



MORARKA FINANCE LIMITED

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www.morarkafinance.in, investors@morarkafinance.in
CIN : L67120MH1985PLC035632

REF: MFL/ 2022-23/033

May 31, 2022

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 37th Annual General Meeting and Annual Report for the financial year – 2021-22

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 2021-22 including a copy of Notice of 37th Annual General Meeting (refer page no. 1 of Annual Report) scheduled to be held on Tuesday, June 28, 2022 at 12.00 noon IST through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”).

You are requested to acknowledge the receipt of the same.

Thanking you,
Yours Sincerely

B J Maheshwari
Director
DIN : 00002075

Encl: As above



MORARKA
FINANCE
LIMITED

37th ANNUAL
REPORT

2022

BOARD OF DIRECTORS

SHRI G. R. MORARKA
SHRI S. H. NEVATIA
MS. PRIYANKA G. MORARKA
SHRI B. J. MAHESHWARI
SHRI VIJAY S. BANKA
MS. K. SAVITHA RAO

KEY MANAGERIAL PERSONNEL

MRS. HIMGAURI S. BEHERA - CS & COMPLIANCE OFFICER
(Resigned w.e.f. April 25, 2022)

PREMCHAND P. SINGH - CFO
PRANAY G. MORARKA - CEO

AUDITORS

B. P. GHARDA & CO. CHARTERED ACCOUNTANTS

BANKERS

PUNJAB NATIONAL BANK

REGISTERED OFFICE

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

SOLICITORS

MULLA & MULLA & CRAIGIE BLUNT & CAROE

REGISTRAR & SHARE TRANSFER AGENTS

UNIVERSAL CAPITAL SECURITIES PVT.LTD.
C 101, 247 Park, LBS Road, Vikhroli West, Mumbai - 400083.

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NOTICE

NOTICE is hereby given that the **Thirty Seventh** (37th) Annual General Meeting of the Company will be held on Tuesday, June 28, 2022 at 12.00 noon IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2022, Directors' Report and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2022.
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 consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and guidelines issued by RBI, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors, **M/s Jayesh Dadia & Associates LLP**, Chartered Accountants, Mumbai having ICAI Firm Registration No.121142W/ W100122, be and is hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 42nd AGM of the company at the remuneration to be fixed by the Board of Directors of the company, in addition to the applicable tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Section 188 and all other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to provide management consultancy services to Dwarikesh Sugar Industries Limited for a period upto March 31, 2023 at a monthly charges of ₹ 3,25,000/- per month, plus applicable GST, levies, taxes, duties and cess as is mutually agreed between the parties subject to such extension as may be agreed upon mutually by the parties."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary."

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

B. J. MAHESHWARI
DIRECTOR
(DIN: 00002075)

Place : Mumbai
Date : April 29, 2022

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020, May 05, 2020 and January 13, 2021 and General Circular No. 21/2021 dated 14/12/2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. 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.
3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts in respect of item 5 is annexed and forms part of this notice.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted



- at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer and to the Company by email through its registered email address to vkmassociates@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com
 7. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 22nd June, 2022 to Tuesday, 28th June, 2022 (both days inclusive) for the purpose of identification of members who shall be entitled to receive Annual report, Dividend and attend Annual General Meeting of the Company.
 8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities requests will be considered but the transmission or transposition of securities will be done in dematerialized form only. In view of this and 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 Universal Capital Securities Private Limited ("RTA") for assistance in this regard.
 9. To support the 'Green Initiative', 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 are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form SH-13 which can be obtained from the Company's RTA.
 12. 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.
 13. 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.
 14. 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.
 15. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries and write to the Company on or before June 27, 2022 through email on investors@morarkafinance.in. The same will be replied by the Company suitably.
 16. 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.
 17. Members are requested to note that, 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.
 18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Notice of the 37th AGM along with the Annual Report 2021-22 and instructions for e-voting, is being sent only through electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s). Members may note that Soft copy of the Annual report 2021-22 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.
 19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
21. 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.
22. 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**, 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.
23. A Member can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the AGM. Since the AGM is held through VC/OAVM and voting through ballot paper will not be provided. 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 37th AGM of the Company and shall be communicated to BSE Limited at www.bseindia.com where the shares of the Company are listed.
24. The Notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from the Central Depository Services Limited (CDSL) as on 27th May, 2022.
25. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
26. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. However, **no tax will be deducted on payment of dividend to the resident individual shareholder, if the total dividend, paid during Financial year ('FY') 2022-23, does not exceed ₹ 5,000/-.**
- The TDS rate would vary depending on the residential status, category of the shareholder and is subject to provision of requisite declarations / documents to the Company as below:-

A. RESIDENT SHAREHOLDERS:

- A. 1. Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding ₹ 5,000 during the FY 2022-23)

S No.	Particular	TDS rate	Declaration / documents required
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Shareholder	10%	In absence of PAN, shareholder can quote Aadhaar number.
2	No / Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	Refer to request in S.no 1 above.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	<ul style="list-style-type: none"> • Copy of PAN card • Copy of lower TDS certificate obtained from Income Tax Department



A. 2. Nil Tax Deductible at Source on dividend payment to Resident Shareholders, if the Shareholders submit documents mentioned in table below with the Company/ RTA

S No.	Particular	Declaration / documents required
1	An Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> • Copy of PAN card (refer point (iii) to the Notes below) • Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.
2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, Business Trust (REIT, InVIT) etc.	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (Please download Annexure-1 from website of the company), along with adequate documentary evidence (e.g., registration certificate), to the effect that the no TDS is required as per provisions of section 194 of the Act.
3	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (Please download Annexure-1 from website of the company), along with adequate documentary evidence, substantiating applicability of 196 of the Act.
4	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (Please download Annexure-1 from website of the company) that AIF's income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, along with copy of registration certificate.
5	Any other entity exempt from TDS under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration by shareholders under section 197A of the Income Tax Act, 1961 (Please download Annexure-1 from website of the company) for availing the NIL tax rate deduction on dividend payment under the Income Tax Act, 1961. • Self-declaration by individual Sikkimese resident shareholder covered under section 10(26AAA) of the Income Tax Act, 1961 (Please download Annexure-2 from website of the company) for availing the NIL tax rate deduction on dividend payment. • Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

No tax will be deducted on payment of dividend to the resident individual shareholder if the total dividend, paid during Financial year 2022-23, does not exceed INR 5,000/-

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B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source for non-resident shareholders.

S No.	Category	TDS rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<ul style="list-style-type: none"> • Copy of PAN card (if available) • Self-declaration (Please download the Annexure-3, from the website of the company). • Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2022 and financial year 2023 (covering the period from April 1, 2022 to March 31, 2023) • Self-Declaration in Form 10F if all the details required in this form are not mentioned in the TRC (Please download Annexure-5, from the website of the company). • Self-declaration by the non-resident shareholder of having no permanent establishment / Fixed base or place of business / Business Connection / Place of Effective Management/ beneficial ownership, in India in accordance with the applicable DTAA (pertaining to FY 2022-23) (Please download Annexure-6, from the website of the company) <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</p>
2	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 (if available) • Self-declaration (Please download Annexure-4, from the website of the company) along with adequate documentary evidence substantiating the nature of the entity
3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Copy of PAN card (if available) 2. Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2022 and financial year 2023 (covering the period from April 1, 2022 to March 31, 2023) 3. Self-Declaration in Form 10F (Please download Annexure-5, from the website of the company) 4. Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] (Please download Annexure-6, from the website of the company) <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</p>



S No.	Category	TDS rate	Declaration / documents required
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA
5	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India. Self-Declaration (Please download the Annexure-7 & 8, from the website of the company) that the conditions specified in section 10(23FE) have been complied with
6	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	NIL	Self-Declaration (Please download Annexure-9 from the website of the company) substantiating the fulfillment of conditions prescribed under section 10(23FE) of the Act
7	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	Copy of the lower TDS certificate obtained from Income Tax Department

#In case PAN is not updated with the Company's RTA or depository; or PAN is not available; and information sought in the declaration are not provided, higher rate of withholding tax as per section 206AA shall be applied.

