | - |
| Foreign Institutional Investors | | - | - |
| Corporate Bodies | | 1,22,672 | 2.73 |
| General Public | | 11,40,012 | 25.33 |
| NRIs, OCBs | | 11,473 | 0.25 |
| HUF | | 36,321 | 0.81 |
| IEPF Suspense Account | | 1,62,565 | 3.61 |
| Directors & their relatives (excluding independent directors and nominee directors) | | 22,690 | 0.50 |
| Key Managerial Personnel | | 3 | - |
| 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, 2024, 98.22% of the total shares of the Company have been dematerialised.

• **Foreign Exchange Earnings & Outgo:**

The Company does not have any forex earnings or expenses.

• **Utilization of funds raised through Preferential Allotment:**

During the year under review, the Company has not raised funds through preferential allotment. Hence, Not Applicable.

• **Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

Not Applicable

• **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 Mrs. Divya Agarwal, Company Secretary & Compliance Officer of the Company 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. WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR:

Not Applicable

22. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:

Details relating to fees paid to the Statutory Auditors are given in Note 21 to the Audited Financial Statements of the Company.

23. CORPORATE BENEFITS

| Financial Year | Equity Dividend Rate | Dividend Declaration Date |
|----------------|----------------------|---------------------------|
| 2004-05 | 15% | 29/09/2005 |
| 2005-06 | 5% | 26/09/2006 |
| 2006-07 | 5% | 27/07/2007 |
| 2017-18 | 10% | 28/09/2018 |
| 2020-21 | 10% | 05/08/2021 |
| 2021-22 | 40% | 28/06/2022 |
| 2022-23 | 50% | 26/09/2023 |

STATUS OF UNPAID DIVIDEND & SUSPENSE ACCOUNT:

| Dividend for the year | Amount of Dividend (₹) | Amount of unpaid dividend as on 31.03.2024 (₹) | Due Date of transfer to IEPF |
|-----------------------|------------------------|--|------------------------------|
| 2017-18 | 45,02,100 | 1,79,860.00 | 03/11/2025 |
| 2020-21 | 45,02,100 | 72,104.00 | 09/09/2028 |
| 2021-22 | 180,08,400 | 3,07,300.41 | 03/08/2029 |
| 2022-23 | 2,25,10,500 | 3,83,560.00 | 01/11/2030 |

The Company sends reminders to the shareholders for the unpaid dividend. In terms of Section 125 of the Act, read with rules made thereunder, the Company is required to transfer the unpaid dividend amounts which remained unclaimed for 7 years from the date of transfer of such amounts to Unpaid Dividend A/C to Investor Education and Protection Fund.

Pursuant to Section 124, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority.

24. EQUITY SHARES IN SUSPENSE ACCOUNT

No shares of the Company are lying in Equity Suspense Account.

25. LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT:

The Company has not advanced any loans and advances in the nature of loans to firms/companies in which Directors are interested.



26. **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 Chief Executive Officer (CEO). So there exists separate posts for Chairman & CEO of the Company.
- **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also available on the Company's website, the practice of sending these documents to the shareholders has not been adopted.
- **Modified Opinion in Auditors Report:** The Company's financial statement for the year ended March 31, 2024 are unqualified.
- **Reporting of Internal Auditor:** As per the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Internal Audit Reports are periodically reviewed by the Audit Committee.

On behalf of the Board of Directors

Place: Mumbai
Dated: July 16, 2024

G. R. Morarka
Chairman
(DIN:00002078)

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 Executive & Non-Executive Directors and members of senior management. A copy of the Code has been put on the Company's website at <https://www.morarkafinance.in/static-data/2019-20/code-of-conduct.pdf>

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 2023-24.

For & on behalf of the Board of Directors

Pranay Morarka
CEO

Place: Mumbai

Dated: May 17, 2024



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations,2018]

To,
The Members,
MORARKA FINANCE LIMITED
511-Makers Chambers, V,
221-Nariman Point MUMBAI MH 400021

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 known as “the Company”) having its Registered Office at 511-Makers Chambers, V, 221-Nariman Point MUMBAI MH 400021 incorporated vide its Company Registration Number L67120MH1985PLC035632 on 15th March,1985 under the jurisdiction of Registrar of Companies, Mumbai.

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 for the Financial Year ending on 31st March, 2024.

The Board of Directors of the Company comprises of 6 (Six) Directors and the Board is composed as follows:

| Sr. No | Name of the Director | DIN | Type of the Director | Status of the Director |
|--------|-------------------------|----------|------------------------|------------------------|
| 1 | Shri G. R. Morarka | 00002078 | Non-Executive Director | Active |
| 2 | Shri B. J. Maheshwari | 00002075 | Independent Director | Active |
| 3 | Shri Vijay S. Banka | 00963355 | Independent Director | Active |
| 4 | Ms. Priyanka G. Morarka | 00001088 | Non-Executive Director | Active |
| 5 | Shri Sudhir H. Nevatia | 00001258 | Independent Director | Active |
| 6 | Ms. Savitha K Rao | 00001271 | Non-Executive 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
Practicing Company Secretary

(Vijay Kumar Mishra)

Partner

FCS No.: 5023

C P No.: 4279

PR. No. : 1846/2022

UDIN : F005023F000403586

Place: Mumbai
Date: 16/07/2024

CEO AND CFO CERTIFICATION

To,
The Board of Directors,
Morarka Finance Limited

Re: Financial Statements for the year ended on 31st March, 2024

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, 2024 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.
- (b) We further declare that all the Board of Directors and senior managerial personnel have affirmed compliance with code of conduct and ethics of the company for the current year.

Place Mumbai
Date: May 17, 2024

For **Morarka Finance Limited**

Pranay G Morarka
CEO

P P Singh
CFO



PRACTICING COMPANY SECRETARY'S CERTIFICATE

To the Shareholders of MORARKA FINANCE LIMITED

1. This Certificate is issued in accordance with the terms of our engagement letter with **Morarka Finance Limited** (“the Company”)
2. We have examined the compliance of conditions of Corporate Governance by Morarka Finance Limited (hereinafter referred “the Company”) for the year ended March 31, 2024 as per relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (‘Listing Regulations’) for the period April 1, 2023 to March 31, 2024.

