



MORARKA FINANCE LIMITED

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

REF: MFL/2020-21/032

August 6, 2020

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, Fort
Mumbai - 400 001

Scrip Code - 511549

Sub: Regulation 34 – Submission of Notice of 35th Annual General Meeting and Annual Report for the financial year – 2019-20

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 of the Company for the financial year 2019-20 including a copy of Notice of 35th Annual General Meeting scheduled to be held on Monday, August 31, 2020 at 12.00 P.M. through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”).

You are requested to acknowledge the receipt of the same.

Thanking you,

Yours Sincerely

Hingauri Sumant Behera
Company Secretary & Compliance officer

Encl : as above



MORARKA
FINANCE
LIMITED



MORARKA
FINANCE
LIMITED

**35TH ANNUAL REPORT
2019-2020**

BOARD OF DIRECTORS

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

COMPANY SECRETARY

MRS. HINGAURI S. BEHERA

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.
25, SHAKIL NIWAS, MAHAKALI CAVES ROAD, ANDHERI (EAST), MUMBAI - 400 093.

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MORARKA FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Thirty Fifth (35th) Annual General Meeting of the Company will be held on Monday, 31st August, 2020 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, 2020, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Priyanka G. Morarka (DIN: 00001088), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 188 and all other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to provide management consultancy services to Dwarikesh Sugar Industries Limited for a period upto March 31, 2021 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**

Himgauri Sumant Behera

Place: Mumbai Company Secretary & Compliance Officer
Date: June 22, 2020 ACS 361551

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 (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.

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 3 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 Tuesday, 25th August, 2020 to Monday, 31st August, 2020 (both days inclusive) for the purpose of identification of members who shall be entitled to receive Annual report 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. 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. 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.
12. 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.
13. 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 August 30, 2020 through email on investors@morarkafinance.in. The same will be replied by the Company suitably.
14. 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.
15. 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.
16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Notice of the 35th AGM along with the Annual Report 2019-20 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 2019-20 is available on Company's website www.morarkafinance.in, website of BSE Limited at www.bseindia.com and on the website of CDSL www.evotingindia.com.
17. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
19. At the 33rd AGM held on September 26, 2017 the Members approved appointment of M/s. B. P. Gharda & Co., Chartered Accountants (Firm Registration No. 103155W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 37th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 35th AGM.
20. 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.
21. 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.

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22. 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.in and on the website of CDSL www.evotingindia.com within two days of the 35th AGM of the company and shall be communicated to BSE Limited at www.bseindia.com where the shares of the company are listed.
23. 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 31st July, 2020.
24. 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.
25. Instructions for e-voting and joining the AGM are as follows:

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on August 28, 2020 at 9.00 a.m. and ends on August 30, 2020 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 August 24, 2020 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders / Members Module.
- (v) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for **Morarka Finance Limited** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 at investors@morarkafinance.in or to our RTA at info@unisec.in
Demat Shareholders	Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company / RTA at investors@morarkafinance.in or to our RTA at info@unisec.in

- The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.

- Members 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** mentioning their name, demat account number/folio number, email id, mobile number at investors@morarkafinance.in. 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.
- Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 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.
- 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.
- Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at vkmassociates@gmail.com and to the Company at the email address viz; investor@morarkafinance.in if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

ANNEXURE TO NOTICE

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

Item No.3

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

- Name of the related party: Dwarikesh Sugar Industries Limited.
- 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 Directorship in Morarka Finance Limited.
- 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, 2021.

- 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, 2021 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.

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

Himgauri Sumant Behera
Company Secretary & Compliance Officer
ACS 36155

Regd. Off.: 511, Maker Chambers V,
221, Nariman Point, Mumbai -400021
Ph.: 022-22832468, Fax: 022-22047288.
E-mail: investors@morarkafinance.in;

Place: Mumbai
Date: June 22, 2020

Website: www.morarkafinance.in
CIN: L67120MH1985PLC035632



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

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

Name of the Director	Ms. Priyanka G. Morarka
Date of Birth	June 11, 1985
Nationality	Indian
Date of Appointment	March 22, 2004
Qualifications	BMS, MBA
Experience & Expertise	She holds a graduate degree and an MBA and has rich experience in the arena of finance, strategy, business and industry 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: (1)
Relationship between Directors inter-se	Ms. Priyanka G. Morarka is the daughter of Shri G. R. Morarka

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DIRECTOR'S REPORT

To
The Shareholders,
MORARKA FINANCE LIMITED

The Directors are pleased to present their Thirty Fifth (35th) Annual Report to the members together with the Audited Financial Statements of the Company for the year ended 31st March, 2020.