Notes:

- i. Update your KYC data to receive all communications and dividend information - The shareholders are requested to update their KYC data viz., PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our Registrar & Share Transfer Agent (RTA) whose e-mail address is given morarkatds@uniseq.in Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.
- ii. The Company will issue soft copy of the TDS certificate to its shareholders to email registered with the Depository Participant / RTA post payment of the dividend. Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://www.incometax.gov.in/iec/foportal> (refer to Form 26AS).
- iii. The aforesaid documents and all the declarations such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be shared by email on morarkatds@uniseq.in by June 21, 2022. Any communication in relation to tax rate determination/ deduction/TDS matters received after June 21, 2022 shall not be considered. Further, the shareholders can download the format of Annexures on the website

of the company at <https://www.morarkafinance.in/investor-relations/mfl-dividend>

- iv. Additionally, in case a resident shareholder or a non-resident shareholder having a PE in India qualifies as a "specified person" as per section 206AB of the Act, **higher rate of TDS as per section 206AB of the Act shall be applied.** In this respect, the company reserves the right to independently verify whether the shareholder qualifies as a "specified person" as per section 206AB of the Act from the utility released by the income-tax authority and apply TDS at a higher rate as applicable.

Note: In case you are a non-resident shareholder (even if individual, company, firm, trust or any other type of entity), request you to provide a NO PE declaration which allows the Company to take a well-evaluated position on non-applicability of the said section 206AB of the Act.

- v. After receipt of any of the above 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 Act.
- vi. Determination of TDS rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form as on the Record Date, and other documents available with the Company / RTA. In this respect, the company reserves

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the right to independently verify the PAN number of the shareholder from the National Securities Depository Ltd. ('NSDL') utility and if the same is found contrary to the PAN quoted/ provided, the company will disregard the PAN and proceed as per the prevalent law.

- vii. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
 - viii. The documents furnished by the shareholders (such as Form 15G/15H, TRC, Form 10F, Self- Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.
 - ix. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.
 - x. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.
 - xi. 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. Shareholders should consult their tax advisors for requisite action to be taken by them.
 - xii. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate, as applicable, without any further communication in this regard.
 - xiii. 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 Act, in the hands of a person other than the shareholder in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and proportion of credit to be given in respect of dividend income. The said declaration shall be provided to the Company on or before June 21, 2022.
27. The Company has fixed Tuesday, June 21, 2022 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended March 31, 2022, if approved at the AGM.

28. **Instructions for e-voting and joining the AGM are as follows:**

A. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

The instructions for members voting electronically are as under:

- (i) The voting period begins on Saturday, June 25, 2022 at 9.00 a.m. and ends on Monday, June 27, 2022 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 Tuesday, June 21, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) 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.

- (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 and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, 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 https://web.cdslindia.com/myeasi./Registration/ Easi Registration 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<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 or joining virtual meeting & voting during the meeting. 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 or joining virtual meeting & voting during the meeting

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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 022- 23058738 and 22-23058542-43.
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.: 1800 1020 990 and 1800 22 44 30

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

(vi) The shareholders should log on to the e-voting website www.evotingindia.com.

(vii) Click on "Shareholders" module.

(viii) 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.

(ix) Next enter the Image Verification as displayed and Click on Login.

(x) 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.

(xi) 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)
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. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(xii) After entering these details appropriately, click on "SUBMIT" tab.

(xiii) 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.

(xiv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xv) Click on the EVSN for Morarka Finance Limited on which you choose to vote.

(xvi) 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.

(xvii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- (xviii) 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.
- (xix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xxi) 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.
- (xxii) 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via

Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@morarkafinance.in. These queries will be replied to by the company suitably by email.

If you wish to speak at the AGM, please register yourself by sending email on investors@morarkafinance.in or info@unisec.in with the following details:

- **your DP ID and Client ID**
- **location: city and country**
- **occupation/ profession**
- **contact details (e-mail / mobile no. etc.)**
- **details of internet connectivity etc.**
- **your photograph (passport size - in .jpeg / .jpg / .bpm file)**

8. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM. Infrastructure, connectivity and speed available at the Speaker's location are essential to ensure smooth interaction. In the interest of time, each Speaker is requested to express his / her views in 2 minutes. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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.

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2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant.
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant which is mandatory while e-voting & joining virtual meetings through Depository.
3. Monetary Value : Current monthly fees is of ₹ 3,25,000/- per month plus additional GST subject to such increase as is mutually agreed between the parties from time to time for the period upto March 31, 2023.
4. Nature, material terms and particulars of the arrangement:

Contract	Purpose
Management Consultancy Agreement entered into between Morarka Finance Limited and Dwarikesh Sugar Industries Limited for rendering consultancy services for the purpose of fund raising activities of Dwarikesh Sugar Industries Limited for the Period upto March 31, 2023 at the fees of ₹ 3,25,000/- per month plus additional GST with other terms and conditions mentioned therein.	The Company being NBFC can assist one of the group companies – Dwarikesh Sugar Industries Limited to raise funds from the market, financial institutes, banks etc to cater its short term or long term funding requirements as it is being capital intensive industry is in frequent need of financial assistance.

(xxiii) If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

(xxiv) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 on 022-23058542/43.

ANNEXURE TO NOTICE

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

Item No.5

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

DSIL being a “Related Party” within the meaning of Section 2(76) of the Companies Act, 2013, needs the consent of shareholders by way of ordinary resolution under section 188 of the Companies Act, 2013 to enter into management consultancy arrangements with the company.

The particulars of transaction pursuant to para 3 of explanation (1) to rule 15 of Companies (Meeting of the Board and its powers) Rules, 2014 are as under:

1. Name of the related party: Dwarikesh Sugar Industries Limited.
2. Nature of relationship: Shri G. R. Morarka is the father of Ms. Priyanka G. Morarka and is also holding position of Executive Chairman in Dwarikesh Sugar Industries Limited. Ms. Priyanka G. Morarka is Director in Morarka Finance Limited. Shri B. J. Maheshwari and Shri Vijay S. Banka are holding Directorship positions in Dwarikesh Sugar Industries Limited and are also holding Directorships in Morarka Finance Limited.

5. Any other information relevant or important for the members to make decision on the proposed transaction: None.

None of the Directors, Key Managerial Personnel and relatives of Directors and Key Managerial Personnel may be deemed to be interested except Shri G. R. Morarka, who is holding position of Executive Chairman in Dwarikesh Sugar Industries Limited, Ms. Priyanka G. Morarka being daughter of Shri G. R. Morarka and Shri B. J. Maheshwari and Shri Vijay S. Banka being common directors in both the companies.

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

By the Order of the Board
For Morarka Finance Limited

B. J. MAHESHWARI
DIRECTOR
(DIN: 00002075)

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

Place : Mumbai
Date : April 29, 2022



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
Date of Birth	June 11, 1985
Nationality	Indian
Date of Appointment	December 19, 2020
Qualifications	BMS, MBA
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. Expertise : Finance & Strategic Management
Shareholding of Directors in Company	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
Chairmanship/memberships of Committees*	Chairmanship: (0) Membership: (0)
Relationship between Directors inter-se	Shri G. R. Morarka is the father of Ms Priyanka G. Morarka

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

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DIRECTOR'S REPORT

To
The Shareholders,
MORARKA FINANCE LIMITED

The Directors are pleased to present their Thirty Seventh (37th) Annual Report to the members together with the Audited Financial Statements of the Company for the year ended 31st March, 2022.

1. FINANCIAL RESULTS:

	For the year Ended 31/03/2022	[Amount in ₹] For the year Ended 31/03/2021
Profit / (Loss) before tax	4,05,26,204	91,79,036
Less: Current Tax	34,98,302	22,80,703
Provision for taxation earlier year	(7,54,638)	-
Deferred Tax	8,59,104	47,953
Profit / (loss) after tax	3,69,23,436	68,50,380
Add: Balance b/f from previous years	11,61,55,733	11,06,75,430
Less: Appropriations		
Transfer to reserve Fund u/s 45 IC of RBI Act	73,84,687	13,70,076
Dividend Paid	45,02,100	-
MAT Credit Balance Written-off	9,67,727	-
Balance carried to balance sheet	14,02,24,655	11,61,55,733

2. FINANCIAL PERFORMANCE:

For the financial year ended March 31, 2022, your company has posted Profits of ₹ 369.23 lakhs compared to the profit for the financial year ended March 31, 2021 of ₹ 68.50 lakhs.

3. COVID-19 IMPACT:

The focus of the Company is to ensure the health and well-being of all the concerned. To ensure safety of the employees, relaxed working hours to avoid rush hours is instilled by the Company. The Company is motivated and keeping positive outlook for its future growth and prospects.

4. 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.

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

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

6. DIVIDEND:

Your Board of Directors has recommended dividend of ₹ 4 per Equity share (i.e. 40%) for the financial year 2021-22.

7. SHARE CAPITAL:

The paid up Equity Capital of your company as at March 31, 2022 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.