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, 2024.
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**
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner

FCS No.: 5023
C P No.: 4279

PR. No. : 1846/2022
UDIN : F005023F000403542

Place: Mumbai
Date: 16/07/2024

INDEPENDENT AUDITORS' REPORT

To the Members of Morarka Finance Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **M/s. Morarka Finance Limited ("the Company")**, which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind As") and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended 31st March, 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter in our audit of the Company for the year ended 31st March, 2024:

| Key Audit Matter | Auditor's Response |
|--|--|
| Fair Valuation of investments | |
| <p>The Company's investments are measured at fair value at each reporting date and these fair value measurements significantly impact the Company's results.</p> <p>Within the Company's investment portfolio, the valuation of certain assets such as unquoted equity / preference requires significant judgment as a result of quoted prices being unavailable and limited liquidity in the markets.</p> | <p>We have assessed the Company's process to compute the fair value of various investments.</p> <p>For quoted instruments we have independently obtained market quotations and recalculated the fair valuations.</p> <p>For the unquoted instruments, we have obtained an understanding of the various valuation methods used by management and analysed the reasonableness of the principal assumptions made for estimating the fair values and various other data used while arriving at the fair value measurement.</p> |

Information other than the financial statements & Auditor's report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality & qualitative factors in (i) planning the scope of our audit and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors as on 31st March, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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**"
 - g. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act
 - h. 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, as amended, 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 litigation which would impact its financial position.
 - (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.
- (iv)
 - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 26 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 26 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) & (b) above, contain any material misstatement.
- (v) As per standalone financial statements
 - (a) The final dividend proposed in the previous year, declared & paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **Jayesh Dadia & Associates LLP**
Chartered Accountants
Firm’s Registration No. 121142W / W100122

Samir Jaijinendra Shah
(Partner)
Membership Number – 124298
UDIN – 24124298BKCMCW9596

Place – Mumbai
Date – 17th May, 2024

Annexure - A to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors Report of even date]

In our opinion and to the best of our information and according to the explanations provided to us by the Company and based on our examination of the books of account in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:
 - a) A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment on the basis of available information.
 - B) The Company does not own any intangible assets as at the year ended 31st March, 2024. Accordingly, comment under this clause has not been given.
 - b) A substantial portion of the Property, Plant & Equipment has been physically verified by the management at reasonable intervals and 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 disclosed in the financial statements are held in the name company.
 - d) The Company has not revalued any of its the Property, Plant & Equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and the rules made thereunder.
- (ii) In respect of its inventories –
 - a) The Company does not have any inventory (including stocks with third parties) during the year. Accordingly, clause (ii) of paragraph 3 of the Order is not applicable to the Company for the current year.
 - b) As explained to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks and financial institutions on the basis of security of current assets during the year. Hence, reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has made investments in companies, firms, Limited Liability partnerships or other parties during the year, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or guarantees or securities to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) The Company has not provided any loans or advances in the nature of loans to any other entity during the year, and hence reporting under clause 3(iii)(c) of the Order is not applicable.
 - (d) The Company has not provided any loans or advances in the nature of loans to any other entity during the year, and hence reporting under clause 3(iii)(d) of the Order is not applicable.
 - (e) The Company has not granted any loans which have fallen due during the year, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
 - (f) The Company has not provided any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) of the Order is not applicable.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made & securities provided. The Company has not provided any guarantees during the year.
- (v) The Company has not accepted any deposits from the public covered under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the



rules framed thereunder. Further no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal on the company. Hence, Paragraph 3(v) of the Order is not applicable.

- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company.
- (vii) In respect of Statutory Dues:
 - a) According to the information and explanations given to us and based on the records of the company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2024 for a period of more than 6 months from the date they became payable.
 - b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise, value added tax or Goods & Service Tax which have not been deposited on account of any disputes.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix)
 - (a) The company has not defaulted in repayment of loans or borrowings or on the payment of interest thereon to banks or financial institutions.
 - (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year. Hence reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has not raised any loans during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x)
 - (a) The Company has not raised any moneys by way of initial public offer or further public offer including debt instruments during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)
 - (a) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
 - (b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit & Auditors) Rules, 2014 with the central government, during the year and upto the date of this report.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) In our opinion, the Company is in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has obtained the registration.
- (b) The Company has not conducted any Non- Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) & (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) & (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There have been no resignation of the statutory auditors during the year. Accordingly, provisions of clause (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Companies Act, 2013 are not applicable to the Company during the year under audit. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **Jayesh Dadia & Associates LLP**
Chartered Accountants
 Firm Reg. No. – 121142W/W100122

Samir Jaijindra Shah
(Partner)

Membership Number – 124298
UDIN – 24124298BKCMCW9596

Place – Mumbai
 Date – 17th May, 2024



Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report

Opinion

We have audited the internal financial controls over financial reporting of **M/s. Morarka Finance Limited ("the Company")** as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in general, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were found operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company. However the same needs to be further improved and formally documented in view of the size of the company and nature of its business and regulatory requirements, 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.

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 (ICAI). 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 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.

Auditors' 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, issued by ICAI and deemed to be prescribed 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 Institute of Chartered Accountants of India. 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 judgment, 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 Company's 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 authorizations of management and directors of the

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

For **Jayesh Dadia & Associates LLP**
Chartered Accountants
Firm Reg. No. – 121142W/W100122

Samir Jaijinendra Shah
(Partner)
Membership Number – 124298
UDIN – 24124298BKCMCW9596

Place – Mumbai
Date – 17th May, 2024



BALANCE SHEET As at 31st March, 2024

| Particulars | Note No. | ₹ in Lakhs | |
|---|----------|------------------|------------------|
| | | As at 31-03-2024 | As at 31-03-2023 |
| I. ASSETS | | | |
| 1 Financial Assets | | | |
| (a) Cash and cash equivalents | 4 | 3.80 | 9.84 |
| (b) Bank Balance other than (a) above | | - | - |
| (c) Derivative Financial instruments | | - | - |
| (d) Receivables | | | |
| (i) Trade Receivables | | - | - |
| (ii) Other Receivables | | - | - |
| (e) Loans | | - | - |
| (f) Investments | 5 | 16,292.22 | 18,980.75 |
| (g) Other financial assets | 6 | 0.25 | 0.41 |
| | | 16,296.27 | 18,991.00 |
| 2 Non-Financial Assets | | | |
| (a) Inventories | 7 | 20.89 | 19.86 |
| (b) Current tax assets (Net) | | - | - |
| (c) Deferred tax assets (Net) | 8 | - | - |
| (d) Investment Property | | - | - |
| (e) Biologicabl assets other than bearer plants | | - | - |
| (f) Property, Plant and Equipment | 9 | 5.36 | 5.65 |
| (g) Capital work-in-progress | | - | - |
| (h) Intangible assets | | - | - |
| (i) Goodwill | | - | - |
| (j) Other intangible assets | | - | - |
| (k) Other non-financial assets | 10 | 66.95 | 71.83 |
| | | 93.20 | 97.34 |
| | | 16,389.47 | 19,088.34 |
| Total Assets | | | |
| II. LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| 1 Financial Liabilities | | | |
| (a) Derivative financial instruments | | - | - |
| (b) Payable | 11 | | |
| (i) Trade Payable | | 0.09 | 0.14 |
| (ii) Other Payable | | - | - |
| (c) Debt Securities | | - | - |
| (d) Borrowing (other than debt securities) | | - | - |
| (e) Deposits | | - | - |
| (f) Subordinate Liabilities | | - | - |
| (g) Other financial liabilities | | - | - |
| | | 0.09 | 0.14 |
| 2 Non-Financial Liabilities | | | |
| (a) Current tax liabilities (Net) | 12 | 54.76 | 68.54 |
| (b) Provisions | 13 | 1.96 | 1.94 |
| (c) Deferred tax liabilities (Net) | 8 | 42.68 | 17.12 |
| (d) Other non-financial liabilities | 14 | 4.09 | 3.64 |
| | | 103.49 | 91.24 |
| 3 Equity | | | |
| (a) Equity Share Capital | 15 | 450.21 | 450.21 |
| (b) Other Equity | | 15,835.68 | 18,546.75 |
| | | 16,285.89 | 18,996.96 |
| Total Liabilities and Equity | | 16,389.47 | 19,088.34 |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Jayesh Dadia & Associates LLP**
Chartered Accountants
Firm Reg. No. – 121142W/W100122