1. FINANCIAL RESULTS:

[Amount in ₹]

	For the year Ended 31/03/2020	For the year Ended 31/03/2019
Profit / (Loss) before tax	4,97,58,397	53,45,691
Less: Current Tax	62,266	-
Provision for taxation earlier year	-	-
Deferred Tax	2,30,574	6,79,742
Fringe Benefit Tax	-	-
Profit / (loss) after tax	4,94,65,557	46,65,949
Add: Balance b/f from previous years	6,12,09,873	6,19,71,445
Less: Appropriations	-	54,27,520
Balance carried to balance sheet	11,06,75,430	6,12,09,873

2. FINANCIAL PERFORMANCE:

For the financial year ended March 31, 2020, your company has posted Profits of ₹ 494.65 lakhs compared to the profit for the financial year ended March 31, 2019 of ₹ 46.65 lakhs.

3. COVID-19 IMPACT:

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and as of March 19, 2020, work from home was enabled. The Company still in these trying times with its motivated workforce working at home and supporting its flagship Company and is positive for growth and better market share.

4. TRANSFER TO RESERVE

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

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 directors have taken conservative approach of not recommending any dividend and plough back the profits in the business.

7. SHARE CAPITAL:

The paid up Equity Capital of your company as at March 31, 2020 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, Director, retire by rotation and being eligible offers herself for re-appointment.

Declaration from Independent Directors:

Pursuant to the requirements of Section 149(7) of the Companies Act, 2013, the company has received the declarations from all the independent directors confirming the fact that they all are meeting the eligibility criteria as stated in Section 149(6) of the Companies act, 2013.

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 five Directors, Chief Executive Officer, Chief Finance Officer and Company Secretary being key managerial personnel under Section 203 of the Companies Act, 2013. All are experts in their relevant fields. Company's well-disciplined workforce which has served the company for years lies at the very foundation of the company's major achievements.

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. 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. Even through this trying times of non-production period 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 is having Nomination and Remuneration Committee (NRC) as required under Section 178 of the Companies Act, 2013 which recommends the appointment of Directors to the Board. The NRC is 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:<http://www.morarkafinance.in/cms/newsimages/file/Jul%202019/Nomination%20Remuneration%20Policy.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 Director's for attending meetings of the Board and its Committees. Non-Executive Director's 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 their sitting fees payable to them for attending the Board/ Committee meetings. The details of remuneration has been provided in **Annexure III**.

18. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company met Seven (7) times during the year on May 30, 2019; July 17, 2019; August 12, 2019; September 09, 2019; November 14, 2019; February 14, 2020 & March 13, 2020.

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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.

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. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Ms. Priyanka G. Morarka will retire by rotation in the ensuing Annual General Meeting and is eligible 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.

Mr. Hemal Kumar Shah resigned from the post of Company Secretary & Compliance Officer of the Company w.e.f. 10th July, 2019 and Mrs. Himgauri Sumant Behera was appointed in his place as the Company Secretary & Compliance Officer of the Company w.e.f. 17th July, 2019.

22. 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, 2020, 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, 2020 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.

23. CORPORATE GOVERNANCE:

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

24. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith and marked as **Annexure II**.

25. PARTICULARS OF EMPLOYEE:

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

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

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

- 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.



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

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

27. 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.

28. AUDITORS:

STATUTORY AUDITORS

M/s. B. P. Gharda & Co., Chartered Accountants Firm Reg. No. 103155W, Mumbai were appointed as the Statutory Auditors of the Company at the AGM held on 26th September, 2018 to hold office until the conclusion of the fifth consecutive AGM, are ratified for the Financial Year 2020-21. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. B. P. Gharda & Co., that their appointment is made in conformity with the limits specified in the said Section.

SECRETARIAL AUDITORS

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

29. AUDITOR'S REPORT

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

30. 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.

31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

32. 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.

33. LISTING:

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

34. 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.

35. 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.