8. DIRECTORS:

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, retire by rotation and being eligible offers herself for re-appointment.



The brief resume/details relating to Directors who are to be appointed / re-appointed as above are furnished in the Corporate Governance Report.

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.

9. CHANGE IN NATURE OF BUSINESS:

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

10. 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.

11. 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.

12. 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.

13. 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) is required to be constituted and the same has been 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.

14. 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.

15. 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.

16. 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.

17. 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 takes into account factors like roles, skills / competencies, experience and grade / seniority to differentiate pay appropriately on the basis of contribution, skill and availability of talent on account of competitive market forces.

The company pays sitting fees to its Non-executive directors for attending meetings of the Board and its Committees. Non-executive directors are also reimbursed with expenses incurred by them for attending meetings of the Board and its Committees at actuals. The remuneration payable to the Non- executive directors and Independent Directors is governed by the provisions of the Companies Act, 2013.

The company does not have any subsidiary and hence holding directorships by any of the directors of the company in subsidiary is not applicable in case of the company. Shri B. J. Maheshwari and Shri Vijay S. Banka have relinquished any sitting fees payable to them for attending the Board/ Committee meetings.

18. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company met Four (4) times during the year: May 21, 2021, August 10, 2021, October 13, 2021 & February 02, 2022.

19. 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>

20. 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.

21. STATEMENT OF DIRECTOR'S RESPONSIBILITIES:

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

- a. that in the preparation of the annual financial statements for the year ended March 31, 2022, 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, 2022 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.

22. CORPORATE GOVERNANCE:

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

23. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013, the extract of the Annual Return in form MGT-9 is provided on the website of the Company and same can be view at this link <https://www.morarkafinance.in/static-data/2021-22/MGT-9-2021-22.pdf>.

24. PARTICULARS OF EMPLOYEE:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is attached herewith and marked as **Annexure II**.

All the non-executive directors of the company, due to financial constraints being faced by the company, have relinquished their remuneration. Further, no sitting fees has been paid to any director during the year, except to Shri S. H. Nevatia, Ms. K. Savitha Rao and Ms. Priyanka Morarka.

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

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

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

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

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

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

The term of M/s. B P Gharda & Co., Chartered Accountants having Firm Reg. No. 103155W, Mumbai, who were appointed as the Statutory Auditors of the Company at the AGM held on 26th September, 2017 retires at this Annual General Meeting after completing their term of 5 years. As per the provisions of Section 139(2) of the Companies Act, 2013, and on the recommendation of Audit Committee & Board of Directors, M/s Jayesh Dadia & Associates LLP, Chartered Accountants, Mumbai having ICAI Firm Registration No.121142W/ W100122, has been proposed to be appointed as the Statutory Auditors of the Company for a term of 5 consecutive years. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. Also, peer review certificate have been obtained from the proposed Auditors.

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MORARKA FINANCE LIMITED

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
Dated: April 29, 2022



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) Inter-corporate Deposit (Exempted Deposit)
Duration of the contracts / arrangements/ Transactions	1) Five years 2) Twelve months 3) Four 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) Inter-corporate Deposit (Exempted Deposit) of ₹ 2,30,00,000/- was given to Dwarikesh Sugar Industries Limited (DSIL) on 22 nd July 2021 for their working capital requirements which was repaid by DSIL as on November 09, 2021.
Date(s) of approval by the Audit Committee /Board, if any	21 st May, 2021 (Omnibus 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
Dated: April 29, 2022

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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	Ratio
Chief Executive Officer	2.23
Chief Finance Officer	-
Company Secretary	1
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- 2021- 22

Designation	Increase / Decrease %
Chief Executive Officer	19.32%
Chief Finance Officer	-
Company Secretary	10.10%
Directors	-

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 15.41%

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

As of March 31, 2022, the company is having only Six directors and three KMPs viz. CEO, CFO and CS and one Assistant CS. CFO is on deputation & is remunerated by associate 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 & VP, CFO and CS. There is only 1 employee other than these Directors and KMPs and hence no comparison is required. The increase in remuneration is in line with the remuneration paid by peers in the Industry.

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

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN : 00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN : 00002075)

Place : Mumbai
Dated: April 29, 2022



Annexure III
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022 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 Act, 1934 and rules and regulations made thereunder and any modification, new enactment from time to time related to Non-Banking Financial Company;

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

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

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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:

- *Auditors of the Company was not peer reviewed but they have already made application to ICAI for Peer Review Certificate and the same is still pending from ICAI.*

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
Practising Company Secretaries**

**(Vijay Kumar Mishra)
Partner**

C.P. No. : 4279

UDIN : F005023D000235880

PR : 1846/2022

**Place : Mumbai
Date : 29/04/2022**

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



“ANNEXURE A”

To,
The Members,
MORARKA FINANCE LIMITED
511, Maker 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
Practising Company Secretaries**

**(Vijay Kumar Mishra)
Partner**

C.P. No. : 4279

UDIN : F005023D000235880

PR : 1846/2022

**Place : Mumbai
Date : 29/04/2022**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Global Economy

In the third year of a global pandemic, the financial services industry appears to be acclimating to a new reality. Many temporary measures put in place are now poised to become permanent, and a new industry structure is emerging. While surviving the pandemic has occupied much of the financial services industry's recent focus, the industry is still not delivering returns anywhere near pre-financial crisis levels.

The report of Global Economic Prospects released in June, 2021 described and stated that the global economy is set to expand 5.6 percent in 2021—its strongest post-recession pace in 80 years. The recovery is envisioned to continue into 2022, with global growth moderating to 4.3 percent. Still, by 2022, global GDP is expected to remain 1.8 percent below pre-pandemic projections. By 2022, global output will remain about 2 percent below pre-pandemic projections, and per capita income losses incurred last year will not be fully unwound in about two-thirds of emerging market and developing economies.

However, the world faced a new challenge by the start of 2022 in the form of war between Ukraine & Russia. Financial stability risks have risen as war tests the resilience of the financial system through various channels. Financial conditions have tightened and risks to the global economy have increased because of the war in Ukraine.

The report on World Economic Outlook, April, 2022, describes that Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023.

COVID-19 IMPACT:

The pandemic has created an unprecedented situation in which the potential threats for social health, education, economy, and green projects have increased sharply. Governments have faced many new fiscal challenges that can be considered a threat to achieving sustainable development goals. In many countries, inflation has become a central concern, and there is a rising risk that inflation expectations could become de-anchored, which could make inflation more entrenched and harder to control.

B) Global Outlook

Globally, as well as in India, the banking and non-banking sectors have weathered the COVID-19 disruptions well, supported by policy measures. The outlook for 2022 remains uncertain and slanted to the downside with the sporadic resurgence of infections from new variants of the coronavirus outweighing the upsides. The IMF projects global growth to slow down to 4.9 per cent and global trade volume to moderate to 6.7 per cent in 2022 from 9.7 per cent in 2021.

Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023—a pace that, while moderating, will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023. By 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 percent below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 percent below its pre-pandemic trend, and output of small island states will be 8.5 percent below. (<https://www.worldbank.org/en/news/press-release/2022/01/11/global-recovery-economics-debt-commodity-inequality>)

C) Domestic Outlook

With containment being eased and workplaces filling up, real gross domestic product (GDP) growth has surged to 13.7 per cent in the first half of 2021-22 and output has crossed pre-pandemic levels. Powered by a fiscal stimulus of the order of 8.7 per cent of GDP, liquidity infusions amounting to 8.7 per cent of GDP (of which 5.9 per cent was utilised) and policy rate cuts of 115 basis points (bps), the Indian economy was digging out of arguably one of the deepest recessions in the world during the first wave of the pandemic and a hesitant recovery was taking root in the second half of 2020-21 when it was interrupted by the contagious second wave. (Report on Trend and Progress of Banking in India 2020-21)

Notwithstanding a highly transmissible third wave driven by the Omicron variant of COVID-19, India is charting a different course of recovery from the rest of the world. India is poised to grow at the fastest pace year-on-year among major economies, according to projections made by the International Monetary Fund (IMF). This recovery is supported by large-scale vaccination and sustained fiscal and monetary support.

The Monetary Policy Committee (MPC) met on 8th, 9th and 10th February 2022 and based on an assessment of the current macroeconomic situation and the outlook, it voted unanimously to keep the policy repo rate unchanged at 4 per cent. The marginal standing facility (MSF) rate and the Bank Rate remain unchanged at 4.25 per cent. The reverse repo rate also remains unchanged at 3.35 per cent. (RBI governor in press release: Governor's Statement: February 10, 2022)



D) Finance & Capital Market

Non-banking financial companies (NBFCs) showed resilience in 2021 despite the coronavirus pandemic woes and are expected to witness continued momentum in growth this year. This year, the growth will be driven by the uptick in the economy, stronger balance sheet, higher provisions and improved capital positions of NBFCs.