G.R. Morarka
Chairman
DIN 00002078

B.J. Maheshwari
Director
DIN 00002075

Samir Jajjinendra Shah
(Partner)
Membership Number – 124298
UDIN -24124298BKCMCW9596

Divya Agarwal
Company Secretary & Compliance Officer
ACS 55416

PP Singh
Chief Financial Officer

Place: Mumbai
Date: 17th May 2024

Place: Mumbai
Date: 17th May 2024

PROFIT AND LOSS STATEMENT For the year Ended 31st March, 2024

| Particulars | Note No. | Year ended | |
|---|----------|-------------------|-------------------|
| | | 31-03-2024 | 31-03-2023 |
| (₹ in Lakhs) | | | |
| I Revenue from Operation | | | |
| (i) Interest Income | | 16.34 | - |
| (ii) Dividend Income | | 462.24 | 462.11 |
| (iii) Rental Income | | 15.50 | 15.50 |
| (iv) Fees and commission Income | | - | - |
| (v) Net gain on fair value changes | 16 | 224.40 | 68.22 |
| (vi) Net gain on derecognition of financial instruments under amortised cost category | | - | - |
| (vii) Sale of products (Including Excise Duty) | | - | - |
| (viii) Sales of services | | 0.96 | 1.00 |
| (ix) Management Consultancy Income | | 39.00 | 39.00 |
| | | 758.44 | 585.83 |
| II Other Income | 17 | - | - |
| III Total Income (I+II) | | 758.44 | 585.83 |
| IV Expenses | | | |
| (i) Finance Cost | | - | - |
| (ii) Fees and commission expenses | | - | - |
| (iii) Net loss on fair value changes | | - | - |
| (iv) Net loss on derecognition of financial instruments under amortised cost category | | - | - |
| (v) Impairment on financial instruments | | - | - |
| (vi) Cost of material consumed | | - | - |
| (vii) Purchase of Stock-in-trade | | 0.59 | 0.94 |
| (viii) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 18 | (1.03) | (2.68) |
| (ix) Employee Benefits Expenses | 19 | 34.03 | 29.56 |
| (x) Depreciation, amortization and impairments | 20 | 0.29 | 0.31 |
| (xi) Others expenses | 21 | 12.63 | 10.38 |
| Total Expenses (IV) | | 46.51 | 38.51 |
| V Profit/(loss) before exceptional items and tax (III-IV) | | 711.93 | 547.32 |
| VI Exceptional items | | - | - |
| VII Profit/(loss) before tax (V-VI) | | 711.93 | 547.32 |
| VIII Tax Expense | | | |
| (1) Current Tax | | 54.76 | 68.54 |
| (2) Prior year tax | | 0.02 | 3.51 |
| (3) Deferred Tax | | 25.56 | 7.22 |
| IX Profit/(loss) for the period from continuing operations (VII-VIII) | | 631.59 | 468.05 |
| X Profit/(loss) from discontinued operations | | - | - |
| XI Tax expense of discontinued operations | | - | - |
| XII Profit/(loss) from discontinuing operations (after tax) (X-XI) | | - | - |
| XIII Profit/(loss) for the period (IX+XII) | | 631.59 | 468.05 |
| XIV Other Comprehensive Income | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | (3,520.26) | (8,959.77) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 402.72 | 735.90 |
| (B) (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Other Comprehensive Income | | (3,117.54) | (8,223.87) |
| XV Total Comprehensive income for the period (XIII+XIV) | | (2,485.95) | (7,755.82) |
| XVI Earning per equity share | 22 | | |
| Basic (Rs.) | | 14.03 | 10.40 |
| Diluted (Rs.) | | 14.03 | 10.40 |
| Weighted average number of shares outstanding | | 45.02 | 45.02 |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Jayesh Dadia & Associates LLP**
Chartered Accountants
 Firm Reg. No. – 121142W/W100122

G.R. Morarka
Chairman
 DIN 00002078

B.J. Maheshwari
Director
 DIN 00002075

Samir Jaijinendra Shah
(Partner)
 Membership Number – 124298
 UDIN -24124298BKCMCW9596

Divya Agarwal
Company Secretary & Compliance Officer
 ACS 55416

PP Singh
Chief Financial Officer

Place: Mumbai
 Date: 17th May 2024

Place: Mumbai
 Date: 17th May 2024



CASH FLOW STATEMENT For the year Ended 31st March 2024

(₹ in Lakhs)

| Particulars | 2023-2024 | | 2022-2023 | |
|---|-----------|-----------------|-----------|-----------------|
| A CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| NET PROFIT/(LOSS) BEFORE TAX | | 711.93 | | 547.32 |
| Item | | | | |
| ADJUSTMENTS FOR : | | | | |
| Depreciation and amortisation | | 0.29 | | 0.31 |
| Realised (gain)/loss on FVTPL investment | | - | | (16.77) |
| Unrealised (gain)/loss on FVTPL investment | (224.40) | (224.11) | (51.45) | (67.91) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 487.82 | | 479.41 |
| WORKING CAPITAL CHANGES | | | | |
| (Increase)/decrease in trade and other receivables | | 5.04 | | (29.55) |
| (Increase)/decrease in inventories | | (1.03) | | (2.68) |
| (Increase)/decrease in investment | | (11.05) | | - |
| Increase/(decrease) in trade payables | | (0.05) | | 0.04 |
| Increase/(decrease) in provisions | | 0.02 | | (1.33) |
| Increase/(decrease) in other non-financial liabilities | | 12.23 | | 40.44 |
| MAT Credit balance written-off | | - | | - |
| CHANGE IN WORKING CAPITAL | | 5.16 | | 6.92 |
| (Increase)/decrease in direct tax and deferred tax | | (80.34) | | (79.27) |
| Dividend income consider seperately | (462.24) | (537.42) | (462.11) | (534.46) |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | | (49.60) | | (55.05) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| Purchase of investments in mutual fund | | - | | (425.00) |
| Purchase of Term Deposit | (420.00) | | | |
| Proceeds from sale of investment in mutual fund | | - | | 189.00 |
| Receipt from Dedeem of Term Deposit | 226.44 | | | |
| Dividend received | 462.24 | 268.68 | 462.11 | 226.11 |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | | 268.68 | | 226.11 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Dividend Paid | (225.12) | (225.12) | (180.08) | (180.08) |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | | (225.12) | | (180.08) |
| NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A-B+C) | | (6.04) | | (9.02) |
| CASH AND CASH EQUIVALENTS(OPENING BALANCE) | | 9.84 | | 18.86 |
| CASH AND CASH EQUIVALENTS(CLOSING BALANCE) | | 3.80 | | 9.84 |

Notes :

- The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows"
- Previous year figures have been regrouped, wherever required.