Overall, there is some loss of the momentum of near-term growth while global factors are turning adverse. Looking ahead, domestic growth drivers are gradually improving. Considering all these factors, real GDP growth is projected at 7.8 per cent for 2022-23. (RBI governor in press release: Governor's Statement: February 10, 2022)

On the other hand, gross non-performing assets (NPAs) of NBFCs are likely to rise, following the Reserve Bank of India's (RBI) move to tighten the NPA norms in November 2021.

"Our baseline assumption is that the worst is behind them (NBFCs) and things will start improving here on. We expect NBFCs to show higher growth and they will benefit from the economy moving up. The asset under management (AUM) of shadow banking players is expected to grow at 6-8 per cent in the current financial year and 8-10 per cent in the next financial year." Crisil Ratings Ltd Senior Director and Deputy Chief Ratings Officer Krishnan Sitaraman said.

To strengthen supervision over NBFCs, the Reserve Bank of India (RBI) introduced scale-based regulation and revised NPA recognition and upgradation norms during 2021.

In a report released in November 2021, CARE Ratings said there would be an increase of up to 300 basis points (bps) in gross NPAs with a limited impact for shorter-tenure loans due to the revised NPA norms.

OPPORTUNITIES, THREATS AND STRATEGIES:

Non-banking finance companies (NBFCs) form an integral part of the Indian financial ecosystem. By extending the line of secured and unsecured credit to millions of underbanked and unbanked individuals and businesses across the country, these companies provide them an opportunity to be a part of the financial mainstream.

New-to-credit segment presents a massive opportunity for NBFCs to expand their market base. This market is largely untapped or underpenetrated in villages and tier 2 & 3 towns across the country. The segment also sees comparatively less competition due to probable risk. Potential customers in this segment, if educated and nurtured correctly, can become long term business proposition for NBFCs. Furthermore, the NBFC lending model is also under pressure as a result of increased internal and external forces such as:

1. Operational Risk

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

2. Credit Risk

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

3. Business Risk

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

4. Regulatory Risk

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

5. Human Capital Risk

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

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

Despite concerns surrounding the sector, we believe such NBFCs with robust business models, strong liquidity mechanism, governance and risk management standards are well positioned to take advantage of the market opportunity. Hence, it is even

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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. Even in these trying times the Company is motivated and positive in having better growth and market share in the near future.

BUSINESS & OPERATIONAL OVERVIEW

The company, in current fiscal has made profits of ₹ 369.23 lakhs as against profit of ₹ 68.50 lakhs for the previous year. The revenue from the rental income and management consultancy fees will be contributing regularly and steadily rather than dependence on volatile capital market revenue generation.

RISK MANAGEMENT:

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

INTERNAL CONTROL:

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

SEGMENT REPORTING:

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

HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

For enhanced performance of any organization, 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. During this uncertain times facility of work from home has been adopted by the Company for the welfare and wellbeing of its employees.

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 its 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, 2022, the Board of Directors comprised of 6 (Six) 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 Vice President (Chief Executive Officer) 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: May 21, 2021, August 10, 2021, October 13, 2021 & February 02, 2022. Board of Directors passed 1 circular resolution on 28.08.2021.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2021-2022 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	3	Yes	1	0	0
Shri B. J. Maheshwari	Independent Non-Executive Director	4	Yes	3	1	0
Shri Vijay S. Banka	Independent Non-Executive Director	3	Yes	2	2	0
Ms. Priyanka G. Morarka	Promoter Director	4	Yes	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.*

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Skills/Expertise/Competence of Board of Directors:

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

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	The Indian Link Chain Manufacturers Limited	Managing Director	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 daughter of Shri G. R. Morarka, Promoter Non-Executive Director, Chairman of the Company.

Shri Pranay G. Morarka, Vice President (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:

S r. No.	Name of Director	No. of shares held
1	Shri G. R. Morarka	99,850
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/investor-relations/mfl-policies-codes-agreements>

3. INDEPENDENT DIRECTORS:

A meeting of independent directors of the company was held on February 02, 2022 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/investor-relations/mfl-policies-codes-agreements>



4. DETAILS OF REMUNERATION AND SITTING FEES:

The details of remuneration to the non- executive directors and sitting fees paid to directors for the year ended March 31, 2022 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	-	-	-	14,000/-	16,500/-	12,000/-

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

5. COMMITTEES OF THE BOARD:

A. AUDIT COMMITTEE:

Pursuant to Regulation 18 of the Listing Regulations and also pursuant to the provisions of Section 177 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;

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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: May 21, 2021, August 10, 2021, October 13, 2021 & February 02, 2022.

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

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

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: May 21, 2021 and February 02, 2022.

Name of the Director	Category	Status	No. of Meetings Attended
Shri V. S. Banka	Non- Executive Independent Director	Member	2
Shri S. H. Nevatia	Non- Executive Independent Director	Member	2
Shri B. J. Maheshwari	Non- Executive Independent Director	Chairman	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 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 August 05, 2021.

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

Name of the Director	Category	Status	No. of Meetings Attended
Shri V. S. Banka	Non- Executive Independent Director	Member	3
Ms. Priyanka Morarka	Non- Executive Director	Member	4
Shri B. J. Maheshwari	Non- Executive Independent Director	Chairman	4
Shri Sudhir H. Nevatia	Non- Executive Independent Director	Member	3

During the year, Four (4) meetings of Stakeholder's Relationship Committee were held on: May 21, 2021, August 10, 2021, October 13, 2021 & February 02, 2022.

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.

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

The Stakeholder's Relationship Committee is also required to submit their reports / suggestions to the Board of Directors of the Company from time to time. During the year ended 31st March, 2022, 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 August 05, 2021.

Complaints, Share Transfer & Issue of Duplicate Share Certificates:

During the year ended 31st March, 2022, no complaints were received. The Company has acted upon all valid requests for share transfer and issue of duplicate share certificates received during the year and no such transfer is pending.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

6. INVESTOR SERVICES

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

7. VIGIL MECHANISM

The company has established a whistle blower mechanism to provide an avenue to raise concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of directors / employees / customers who avail of the mechanism. No complaints were received under this policy during the year. The policy is available on the Company's website at: <https://www.morarkafinance.in/investor-relations/mfl-policies-codes-agreements>

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 adopted new Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with effect from April 01, 2019, so as to bring it in line with amended SEBI (Prohibition of Insider Trading) Regulations, 2018 wherein some new requirements are brought in and the companies are required to revise its existing code of conduct on prohibition of Insiders Trading by a new set of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSIs). 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/investor-relations/mfl-policies-codes-agreements>

10. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2018-19	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	26/09/2019	12.00 noon
2019-20	Through Video Conferencing	31/08/2020	12.00 noon
2020-21	Through Video Conferencing	05/08/2021	12.00 noon

SPECIAL RESOLUTIONS PASSED IN GENERAL MEETINGS DURING LAST 3 YEARS

Date	Particulars
September 26, 2019	1) To re-appoint Shri Vijay S. Banka (DIN: 00963355) as an Independent Director. 2) To re-appoint Shri B. J. Maheshwari (DIN: 00002075) as an Independent Director 3) To re-appoint Shri S.H. Nevatia (DIN: 00001258) as an Independent Director

- No postal ballots conducted during the financial year 2021-22.

b) Extraordinary General Meeting: No extraordinary general meeting of the members was held during FY 2021-22.

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/investor-relations/mfl-policies-codes-agreements>

12. DISCLOSURES

- The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board. The Company has complied with all requirements of the applicable Listing Regulations with the Stock Exchange as well as the Regulations and Guidelines prescribed by SEBI and other statutory authorities related to the capital market, during the last three years. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.



- **Disclosure of Related party transactions**

During the year 2021-22, 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 and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis. 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 has 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 no any audit qualifications, the details as required under Schedule IV, Part A of SEBI LODR Regulations are not applicable to the company.

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

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

14. MEANS OF COMMUNICATION

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

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

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

15. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	37 th Annual General Meeting
Date, time and venue	Tuesday, June 28, 2022 at 12.00 noon through VC facility provided by CDSL. The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 & General Circular No. 21/2021 dated 14/12/2021 and as such there is no requirement to have a venue for the AGM. 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, 2022
Second Quarter Results	On or before 14 th November, 2022
Third Quarter Results	On or before 14 th February, 2023
Last Quarter Results	On or before 30 th May, 2023
Dates of Book Closure	Wednesday, 22 nd June, 2022 to Tuesday, 28 th June, 2022 (both days inclusive).
Dividend Payment Date	Will be paid within 30 days of AGM, if declared.
Listing Details	BSE

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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.	