As per our report of even date attached

For **Jayesh Dadia & Associates LLP**
Chartered Accountants
Firm Reg. No. – 121142W/W100122

G.R. Morarka
Chairman
DIN 00002078

B.J. Maheshwari
Director
DIN 00002075

Samir Jaijinendra Shah
(Partner)
Membership Number – 124298
UDIN -24124298BKCMCW9596

Divya Agarwal
Company Secretary & Compliance Officer
ACS 55416

PP Singh
Chief Financial Officer

Place: Mumbai
Date: 17th May 2024

Place: Mumbai
Date: 17th May 2024

STATEMENT OF CHANGES IN EQUITY For year Ended 31 March 2024

A. Equity Share Capital

| Particulars | Amounts |
|---|---------|
| Issued, subscribed and fully paid up | |
| Balance as at 1 st April 2023 | 450.21 |
| Change during the year | - |
| Balance as at 31 st March 2024 | 450.21 |

B. Other Equity

| Particulars | Reserve and Surplus | | | Other Comprehensive Income | | Total | |
|---|----------------------------|-----------------|---|----------------------------|------------------------------|-------------------|--------------------------------|
| | Capital Redemption Reserve | General Reserve | Reserve Fund U/S 45-IC of RBI Act, 1934 | Retained Earnings | Debt Instruments through OCI | | Equity Instruments through OCI |
| Balance as at 1 April 2023 | 65.30 | 21.02 | 181.16 | 1,596.61 | | 16,682.66 | 18,546.75 |
| Profit/(loss) for the year | | | | 631.59 | | | 631.59 |
| Other Comprehensive income/(loss) | | | | | | (3,117.54) | (3,117.54) |
| Total Comprehensive Income for the year | - | - | - | 631.59 | - | (3,117.54) | (2,485.95) |
| Transfer to Reserve Fund U/S 45 - IC of RBI Act 1934 | | | 126.32 | (126.32) | | | - |
| Dividend paid on equity share (Including tax thereon) | | | | (225.12) | | | (225.12) |
| Transfer to General Reserve | | | | | | | - |
| Balance as at 31 March 2024 | 65.30 | 21.02 | 307.48 | 1,876.77 | - | 13,565.12 | 15,835.68 |

As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act,1934.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Jayesh Dadia & Associates LLP**
Chartered Accountants
Firm Reg. No. – 121142W/W100122

G.R. Morarka
Chairman
DIN 00002078

B.J. Maheshwari
Director
DIN 00002075

Samir Jajjinendra Shah
(Partner)
Membership Number – 124298
UDIN -24124298BKCMCW9596

Divya Agarwal
Company Secretary & Compliance Officer
ACS 55416

PP Singh
Chief Financial Officer

Place: Mumbai
Date: 17th May 2024

Place: Mumbai
Date: 17th May 2024



NOTES TO FINANCIAL STATEMENT As at March 31, 2024

1. Company overview

Morarka Finance Limited (the company) was originally incorporated as Morarka Holding Limited dated March 15, 1985 with registrar of companies, Maharashtra at Mumbai.

The name of the company has been changed to Morarka Finance Limited on May 28, 1993.

The company is registered with RBI as NBFC-ND-NSI-Investment company on February 20, 1998 vide certificate of registration no. 13.00042 in Mumbai, to carry on the business of non-banking financial institution.

The company is listed on the BSE Limited. These financial statements are presented in Indian Rupees.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

A. Compliance with Ind-AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind-AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use

B. Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS.

The Statement of Cash Flows has been presented as per the requirements of Ind - AS 7 - Statement of Cash Flows.

C. Basis of preparation

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents

All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR in compliance with Schedule III of the Act, unless otherwise stated.

The significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

D. Use of estimates and judgements

The preparation of financial statements in conformity with the recognition and measurement principle of Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting

policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates.

Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet date are discussed in Note 3.

2.2 Financial Instruments

A. Date of recognition

Financial assets and financial liabilities are recognised in the Company's balance sheet when the company becomes a party to the contractual provisions of the instrument

B. Initial measurement

Recognised financial instruments are initially measured at transaction price, which equates fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

C. Classification and subsequent measurement

(i). Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit and loss (FVTPL)

(a). Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held to collect contractual cash flows'); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding

The company records investment in preference shares at amortised cost

(b). Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVTOCI.

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income which is recognised in statement of profit and loss.

Amounts recorded in OCI are not subsequently transferred to the statement of profit and loss. Equity instruments at FVTOCI are not subject to an impairment assessment.

The company records investment in equity shares at FVTOCI



(c). Financial assets at fair value through profit and loss (FVTPL)

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVTOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

The Company records investments in mutual funds at FVTPL.

(ii). Financial liability and equity instrument

(a). Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. An equity instrument issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs

(b). Financial liability

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss.

Any gain or loss on de-recognition of financial liabilities is also recognised in statement of profit and loss

D. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. Financial liabilities are not reclassified

E. Derecognition

(i). Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit and loss

(ii). Financial liabilities

Financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss

F. Impairment of financial assets

The company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortized cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognized impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition

G. Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss

H. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Company follows the policy of crediting the customer's account only on receipt of amount in the bank and as such no cheques in hand are taken into consideration

2.4 Property, plant and equipment**A. Recognition and measurement**

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use

B. Subsequent expenditure

Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets.

C. Depreciation and amortisation

Depreciation on tangible assets is provided on straight line method over the useful life of assets estimated by the Management.

Property, Plant and Equipment which are added / disposed of during the year, depreciation is provided pro-rata basis with reference to the month of addition / deletion

2.5 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realised. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit ('CGU').



If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost

2.6 Revenue recognition

Revenue (other than for those items to which Ind-AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties.