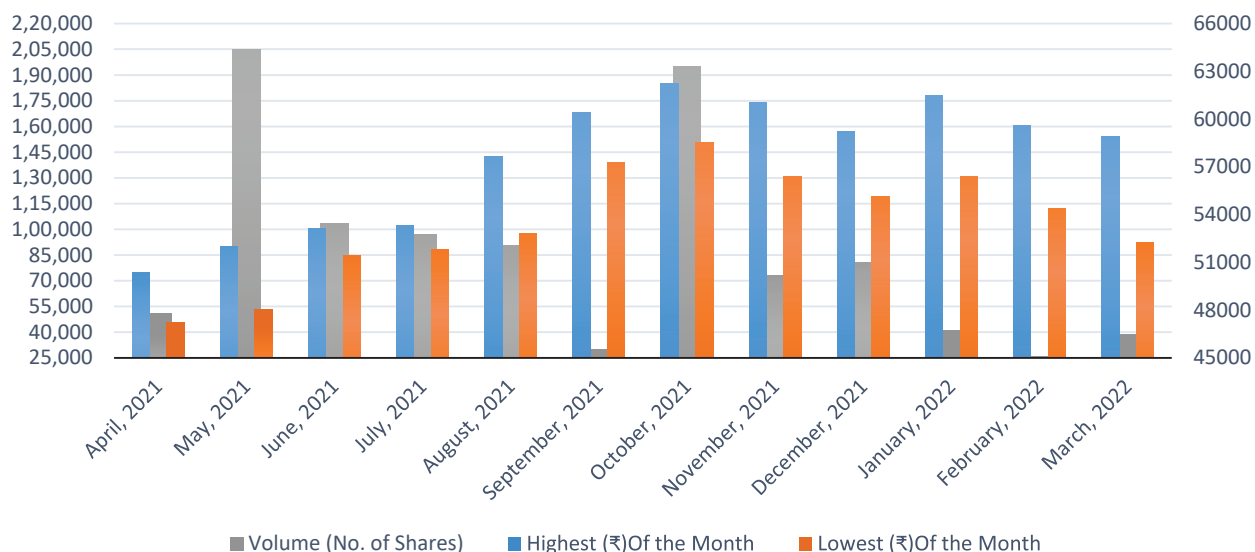
16. MARKET PRICE DATA:

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, 2021	36.60	29.05	50,743
May, 2021	54.45	33.00	2,04,675
June, 2021	64.50	44.15	1,03,223
July, 2021	78.25	53.20	96,897
August, 2021	74.35	50.30	90,745
September, 2021	64.80	53.20	29,988
October, 2021	99.70	56.00	1,94,954
November, 2021	87.10	70.30	73,095
December, 2021	118.40	82.40	80,664
January, 2022	120.00	94.65	41,123
February, 2022	103.35	76.30	25,579
March, 2022	119.90	75.30	38,483

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

BSE MARKET PRICE DATA



18. PAYMENT OF LISTING FEES:

Annual listing fee for the year 2022-23 (as applicable) has been paid by the Company to BSE.



19. REGISTRAR AND TRANSFER AGENTS:

Universal Capital Securities Pvt.Ltd;

C-101, 247 Park,
1st Floor, LBS Marg,
Vikhroli West, Mumbai - 400083
Tel: 28207203 / 7204 / 7205,
Fax: 28207207
E-mail: info@unisec.in

- **Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. All share transfers and other share related issues are approved by a Director authorised by the Board; approvals are obtained at intervals not exceeding 15 days.

- **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, 2022:**

No. of Shares	No of Shareholders	Percentage	No. of Shares	Percentage
Upto 500	2,125	89.44	2,60,739	5.79
501 - 1,000	133	5.60	1,04,202	2.31
1,001 - 2,000	49	2.06	78,588	1.75
2,001 - 3,000	21	0.88	54,507	1.21
3,001 - 4,000	9	0.38	30,859	0.69
4,001 - 5,000	6	0.25	28,900	0.64
5,001 - 10,000	8	0.34	49,695	1.10
10,001 And above	25	1.05	38,94,610	86.51
Total	2,376	100	45,02,100	100

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

- **Categories of Shareholders on 31st March, 2022:**

Category	No. of Shares of ₹ 10/- each	%
Promoters		
* Indian	7,29,081	16.19
* Foreign	-	-
Persons Acting in Concert	22,09,854	49.08
Mutual Funds	-	-
Banks	-	-
Indian Institutional Investors	-	-
Foreign Institutional Investors	-	-
Corporate Bodies	1,21,832	2.71
General Public	12,24,668	27.2
NRIs, OCBs	11,171	0.25
Clearing Members	334	0.01
HUF	40,095	0.89
IEPF Suspense Account	1,65,065	3.67
Total	45,02,100	100.00

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- **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, 2022, 97.92% of the total shares of the Company have been dematerialised.

- **Address for Correspondence**

Corporate Secretarial Department

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

The shareholders may address their communications/grievances/ queries to Shri B J Maheshwari, Director 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

24. STATUS OF UNPAID DIVIDEND & SUSPENSE ACCOUNT:

Dividend for the year	Amount of Dividend (₹)	Amount of unpaid dividend as on 31.03.2022 (₹)	Due Date of transfer to IEPF
2017-18	45,02,100	1,84,560	03/11/2025
2020-21	45,02,100	73,504	09/09/2028

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.

25. EQUITY SHARES IN SUSPENSE ACCOUNT

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

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

Inter-corporate Deposit (Exempted Deposit) of ₹ 2,30,00,000/- was given to Dwarikesh Sugar Industries Limited (DSIL) – Related party on 22nd July, 2021 for their working capital requirements which was repaid by DSIL as on November 09, 2021.



27. 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 chairman and his son Shri Pranay G. Morarka is designated as Vice-President & CEO.
- **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- **Modified Opinion in Auditors Report:** The Company's financial statement for the year ended March 31, 2022 are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

On behalf of the Board of Directors

Place: Mumbai
Dated: April 29, 2022

G. R. Morarka
Chairman
(DIN:00002078)

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MORARKA FINANCE LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS

The Board at its meeting held on 29th September, 2010 adopted the Code of Business Conduct and Ethics for Directors and Senior Management ('the Code'). This code is a comprehensive code applicable to all Directors, Executive & Non-Executive and members of senior management. A copy of the Code has been put on the Company's website: <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 2021-22.

For & on behalf of the Board of Directors

Place: Mumbai
Dated: April 29, 2022

Pranay Morarka
CEO



CERTIFICATE

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

We have examined and verified the records of the Board of Directors available and maintained on the online portal of Ministry of Corporate Affairs of **MORARKA FINANCE LIMITED** (hereinafter will known as “the Company”), having its Registered Office at 511, Makers Chambers V, 211, Nariman Point, Mumbai – 400021, Maharashtra incorporated vide its Company Registration Number L67120MH1985PLC035632 on 15th March, 1985 under the jurisdiction of Registrar of Companies, Mumbai, Maharashtra.

On the basis of examination and verification, we hereby state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities Exchange Board of India / MCA or any such statutory authority for the Financial Year ending on 31st March,2022.

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. GAUTAM R. MORARKA	00002078	Non-Executive Director	Active
2	MS. PRIYANKA G. MORARKA	00001088	Non-Executive Director	Active
3	SHRI. VIJAY S. BANKA	00963355	Independent Director	Active
4	SHRI. SUDHIR H. NEVATIA	00001258	Independent Director	Active
5	SHRI. BALKISHAN J. MAHESHWARI	00002075	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 of Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

**For VKM & Associates
Practicing Company Secretaries**

**(Vijay Kumar Mishra)
Partner**

C P No.: 4279

UDIN : F005023D000192861

Place: Mumbai
Date: 23/04/2022

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CEO AND CFO CERTIFICATION

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

Re: Financial Statements for the year ended on 31st March, 2022

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, 2022 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.**

For **Morarka Finance Limited**

Place: Mumbai

Pranay G. Morarka

P. P. Singh

Date: April 29, 2022

CEO

C.F.O.



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, 2022 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, 2021 to March 31, 2022.

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, 2022.
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 Secretaries**

**(Vijay Kumar Mishra)
Partner**

C P No.: 4279

UDIN : F005023D000192694

Place: Mumbai
Date: 23/04/2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Morarka Finance Limited
Report on the Audit of the Financial Statements

Opinion

- We have audited the accompanying financial statements of **Morarka Finance Limited** (hereinafter referred to as "the Company") which comprises the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information (hereinafter referred to as "Financial Statements").
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information as required by the Companies Act, 2013, as amended ('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 Standards) Rules, 2015 as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its Cash flows for the year then ended.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ('ICAI') together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act 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.

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, 2022. 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, 2022:

Key Audit Matter	Auditor's Response
<p>Fair Valuation of investments</p> <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 and 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 financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



8. 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.

Responsibilities of Management and those Charged with Governance for the Financial Statements

9. The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the 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.

10. In preparing the financial statements, management and Board of Directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors of the company are also responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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 auditors' 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.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- (i) 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.
 - (ii) 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the company.
 - (iv) Conclude on 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (v) 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.
13. We communicate with those charged with governance of the Company included in the financial statements of which we are the independent auditors 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.

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14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

16. As required by the Companies(Auditor's Report) order, 2020(" the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B Statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
17. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid financial statements;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss(including other Comprehensive income),the Statement of changes in equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e. On the basis of written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations having major implication on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Subodh Mody
Partner

Place: Mumbai
Date: 29th April 2022

Membership No.: 37866
UDIN: 22037866AIURMP9542



ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 17(f) of the Independent Auditors’ Report of even date to the members of Morarka Finance Limited on the financial statement for the year ended 31st March, 2022.

Report on the Internal Financial Controls with reference to financial statements under Clause(1) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls with reference to financial statements of **Morarka Finance Limited (“the Company”)** as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2022, 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 ICAI.

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

Place: Mumbai
Date: 29th April 2022

Subodh Mody
Partner
Membership No.: 37866
UDIN: 22037866AIURMP9542



ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

Referred to in Paragraph 16 of the Independent Auditors Report of even date to the member of **Morarka Finance Limited** on the financial statement as of and for the year ended 31st March, 2022

1. (a) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).
(ii) The Company is maintaining proper records showing full particulars of tangible assets.
 - (b) The Property, Plant and Equipment (PPE) were physically verified during the year by the Management in accordance with regular program of verification, which in our opinion, provides for physical verification of all the PPE at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties disclosed in the financial statements are held in the name company.
 - (d) According to the information and explanations given by the management, there is no revaluation of PPE or intangible asset or both during the year.
 - (e) According to the information and explanations given by the management, there is no proceedings have been initiated or are pending against the company for holding any benami property under Benami Transaction (Prohibition) Act, 1988 and rules made thereunder.
2. The Company’s business does not involve inventories except stock-in-trade and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
 3. According to the information and explanations given to us, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLP or any other parties. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company and hence not commented upon.
 4. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act ,2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given, have been complied with by the company.
 5. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
 6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any services rendered by the Company hence paragraph 3(vi) of the Order is not applicable to the Company.
 7. According to the information and explanations given to us and the records examined by us,
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities. Considering the nature of business that the Company is engaged in, Sales-tax, Custom Duty, Excise Duty and Value Added Tax, are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-Tax, Goods and Service Tax and other material statutory dues, were not outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues of Income-Tax, Goods and Service Tax that has not been deposited on account of any disputes as on 31st March, 2022
 8. According to the information and explanation gives to us, company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the order is not applicable to the company.
 9. The company has not taken any loan or borrowing, accordingly, clause 3 (ix) of the order is not applicable to the company.
 10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company
(b) During the years, the company has not made any preferential allotment or private placement of share or fully or partly paid convertible debentures and hence reporting under clause 3 (x)(b)of the order is not applicable to the company.

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11. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the management, no fraud by the company or fraud on the company has been noticed or reported during the year. Accordingly, reporting under clause (xi) (a) and (b) of the order is not applicable to the company.

According to the information & explanations and representation made by the management, no whistle-blower complaints have been received during the year (and upto the date of the report) by the company.

12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.

13. According to the information and explanations given to us and based on the documents and records produced before us, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details thereof have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

14. (a) The company has an internal audit system which commensurate with its size and nature of the business

(b) The internal audit report of the company issued till the date of the audit report, for the period under audit have been considered by us.

15. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013 and hence requirement to report on clause 3(xv) of the order is not applicable to the company.

16. (a) The Company has obtained the requisite registration as a non- banking financial institution under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any non-banking financial activities without a valid certificate of registration (CoR) from the RBI as per RBI Act, 1934

(c) The company is not a core investment company (CIC) as defined in the regulations made by RBI

17. In our opinion and according to the information and explanations provided to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year

18. There has been no resignation of the statutory auditors during the year, accordingly, provisions of clause (xviii) of the order are not applicable to the company.

19. In our opinion and on the basis of information and explanations given to us, there is no material uncertainty exists as on the date of the audit report that company will be able to pay all liabilities falling due in next 12 months

20. In our opinion and on the basis of information and explanations given to us, the provision of section 135 (Corporate social responsibility) is not applicable on the company. Accordingly, clause 3(xx) of the order is not applicable to the company.

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

Subodh Mody

Partner

Membership No.: 37866

UDIN: 22037866AIURMP9542

Place: Mumbai

Date: 29th April 2022



BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars		Note No.	As at 31-03-2022	As at 31-03-2021
I.	ASSETS			
1	Financial Assets			
	(a) Cash and cash equivalents	4	18.86	10.52
	(b) Bank Balanace other than (a) above		-	-
	(c) Derivative Financial instruments		-	-
	(d) Receivables			
	(i) Trade Receivables		-	-
	(ii) Other Receivables		-	-
	(e) Loans		-	-
	(f) Investments	5	26,900.40	7,286.28
	(g) Other financial assets	6	0.15	0.23
			26,919.41	7,297.03
2	Non-Financial Assets			
	(a) Inventories	7	17.18	15.86
	(b) Current tax assets (Net)		-	-
	(c) Deferred tax assets (Net)	8	-	-
	(d) Investment Property		-	-
	(e) Biologicable assets other than bearer plants		-	-
	(f) Property, Plant and Equipment	9	5.95	6.27
	(g) Capital work-in-progress		-	-
	(h) Intangible assets		-	-
	(i) Goodwill		-	-
	(j) Other intangible assets		-	-
	(k) Other non-financial assets	10	42.54	23.44
			65.68	45.57
	Total Assets		26,985.08	7,342.60
II.	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
	(a) Derivative financial instruments		-	-
	(b) Payable	11		
	(I) Trade Payable		0.10	0.08
	(II) Other Payable		-	-
	(c) Debt Securities		-	-
	(d) Borrowing (other than debt securities)		-	-
	(e) Deposits		-	-
	(f) Subordinate Liabilities		-	-
	(g) Other financial liabilities		-	-
			0.10	0.08
2	Non-Financial Liabilities			
	(a) Current tax liabilities (Net)	12	34.98	13.78
	(b) Provisions	13	3.27	1.95
	(c) Deferred tax liabilities (Net)	8	9.90	1.30
	(d) Other non-financial liabilities	14	3.98	3.64
			52.13	20.68
3	Equity			
	(a) Equity Share Capital	15	450.21	450.21
	(b) Other Equity		26,482.65	6,871.64
			26,932.86	7,321.85
	Total Liabilities and Equity		26,985.08	7,342.60

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

As per our report of even date attached

For B. P. GHARDA & CO.,
Chartered Accountants
Firm Regn No: 103155W

Subodh Mody
Partner
Membership No.37866
UDIN - 22037866AIURMP9542

Place: Mumbai
Date: 29/04/2022

G.R. Morarka
Chairman
DIN 00002078

V.S. Banka
Director
DIN 00963355

Place: Mumbai
Date: 29/04/2022

B.J. Maheshwari
Director
DIN 00002075

PP Singh
Chief Finance Officer

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PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
I Revenue from Operation			
(i) Interest Income		5.15	-
(ii) Dividend Income		299.70	65.89
(iii) Rental Income		15.50	15.50
(iv) Fees and commission Income		-	-
(v) Net gain on fair value changes	16	87.65	4.38
(vi) Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii) Sale of products (Including Excise Duty)		-	-
(viii) Sales of services		1.25	1.73
(ix) Managemnt Consultancy Income		39.00	39.00
		448.25	126.50
II Other Income	17	-	1.48
III Total Income (I+II)		448.25	127.98
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		1.14	-
(viii) Changes in inventories of finished goods, stock-in-trade and work-in-progress	18	(1.32)	(2.25)
(ix) Employee Benefits Expenses	19	33.55	28.88
(x) Depreciation, amortization and impairments	20	0.32	0.34
(xi) Others expenses	21	9.30	9.22
Total Expenses (IV)		42.99	36.19
V Profit/(loss) before exceptional items and tax (III-IV)		405.26	91.79
VI Exceptional items		-	-
VII Profit/(loss) before tax (V-VI)		405.26	91.79
VIII Tax Expense			
(1) Current Tax		34.98	22.81
(2) Prior year tax		(7.55)	-
(3) Deferred Tax		8.59	0.48
IX Profit/(loss) for the period from continuing operations (VII-VIII)		369.23	68.50
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)		369.23	68.50
XIV Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		21,536.24	6,261.22
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2,239.77)	(651.00)
(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		19,296.47	5,610.22
XV Total Comrehensive income for the period (XIII+XIV)		19,665.71	5,678.73
XVI Earning per equity share	22		
Basic (₹)		8.20	1.52
Diluted (₹)		8.20	1.52
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 B. P. GHARDA & CO.,
Chartered Accountants
Firm Regn No: 103155W