Ind-AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

2.7 Provisions and contingences

The Company recognises a provision when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that may arise from past events but probably will not require an outflow of resources to settle the obligation.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements

2.8 Leases

Effective from 1st April 2019, the company has adopted IND AS 116 – Lease and applied to lease contract existing on 1st April 2019 with Dwarikesh Sugar Industries Limited (DSIL) (Lessee).

As per requirement of IND AS 116, The Company (lessor) has recognised lease payment received from DSIL as an operating lease on a straight-line-basis.

2.9 Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables, respectively, in the balance sheet

2.10 Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date

A. Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 in respect of taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years.

B. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2.11 Earning per share

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have been computed by dividing net profit / loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.



Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity shareholders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive

2.12 Statement of cashflow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.13 Recent pronouncement

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceed before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous contract – Costs of fulfilling a contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual improvement to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

3. Critical accounting estimates and judgements

In the process of applying the Company’s accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

Fair value of financial instruments

Some of the Company’s assets and liabilities are measured at fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind-AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date

4 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | As at 31/03/2024 | As at 31/03/2023 |
|---------------------------------------|---------------------|---------------------|
| Cash on hand | 0.18 | 0.19 |
| Balance with bank in current accounts | 3.62 | 9.65 |
| | 3.80 | 9.84 |

5 INVESTMENTS

(₹ in Lakhs)

| Particulars | As at 31/03/2024 | As at 31/03/2023 |
|---|---------------------|---------------------|
| Recorded at Fair value through profit and loss accounts (FVTPL) | | |
| Units of mutual funds | | |
| (a) ICICI Prudential Regular Saving fund - DP Growth {(No. of Units 22,90,548.17) (Previous year unit - 22,90,548.17)} | 1,668.65 | 1,444.25 |
| Recorded at Fair value through other comprehensive income (FVTOCI) | | |
| Equity instruments of other entities | | |
| (a) Dwarikesh Sugar Industries Limited {(No. of Shares - 2,15,91,180) (Previous year - share - 2,15,91,180)} | 13,343.47 | 16,379.91 |
| (b) Dwarikesh Trading Company Limited {(No. of Shares - 12,582)(Previous year - shares - 12,582)} | 685.87 | 769.31 |
| (c) Dwarikesh Informatics Limited {(No. of Shares - 9,500)(Previous year share - 9,500)} | 13.42 | 11.06 |
| (d) Faridpur Sugars Limited {(No. of Shares - 9,500)(Previous year - shares - 9,500)} | 0.99 | 1.01 |
| (e) Maker Chambers V Premises Co-op Society Ltd {(No. of Share - 10)(Previous year - Shares 10)} | 0.01 | 0.01 |
| Recorded at Amortised cost | | |
| (a) Dwarikesh Trading company Limited - (8% Non redeemable cumulative preference shares) | 300.00 | 300.00 |
| (b) Dwarikesh Trading company Limited - (6% Non redeemable cumulative preference shares) | 75.20 | 75.20 |
| (c) Investment in Fixed Deposit | 204.61 | - |
| Total - Gross (A) | 16,292.22 | 18,980.75 |
| (i) Investment outside india | - | - |
| (ii) Investment in india | 16,292.22 | 18,980.75 |
| Total - Gross (B) | 16,292.22 | 18,980.75 |
| Less - Allowance for impairment loss (C) | - | - |
| Total - Net (D) (A-C) | 16,292.22 | 18,980.75 |



6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars | As at 31/03/2024 | As at 31/03/2023 |
|--------------------|-----------------------------|-----------------------------|
| Security Deposit | 0.15 | 0.15 |
| Other | 0.10 | 0.26 |
| | 0.25 | 0.41 |

7 INVENTORIES

(₹ in Lakhs)

| Particulars | As at 31/03/2024 | As at 31/03/2023 |
|---------------------|-----------------------------|-----------------------------|
| Stock of Securities | 20.89 | 19.86 |
| | 20.89 | 19.86 |

8. DEFERRED TAX ASSETS /(LIABILITIES):

| Particulars | AS ON 31-03-2024 | | AS ON 31-03-2023 | |
|--|--------------------|------------------------|--------------------|------------------------|
| | Deferred Tax Asset | Deferred Tax Liability | Deferred Tax Asset | Deferred Tax Liability |
| | ₹ | ₹ | ₹ | ₹ |
| Difference in WDV as per books and as per income tax | | (1.04) | | (1.07) |
| Provision for leave encashment and gratuity disallowance | 0.44 | - | 0.36 | - |
| Net gain on fair value change (unrealised) | - | (42.08) | - | (16.41) |
| Total | 0.44 | (43.12) | 0.36 | (17.48) |
| Total | (42.68) | | (17.12) | |

(₹ in Lakhs)

9 PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS | GROSS BLOCK | | DEPRECIATION | | NET BLOCK | |
|-----------------------------|------------------|------------------|------------------|------------------------------|------------------|------------------|
| | As at 01-04-2023 | As at 31-03-2024 | Up to 01-04-2023 | For the Disposals 31-03-2024 | Up to 31-03-2023 | As at 31-03-2024 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| (I) Buildings * | 28.77 | - | 23.16 | 0.28 | 23.44 | 5.33 |
| | (28.77) | - | (22.86) | (0.30) | (23.16) | (5.61) |
| (II) Furniture and Fixtures | 11.26 | - | 11.23 | 0.01 | 11.24 | 0.02 |
| | (11.26) | - | (11.22) | (0.01) | (11.23) | (0.03) |
| (III) Office equipment | 0.79 | - | 0.78 | - | 0.78 | 0.01 |
| | (0.79) | - | (0.78) | - | (0.78) | (0.01) |
| Grand Total | 40.82 | - | 35.17 | 0.29 | 35.46 | 5.36 |
| Previous Year | (40.82) | - | (34.86) | (0.31) | (35.17) | (5.65) |

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



10 OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars | As at 31/03/2024 | As at 31/03/2023 |
|-----------------------|---------------------|---------------------|
| Advance Tax | 10.37 | 16.97 |
| TDS Receivable | 53.31 | 51.66 |
| Income Tax Receivable | 2.94 | 2.87 |
| GST Cess Receivables | 0.33 | 0.33 |
| | 66.95 | 71.83 |

11 PAYABLE

(₹ in Lakhs)

| Particulars | As at 31/03/2024 | As at 31/03/2023 |
|-----------------------|---------------------|---------------------|
| (l) Trade Payable | | |
| (a) MSME | - | - |
| (b) Others | 0.09 | 0.14 |
| (c) Disputed - MSME | - | - |
| (d) Disputed - Others | - | - |
| | 0.09 | 0.14 |

Ageing for Trade Payable outstanding as at March 31, 2024 is as follows

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|----------------------|--|-----------|-----------|------------------|-------------|
| | Less than 1 years | 1-2 years | 2-3 years | More than 3 year | |
| Trade Payable | | | | | |
| MSME | - | - | - | - | - |
| Others | 0.09 | | | | 0.09 |
| Disputed - MSME | - | - | - | - | - |
| Disputed - Others | - | - | - | - | - |
| Total | | | | | 0.09 |

12 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | As at 31/03/2024 | As at 31/03/2023 |
|-------------------|---------------------|---------------------|
| Provision for tax | 54.76 | 68.54 |
| | 54.76 | 68.54 |

(Provision for tax is calculated as per section 115BAA of Income Tax Act, 1961 after consideration of deduction under section 80M for inter-corporate dividend)

| 13 PROVISION | | (₹ in Lakhs) | |
|---------------------------------|---------------------|---------------------|--|
| Particulars | As at 31/03/2024 | As at 31/03/2023 | |
| Provision for employee benefits | | | |
| (l) Leave encashment | 1.96 | 1.94 | |
| | 1.96 | 1.94 | |

| 14 OTHER NON-FINANCIAL LIABILITY | | (₹ in Lakhs) | |
|-----------------------------------|---------------------|---------------------|--|
| Particulars | As at 31/03/2024 | As at 31/03/2023 | |
| Salary & Wages Payable | 1.67 | 1.62 | |
| Profession Tax Payable (employee) | - | - | |
| GST Payable | 0.84 | 0.76 | |
| TDS liability - Salary | 1.07 | 0.75 | |
| TDS liability - Profession | 0.06 | 0.06 | |
| Provision for auditor fee | 0.45 | 0.45 | |
| | 4.09 | 3.64 | |

| 15 EQUITY SHARE CAPITAL | | (₹ in Lakhs) | |
|---|---------------------|---------------------|--|
| Particulars | As at 31/03/2024 | As at 31/03/2023 | |
| AUTHORISED: | | | |
| 48,00,000 equity shares of ₹ 10 each | 480.00 | 480.00 | |
| 1% 1,50,000 Redeemable non cumulative preference shares of ₹ 100 each | 150.00 | 150.00 | |
| | 630.00 | 630.00 | |
| ISSUED, SUBSCRIBED AND PAID UP: | | | |
| 45,02,100 equity shares of ₹ 10 each fully paid up | 450.21 | 450.21 | |
| | 450.21 | 450.21 | |

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 2022-23 and 2023-24

| B Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company: | | 31-Mar-24 | 31-Mar-23 |
|--|--|-----------|-----------|
| Equity Shares:- | | | |
| Dwarikesh Trading Company Limited | | 22,09,854 | 22,09,854 |
| | | 49.08% | 49.08% |
| Shri. Pranay Gautam Morarka | | 5,06,032 | 5,06,032 |
| | | 11.24% | 11.24% |

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.



16 Net gain/(loss) on fair value changes

(₹ in Lakhs)

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|---|--------------------------|--------------------------|
| Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL) | | |
| Investment in mutual fund | 224.40 | 68.22 |
| | 224.40 | 68.22 |
| Realised gain - Short term capital gain | - | 16.77 |
| Unrealised gain | 224.40 | 51.45 |
| | 224.40 | 68.22 |

17 OTHER INCOME

(₹ in Lakhs)

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|-------------------------------|--------------------------|--------------------------|
| Interest on Income tax refund | - | - |
| | - | - |

18 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|--------------------------------------|--------------------------|--------------------------|
| Closing stock of shares & debentures | (20.89) | (19.86) |
| Opening stock of shares & debentures | 19.86 | 17.18 |
| | (1.03) | (2.68) |

19 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|---|--------------------------|--------------------------|
| a) Salary and wages | | |
| Salary and wages | 29.79 | 25.63 |
| Bonus & Exgratia | 2.46 | 2.49 |
| Leave encashment | 1.77 | 1.43 |
| | 34.02 | 29.55 |
| b) EPF Administration Charges to provident and other fund | | |
| Provident fund | 0.01 | 0.01 |
| | 0.01 | 0.01 |
| | 34.03 | 29.56 |

20 DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

(₹ in Lakhs)

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|--|--------------------------|--------------------------|
| a) Depreciation on Property, Plant and Equipment | 0.29 | 0.31 |
| b) Amortization of intangible assets | - | - |
| | 0.29 | 0.31 |

21 OTHER EXPENSES

(₹ in Lakhs)

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|----------------------------|--------------------------|--------------------------|
| Rates and taxes | 0.02 | 0.11 |
| Travelling & conveyance | 1.58 | 0.45 |
| Postage, telephone & telex | 0.26 | 0.27 |
| Printing & stationery | 0.22 | 0.16 |
| Payment to the auditors | 0.50 | 0.50 |
| Miscellaneous expenses | 10.05 | 8.89 |
| | 12.63 | 10.38 |

22 EARNINGS PER SHARE

(₹ in Lakhs)

| Particulars | Year ended 31-03-2024 | Year ended 31-03-2023 |
|--|--------------------------|--------------------------|
| Net profit | 631.59 | 468.05 |
| Weighted average number of equity shares | | |
| Basic | 45.02 | 45.02 |
| Diluted | 45.02 | 45.02 |
| Earnings per share | | |
| Basic | 14.03 | 10.40 |
| Diluted | 14.03 | 10.40 |
| Face value per share | 10 | 10 |



23 Related party disclosures as required by Accounting Standard Ind AS -24 for the year ended 31st March, 2024

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

| | | |
|--|--|--|
| i) Enterprises over which key management personnel are able to exercise significant influence | Group companies -Dwarikesh Trading Company Limited -Dwarikesh Informatics Limited -Faridpur Sugars Limited -Dwarikesh Sugar Industries Limited | |
| ii) Key Management Personnel | -Shri Pranay G. Morarka -Shri P.P. Singh -Divya Agarwal | Chief Executive Officer Chief Financial Officer Company Secretary & Compliance Officer |
| iii) Relatives of Key Managerial Personnel | -Shri Pranay 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. | Management Consultancy Fee Received | 46.02/- | (Nil) | (Nil) |
| | | Lease Rent Received | 18.29/- | (Nil) | (Nil) |
| | | Reimbursement - Society Maintenance | 0.84/- | | |
| | | Reimbursement - Telephone expense | 0.30/- | (Nil) | (Nil) |

24 Details of due to Micro, Small and medium enterprises

As per the confirmation received from the parties following is the status of MSME parties

| Particulars | 2023-24 | 2022-23 |
|--|---------|---------|
| The Principal amount remaining Unpaid at the end of the year | 0.00 | 0.00 |
| The Interest Amount remaining unpaid at the end of the year | 0.00 | 0.00 |
| Balance of MSME parties at the end of the year | 0.00 | 0.00 |