G.R. Morarka
Chairman
DIN 00002078

B.J. Maheshwari
Director
DIN 00002075

Subodh Mody
Partner
Membership No.37866
UDIN - 22037866AIURMP9542

V.S. Banka
Director
DIN 00963355

PP Singh
Chief Finance Officer

Place: Mumbai
Date: 29/04/2022

Place: Mumbai
Date: 29/04/2022



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

Particulars		2021-2022		2020-2021	
		₹	₹	₹	₹
A	CASH FLOW FROM OPERATING ACTIVITIES :				
	NET PROFIT/(LOSS) BEFORE TAX		405.26		91.79
	Item				
	ADJUSTMENTS FOR :				
	Depreciation and amortisation	0.32		0.34	
	Unrealised (gain)/loss on FVTPL investment	(87.65)	(87.33)	(4.38)	(4.05)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		317.93		87.74
	WORKING CAPITAL CHANGES				
	(Increase)/decrease in trade and other receivables	(19.03)		(5.88)	
	(Increase)/decrease in inventories	(1.32)		(2.25)	
	(Increase)/decrease in investment	-		(550.88)	
	Increase/(decrease) in trade payables	0.02		(0.18)	
	(Increase)/decrease in direct tax and deferred tax	(36.03)		(23.29)	
	Increase/(decrease) in provisions	1.32		(1.69)	
	Increase/(decrease) in other non-financial liabilities	30.13		14.55	
	MAT Credit balance written-off	(9.68)		-	
	Dividend income consider seperately	(299.70)	(334.28)	(65.89)	(635.52)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		(16.35)		(547.77)
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of investments in mutual fund	(230.00)		(809.92)	
	Proceeds from sale of investment in mutual fund	-		1,068.00	
	Dividend received	299.70	69.70	65.89	323.96
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		69.70		323.96
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Dividend Paid	(45.02)	(45.02)	-	-
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(45.02)		-
	NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A-B+C)		8.33		(223.81)
	CASH AND CASH EQUIVALENTS(OPENING BALANCE)		10.52		234.33
	CASH AND CASH EQUIVALENTS(CLOSING BALANCE)		18.86		10.52

Notes :

1. 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"
2. Previous year figures have been regrouped, wherever required.

As per our report of even date attached
For B. P. GHARDA & CO.,
Chartered Accountants
Firm Regn No: 103155W

Subodh Mody
Partner
MEMBERSHIP NO.37866
UDIN - 22037866AIURMP9542

Place: Mumbai
Date: 29/04/2022

G.R. Morarka
Chairman
DIN 00002078

V.S. Banka
Director
DIN 00963355

Place: Mumbai
Date: 29/04/2022

B.J. Maheshwari
Director
DIN 00002075

PP Singh
Chief Finance Officer

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STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital (₹ in Lakhs)

Particulars	Amounts
Issued, subscribed and fully paid up	
Balance as at 1st April 2021	450.21
Change during the year	-
Balance as at 31st March 2022	450.21

B. Other Equity (₹ in Lakhs)

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 2021	65.30	21.02	13.70	1,161.56		5,610.05	6,871.64
Profit/(loss) for the year				369.23			369.23
Other Comprehensive income/(loss)						19,296.47	19,296.47
Total Comprehensive Income for the year	-	-	-	369.23	-	19,296.47	19,665.71
Transfer to Reserve Fund U/S 45 - IC of RBI Act 1934			73.85	(73.85)			-
Dividend paid on equity share (Including tax thereon)				(45.02)			(45.02)
MAT credit balance written-off				(9.68)			(9.68)
Transfer to General Reserve							-
Balance as at 31 March 2022	65.30	21.02	87.55	1,402.25	-	24,906.53	26,482.65

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 B. P. GHARDA & CO.,
 Chartered Accountants
 Firm Regn No: 103155W

G.R. Morarka
 Chairman
 DIN 00002078

B.J. Maheshwari
 Director
 DIN 00002075

Subodh Mody
 Partner
 Membership No.37866
 UDIN - 22037866AIURMP9542

V.S. Banka
 Director
 DIN 00963355

PP Singh
 Chief Finance Officer

Place: Mumbai
 Date: 29/04/2022

Place: Mumbai
 Date: 29/04/2022



Notes to Financial Statement as at March 31, 2022

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

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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 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

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NOTES TO THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Note No.	Particulars	As at 31/03/2022	As at 31/03/2021
4	CASH AND CASH EQUIVALENTS		
	Cash on hand	0.14	0.14
	Balance with bank in current accounts	18.72	10.38
		18.86	10.52
5	INVESTMENTS		
	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 19,01,084.36)	1,140.04	822.38
	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)	24,308.84	6,007.81
	(b) Dwarikesh Trading Company Limited (No. of Shares - 12,582)	1,064.40	73.46
	(c) Dwarikesh Informatics Limited (No. of Shares - 9,500)	10.91	6.41
	(d) Faridpur Sugars Limited (No. of Shares - 9,500)	1.01	1.00
	(e) Maker Chambers V Premises Co-op Society Ltd (No. of Share - 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
	Total - Gross (A)	26,900.40	7,286.28
	(i) Investment outside india	-	-
	(ii) Investment in india	26,900.40	7,286.28
	Total - Gross (B)	26,900.40	7,286.28
	Less - Allowance for impairment loss ('C)	-	-
	Total - Net (D) (A-C)	26,900.40	7,286.28
6	OTHER FINANCIAL ASSETS		
	Security Deposit	0.15	0.15
	Other	-	0.08
		0.15	0.23
7	INVENTORIES		
	Stock of Securities	17.18	15.86
		17.18	15.86



NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED TAX ASSETS/(LIABILITIES):

Particulars	AS AT 31-03-2022		AS AT 31-03-2021	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Difference in WDV as per books and as per income tax	₹	₹	₹	₹
Provision for leave encashment and gratuity disallowance	0.33	(1.11)	0.34	(1.19)
Net gain on fair value change (unrealised)	-	(9.12)	-	(0.46)
Total	0.33	(10.23)	0.34	(1.64)
Total	(9.90)		(1.30)	

9 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-04-2021	Added during the year	Disposals	As at 31-03-2022	Up to 01-04-2021	For the year	Up to 31-03-2022	As at 31-03-2021	As at 31-03-2022
(I) Buildings	₹ 28.77	-	-	₹ 28.77	₹ 22.55	₹ 0.31	₹ 22.86	₹ 6.22	₹ 5.91
(II) Furniture and Fixtures	(28.77)	-	-	(28.77)	(22.22)	(0.33)	(22.55)	(6.54)	(6.22)
(III) Office equipment	11.26	-	-	11.26	11.21	0.01	11.22	0.05	0.04
	(11.26)	-	-	(11.26)	(11.20)	(0.01)	(11.21)	(0.06)	(0.05)
	0.79	-	-	0.79	0.78	0.00	0.78	0.01	0.01
	(0.79)	-	-	(0.79)	(0.78)	(0.00)	(0.78)	(0.01)	(0.01)
Grand Total	40.82	-	-	40.82	34.55	0.32	34.87	6.27	5.95
Previous Year	(40.82)	-	-	(40.82)	(34.21)	(0.34)	(34.55)	(6.61)	(6.27)

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

37TH ANNUAL REPORT 2021-2022

MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note No.	Particulars	As at 31/03/2022	As at 31/03/2021			
10	OTHER NON-FINANCIAL ASSETS					
	Advance Tax	-	3.93			
	Mat credit entitlement account	-	2.13			
	TDS Receivable	35.92	14.82			
	Advance Income Tax Receivable	6.29	1.08			
	Right Issue Application Money	-	1.14			
	GST Cess Receivables	0.33	0.33			
		42.54	23.44			
11	PAYABLE					
	(I) Trade Payable					
	(a) MSME	-	-			
	(b) Others	0.10	0.08			
	(c) Disputed - MSME	-	-			
	(d) Disputed - Others	-	-			
		0.10	0.08			
Ageing for Trade Payable outstanding as at 31st March, 2022 are as follows:						
Particulars		Outstanding for following periods from due date of payment				
Trade Payable		Less than 1 years	1-2 years	2-3 years	More than 3 year	Total
MSME		-	-	-	-	-
Others		0.10	-	-	-	0.10
Disputed - MSME		-	-	-	-	-
Disputed - Others		-	-	-	-	-
Total						0.10
12	CURRENT TAX LIABILITIES (NET)					
	Provision for tax	34.98				13.78
		34.98				13.78
13	PROVISION					
	Provision for employee benefits					
	(I) Gratuity	-				-
	(II) Leave encashment	3.27				1.95
		3.27				1.95
14	OTHER NON-FINANCIAL LIABILITY					
	Salary & Wages Payable	1.82				1.59
	Profession Tax Payable (employee)	0.00				0.00
	GST Payable	0.78				0.78
	TDS liability - Salary	0.97				0.80
	TDS liability - Profession	0.01				0.01
	TDS liability - Contract	-				0.00
	Other outstanding liability	0.40				0.47
		3.98				3.64



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note No.	Particulars	As at 31/03/2022	As at 31/03/2021
15	EQUITY SHARE CAPITAL		
	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 2020-21 & 2021-22		
B	Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:	31-Mar-22	31-Mar-21
	Equity Shares:-		
	Dwarikesh Trading Company Limited	22,09,831	22,09,831
		49.08%	49.08%
	Shri. Pranay Gautam Morarka	5,06,032	5,06,032
		11.24%	11.24%
	Shri. Satishkumar Subbiah	2,26,000	2,26,000
		5.02%	5.02%
C	Rights & restrictions attached to various shares are as under: Equity Shares:- The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.		

37TH ANNUAL REPORT 2021-2022 MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Note No.	Particulars	Year ended 31/03/2022	Year ended 31/03/2021
16	Net gain/(loss) on fair value changes		
	Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)		
	Investment in schemes of mutual fund	87.65	4.38
		87.65	4.38
	Realised gain	-	
	Unrealised gain	87.65	4.38
		87.65	4.38
17	OTHER INCOME		
	Short term capital gain	-	1.48
		-	1.48
18	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
	Closing stock of shares & debentures	(17.18)	(15.86)
	Opening stock of shares & debentures	15.86	13.61
		(1.32)	(2.25)
19	EMPLOYEE BENEFIT EXPENSES		
a)	Salary and wages		
	Salary and wages	29.90	25.89
	Bonus & Exgratia	2.32	1.68
	Leave encashment	1.32	1.31
		33.54	28.87
b)	Contribution to provident and other funds		
	Provident fund	0.01	0.00
		0.01	0.00
c)	Staff welfare expenses		
		-	-
		33.55	28.88
20	DEPRECIATION, AMORTIZATION AND IMPAIRMENTS		
a)	Depreciation on Property, Plant and Equipment	0.32	0.34
b)	Amortization of intangible assets	-	-
		0.32	0.34
21	OTHER EXPENSES		
	Rates and taxes	0.07	0.19
	Travelling & conveyance	0.09	0.01
	Postage, telephone & telex	0.48	0.91
	Printing & stationery	0.07	0.06
	Payment to the auditors		
	Audit fees	0.40	0.40
	Taxation matters	-	-
	Miscellaneous expenses	8.18	7.66
		9.30	9.22



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note No.	Particulars	Year ended 31/03/2022	Year ended 31/03/2021
22	EARNINGS PER SHARE		
	Net profit	369.23	68.50
	Weighted average number of equity shares		
	Basic	45.02	45.02
	Diluted	45.02	45.02
	Earnings per share		
	Basic	8.20	1.52
	Diluted	8.20	1.52
	Face value per share	10	10

23 Related party disclosures as required by Accounting Standard Ind AS -24 for the year ended 31st March, 2022

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 (Group)
 -Dwarikesh Trading Company Limited
 -Dwarikesh Informatics Limited
 -Faridpur Sugars Limited
 -Dwarikesh Sugar Industries Limited
- ii) **Key Management Personnel**
 -Shri Pranay G. Morarka CEO And Vice-President
 -Shri P.P. singh CFO
- iii) **Relatives of Key Managerial Personnel**
Shri Prany G. Morarka
 -Smt. Smriti G. Morarka (Mother)
 -Ms. Priyanka G. Morarka (Sister)
 -Shri G.R. Morarka (Father)

b) Details of Transactions

(₹ in Lakhs)

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)
		Inter-corporate Deposit (Exempted Deposit)	230.00	(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	2021-22	2020-21
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

NOTES TO THE FINANCIAL STATEMENTS

25 Financial Instruments

Financial Assets

(₹ in Lakhs)

SL No.	Particulars	Fair value hierachy	As at 31 st March 2022		As at 31 st March 2021	
			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	1048.00	1140.04	818.00	822.38
II.	Financial assets designed at fair value through other comprehensive income					
	Investment in equity shares	Level - 1	474.42	24308.84	474.42	6007.81
	Investment in equity shares	Level - 2	4.22	1076.32	4.22	80.87
III.	Financial assets designed at amortised cost					
	Investment in preference share		375.20	375.20	375.20	375.20
			1901.83	26900.40	1671.83	7286.27

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.



NOTES TO THE FINANCIAL STATEMENTS

27 Ratios

SL NO.	Particulars	Year Ended		Variation	Reason for variation
		31 st March 2022	31 st March 2021		
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	188.12	138.13	36.19%	Increase in current asset is due to higher cash & cash equivalent at the year end
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}]	27.13	8.59	216.05%	Increase is due to higher dividend received during the year
VI	Net profit margin (%) (Net Profit after tax/ Total Revenue)"	82.37%	53.53%	53.89%	Increase is because of higher revenue received in form of dividend
VII	Return on equity ratio (%) (Net profit after tax/Average shareholder equity)	2.16%	1.53%	41.07%	Increase is due to higher other comprehensive income and revenue from operation
VIII	Trade Payable turnover ratio (%) Net credit purchase/average trade payable	NIL	NIL	NA	
IX	Net capital Turnover ratio (%) Net annual sale/working capital	2371%	1185%	100.07%	Increase is due to higher revenue from operation
X	Return on capital employed (%) Earning before interest and tax/ (Net worth + total debt + deferred tax liability)	1.50%	1.25%	20.00%	

28 Additional Regulatory Information

SL NO.	Particulars	Year Ended	
		31 st March 2022	31 st March 2021
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

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NOTES TO THE FINANCIAL STATEMENTS

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)

SL No.	Particulars	2021-22	2020-21
	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) Preference	-	-
	ii. Debentures and bonds	-	-
	iii. Units of mutual funds	-	-



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

SL No.	Particulars	2021-22	2020-21
	iv. Govt. securities	-	-
	v. Others (please specify)	-	-
	II. Unquoted		
	i. Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	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	24308.84	474.42
	(b) Preference	-	-
	ii. Debentures and bonds	-	-
	iii. Units of mutual funds	1140.04	525.20
	iv. Govt. securities	-	-
	v. Others (please specify)	-	-
	II. Unquoted		
	i. Shares		
	(a) Equity	1076.31	4.22
	(b) Preference	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	-	-
6	Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)		

37TH ANNUAL REPORT 2021-2022 MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

SL No.	Particulars	2021-22	2020-21
	1. Related parties		
	(a) Subsidiaries		
	(b) Companies in the same group		
	(c) Other related parties		
	(i) Dwarikesh Sugar Industries Limited - Equity Shares	24308.84	6007.81
	(ii) Dwarikesh Trading Company Limited - Preference Shares	375.20	375.20
	(iii) Dwarikesh Trading Company Limited - Equity Share	1064.40	73.46
	(iv) Dwarikesh Informatics Limited - equity share	10.91	6.41
	(v) Faridpur Sugars Limited - Equity	1.00	1.00
	2. Other than related parties		
	(i) ABSL saving fund	-	-
	(ii) ICICI Prudential Regular Saving fund	1140.04	822.38
	Total	26900.39	7286.26
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	-	-



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