25 Financial Instruments

| Financial Assets | | | | | | (₹ in Lakhs) |
|------------------|---|----------------------|-----------------------------------|------------------|-----------------------------------|------------------|
| Sl No. | Particulars | Fair value hierarchy | As at 31 st March 2024 | | As at 31 st March 2023 | |
| | | | Carrying amount | Fair Value | Carrying amount | Fair Value |
| I | Financial assets designed at fair value through profit and loss | | | | | |
| | Investment in mutual fund | Level - 1 | 1,284.00 | 1,668.65 | 1,284.00 | 1,444.25 |
| II | Financial assets designed at fair value through other comprehensive income | | | | | |
| | Investment in equity shares | Level - 1 | 474.42 | 13,343.47 | 474.42 | 16,379.91 |
| | Investment in equity shares | Level - 2 | 4.22 | 700.28 | 4.22 | 781.38 |
| III | Financial assets designed at amortised cost | | | | | |
| | Investment in preference share | | 375.20 | 375.20 | 375.20 | 375.20 |
| | | | 2,137.84 | 16,087.60 | 2,137.84 | 18,980.74 |

26 Other Statutory Information

- (i) The Company does not own any benami property and no proceeding(s) has been initiated against the Company for holding any benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company has not given advance or loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund(s) from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961")
- (viii) The Company is not declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- (ix) All immovable properties are held in the name of the Company.



27 Ratios

| SI NO. | Particulars | Year Ended | | Variation | Reason for variation |
|--------|--|-----------------------------|-----------------------------|-----------|---|
| | | 31 st March 2024 | 31 st March 2023 | | |
| I | Debt-to-Equity (D/E) Ratio (in times) (Total Debt (Long term +Short term including current maturity)/Total Shareholders' Equity) | NIL | NIL | NA | |
| II | Debt service coverage ratio (in times) {(Profit after tax+ depreciation+ interest on term loan) /(Interest on term loan + Long term principal repayment amount during the period)}" | NA | NA | NA | |
| III | Current ratio (in times) Current Assets/ Current Liabilities | 42.64 | 75.51 | -43.52% | This is due to decrease in cash & cash equivalent at the year end (current asset) |
| IV | Debtors turnover (in times) [Net Credit Sales / Average Accounts Receivable { (Closing Accounts Receivable + Opening Accounts Receivable)/2}] | NIL | NIL | NA | |
| V | Inventory turnover (in times) [Revenue from operation / Average Inventory { (Closing Inventory + Opening Inventory)/2}] | 37.22 | 31.63 | 17.66% | This is due to increase in fair value gain on financial instruments during the year |
| VI | Net profit margin (%) (Net Profit after tax/ Total Revenue) | 83.28% | 79.89% | 4.23% | This is due to increase in deferred tax and fair value gain |
| VII | Return on equity ratio (%) (Net profit after tax/Average shareholder equity) | 3.58% | 2.04% | 75.67% | This is due to increase in fair value gain on financial instruments during the year |
| VIII | Trade Payable turnover ratio (%) Net credit purchase/average trade payable | NIL | NIL | NA | |
| IX | Net capital Turnover ratio (%) Net annual sale/working capital | 191.85 | 57.91 | 231.31% | This is due to increase in fair value gain on financial instruments during the year |
| X | Return on capital employed (%) Earning before interest and tax/ (Net worth + total debt + deferred tax liability) | 4.36% | 2.88% | 51.47% | This is due to increase in fair value gain on financial instruments during the year |

28 Additional Regulatory Information

| SI NO. | Particulars | Year Ended | |
|-----------|---|-----------------------------|-----------------------------|
| | | 31 st March 2024 | 31 st March 2023 |
| I | Capital to Risk Weighted assets Ratio (CRAR) = (Tier 1 capital + Tier 2 capital)/Risk weighted asset) | NA | NA |
| II | Tier I CRAR | NA | NA |
| III | Tier II CRAR | NA | NA |
| IV | Liquidity Coverage Ratio | 0.00 | 0.00 |



Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in Lakhs)

| SI No. | Particulars | 2023-24 | 2022-23 |
|--------|---|---------|---------|
| | Liability side | | |
| 1 | Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid: | | |
| | (a) Debentures | - | - |
| | Secured | - | - |
| | Unsecured (other than falling within the meaning of public deposit) | - | - |
| | (b) Deferred Credit | - | - |
| | (c) Term loans | - | - |
| | (d) Inter-corporate loans and borrowings | - | - |
| | (e) Other loan | - | - |
| | (Represents Working Capital Demand Loans and Cash Credit from Banks) | | |
| | Assets side | | |
| 2 | Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below]: | | |
| | (a) Secured | - | - |
| | (b) Unsecured | - | - |
| 3 | Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities Assets counting towards AFC activities | | |
| | (i) Lease Assets including Lease Rentals Accrued and Due: | | |
| | (a) Financial lease | - | - |
| | (b) Operating lease | - | - |
| | (ii) Stock on Hire including Hire Charges under Sundry Debtors: | | |
| | (a) Assets on Hire | - | - |
| | (b) Repossessed Assets | - | - |
| | (iii) Other Loans counting towards AFC Activities | | |
| | (a) Loans where Assets have been Repossessed | - | - |
| | (b) Loans other than (a) above | - | - |
| 4 | Break-up of Investments (net of provision for diminution in value) | | |
| | Current investment | | |
| | I. Quoted | | |
| | i. Shares | | |
| | (a) Equity | - | - |
| | (b) Preferene | - | - |

| | | (₹ in Lakhs) | |
|--------|--|--------------|----------|
| SI No. | Particulars | 2023-24 | 2022-23 |
| | ii. Debentures and bonds | - | - |
| | iii. Units of mutual funds | - | - |
| | iv. Govt. securities | - | - |
| | v. Others (please specify) | - | - |
| II. | Unquoted | | |
| | i. Shares | | |
| | (a) Equity | - | - |
| | (b) Preferene | - | - |
| | ii. Debentures and bonds | - | - |
| | iii. Units of mutual funds | - | - |
| | iv. Govt. securities | - | - |
| | v. Others (please specify) | - | - |
| | Long-term investment | | |
| I. | Quoted | | |
| | i. Shares | | |
| | (a) Equity | 13343.47 | 16379.91 |
| | (b) Preferene | - | - |
| | ii. Debentures and bonds | - | - |
| | iii. Units of mutual funds | 1668.65 | 1444.25 |
| | iv. Govt. securities | - | - |
| | v. Others (Investment in Fixed Deposit) | 204.61 | 0.00 |
| II. | Unquoted | | |
| | i. Shares | | |
| | (a) Equity | 700.28 | 781.37 |
| | (b) Preferene | 375.2 | 375.2 |
| | ii. Debentures and bonds | - | - |
| | iii. Units of mutual funds | - | - |
| | iv. Govt. securities | - | - |
| | v. Others (please specify) | - | - |
| 5 | Borrower Group-wise Classification of Assets Financed as in (2) and (3) above: | | |
| | 1. Related parties | | |
| | (a) Subsidiaries | - | - |
| | (b) Companies in the same group | - | - |
| | (c) Other related parties | - | - |
| | 2. Other than related parties | - | - |



(₹ in Lakhs)

| SI No. | Particulars | 2023-24 | 2022-23 |
|--------|---|----------|----------|
| 6 | Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) | | |
| 1. | Related parties | | |
| (a) | Subsidiaries | | |
| (b) | Companies in the same group | | |
| (c) | Other related parties | | |
| (i) | Dwarikesh Sugar Industries Limited - Equity Shares | 13343.47 | 16379.91 |
| (ii) | Dwarikesh Trading Company Limited - Preference Shares | 375.20 | 375.20 |
| (iii) | Dwarikesh Trading Company Limited - Equity Share | 685.87 | 769.31 |
| (iv) | Dwarikesh Informatics Limited - equity share | 13.42 | 11.06 |
| (v) | Faridpur Sugars Limited - Equity | 0.99 | 1.00 |
| 2. | Other than related parties | | |
| (i) | ICICI Prudential Regular Saving fund | 1668.65 | 1444.25 |
| (ii) | Investment in Fixed Deposit | 204.61 | 0.00 |
| | Total | 16292.21 | 18980.73 |
| 7 | Other information | | |
| (i) | Gross credit impaired assets | | |
| (a) | Related party | - | - |
| (b) | Other than related | - | - |
| (ii) | Net credit impaired assets | | |
| (a) | Related party | - | - |
| (b) | Other than related | - | - |
| (iii) | Assets acquired in satisfaction of debts | - | - |



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 **39th ANNUAL GENERAL MEETING** of the Company held on Monday, 23rd September, 2024 at 12.00 noon at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400020.

Signature of Shareholder / proxy

* Applicable for investors holding shares in electronic form.



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) | | E-mail Id | |
| Registered address | | 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 39th Annual General Meeting of the Company, to be held on Monday, September 23, 2024 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:

| Resolutions No. | | For | Against |
|-----------------|--|-----|---------|
| 1. | To receive, consider and adopt the Audited Financial Statements for the year ended 31 st March, 2024, Directors' Report and Auditors' Report thereon. | | |
| 2. | To declare dividend on Equity Shares for the financial year ended March 31, 2024. | | |
| 3. | To appoint a Director in place of Ms. Priyanka G. Morarka (DIN: 00001088), who retires by rotation and being eligible, offers herself for re-appointment. | | |
| 4. | To appoint Shri Prithviraj Natrajan Kokkarne (DIN: 00115317) as a Non-executive Independent Director. | | |
| 5. | To appoint Ms. Nina Chatrath (DIN: 07700943) as a Non-executive Independent Director. | | |
| 6. | To appoint Ms. Divya Rao (DIN: 10684830) as a Non-executive Independent Director. | | |

Signed this _____ day of _____ 2024

Affix
Re. 1
Revenue
Stamp

Signature of shareholder

Signature of first proxy holder

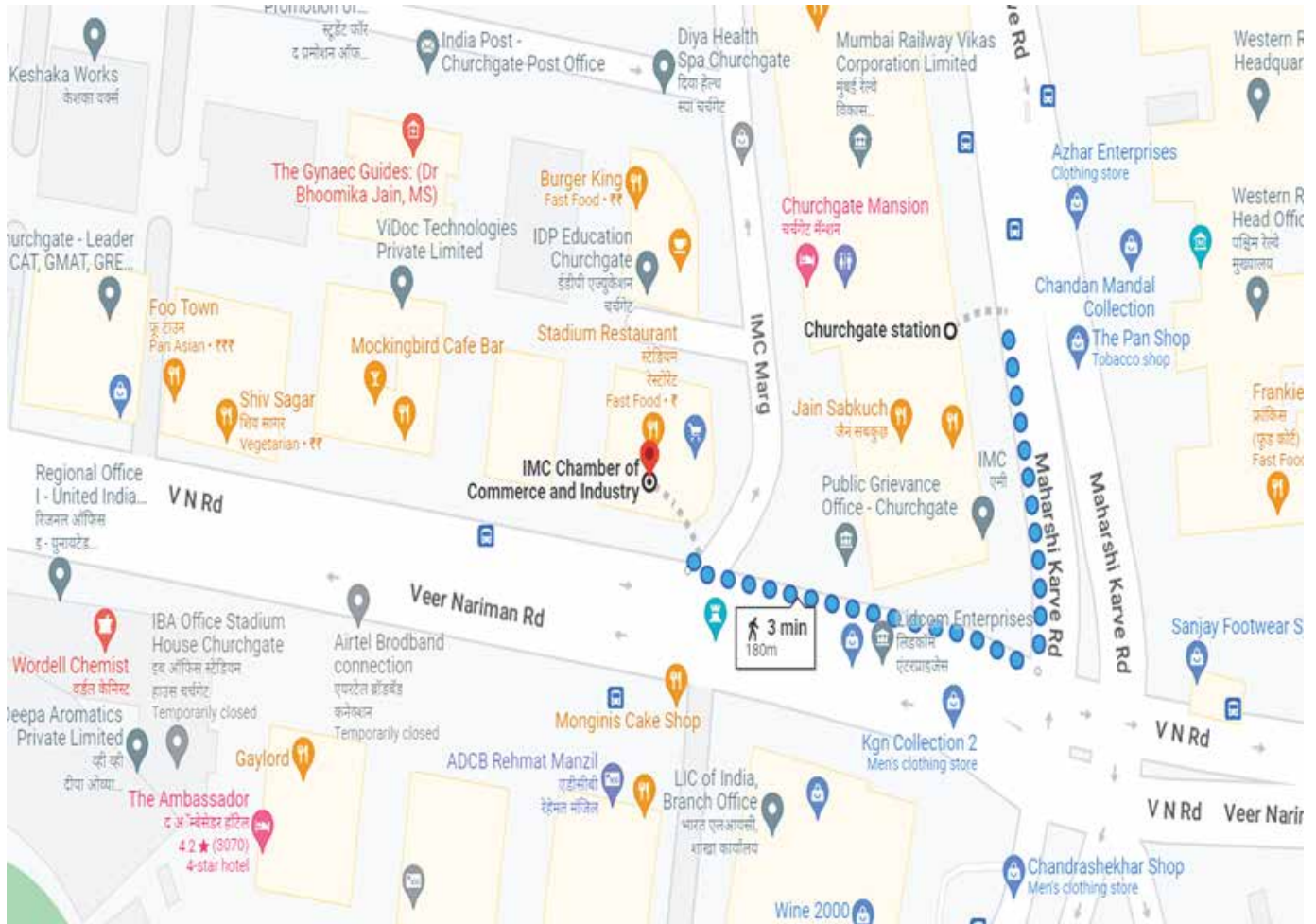
Signature of second proxy holder

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 ROADMAP





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