36. ACKNOWLEDGEMENT:

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

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Date: June 22, 2020

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ADDENDUM TO THE DIRECTORS' REPORT

ANNEXURE I

Form No. AOC-2

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

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

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

Name(s) of the related party and nature of relationship	Dwarikesh Sugar Industries Limited
Nature of contracts/ arrangements/ transactions	1) Lease of office premise 2) Management Consultancy facilities
Duration of the contracts / arrangements/ transactions	1) Five years 2) Twelve months
Salient terms of the contracts or arrangements or transactions including the value, if any	1) The Company has leased the office premises to Dwarikesh Sugar Industries Limited- A related party for period of 5 years. For this purpose rent of ₹ 18,28,764/- received for the year. 2) For financial assistance and other matters of consultancy to a related party Dwarikesh Sugar Industries Limited, company being NBFC has entered into consultancy arrangements with it. For this purpose fees of ₹46,02,000/- was received for the year.
Date(s) of approval by the Board, if any	30 th May, 2019
Amount paid as advances, if any	Nil

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Date: June 22, 2020



ANNEXURE II
Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L67120MH1985PLC035632
Registration Date	:	15/03/1985
Name of the Company	:	Morarka Finance Limited
Category / Sub-Category of the Company	:	Company Limited by shares – Indian Non-Government Company
Address of the Registered office and contact details	:	511, Maker Chambers V, 221, Nariman Point, Mumbai - 400021
Whether listed company	:	Yes
Name, Address and Contact	:	Universal Capital Securities Pvt. Ltd.
details of Registrar and Transfer Agent, if any:		25, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel: 28207203 / 7204 / 7205; Fax: 28369704 Email: info@unisec.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Dividend Income	64990	89.63%
2	Management Consultancy Fees	70200	7.18%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	7,24,716	0	7,24,716	16.10	7,29,031	0	7,29,031	16.20	0.10
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	22,09,831	0	22,09,831	49.08	22,09,831	0	22,09,831	49.08	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	29,34,547	0	29,34,547	65.18	29,38,862	0	29,38,862	65.28	0.10
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	0	0	0	0	0	0	0	0	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	29,34,547	0	29,34,547	65.18	29,38,862	0	29,38,862	65.28	0.10

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Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public Shareholding									
	(1) Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks / FI	-	-	-	-	-	-	-	-	-
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):	0	0	0	0	0	0	0	0	--
	(2) Non-Institutions									
	a) Bodies Corp.									
	i) Indian	17,030	6,200	23,230	0.52	31,901	500	32,401	0.72	0.20
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5,68,335	2,46,707	8,15,042	18.10	5,41,494	98,700	6,40,194	14.23	(3.89)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6,66,141	0	6,66,141	14.80	6,62,856	0	6,62,856	14.72	(0.08)
	c) Others									
	Clearing members	2,714	0	2,714	0.06	1,200	0	1,200	0.03	(0.03)
	NRI /HUF/ OCBs/ IEPF Suspense A/c	60,426	0	60,426	1.34	2,26,587	0	2,26,587	5.03	3.70
	Sub-total(B)(2):	13,14,646	2,52,907	15,67,553	34.82	14,64,038	99,200	15,63,238	34.72	(0.10)
	Total Public Shareholding (B)=(B)(1)+(B)(2)	13,14,646	2,52,907	15,67,553	34.82	14,64,038	99,200	15,63,238	34.72	(0.10)
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	42,49,193	2,52,907	45,02,100	100	44,02,900	99,200	45,02,100	100	-

ii. **SHAREHOLDING OF PROMOTERS:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	G. R. Morarka	99,800	2.22	0	99,800	2.22	0	--
2	Dwarikesh Trading Co. Ltd.	22,09,831	49.08	0	22,09,831	49.08	0	--
3	Pranay Morarka	5,06,032	11.24	0	5,06,032	11.24	0	--
4	S. G. Morarka	1,18,884	2.64	0	1,23,199	2.74	0	0.10
	Total	29,34,547	65.18	0	29,38,862	65.28	0	0.10



iii. CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	S. G. Morarka				
	At the beginning of the year	1,18,884	2.64	1,18,884	2.64
	Increase/ Decrease in Shareholding during the year:				
	Purchases from the market:				
	02-04-2019	1,320	0.03	1,20,204	2.67
	12-03-2020	1,995	0.04	1,22,199	2.71
	13-03-2020	1,000	0.02	1,23,199	2.74
	At the end of the year	1,23,199	2.74	1,23,199	2.74

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Satish Kumar Subbiah	2,26,000	5.02	2,26,000	5.02
2	Aarathi Srinivasan	1,10,000	2.44	1,10,000	2.44
3	Swati Maheshwari	64,406	1.43	64,906	1.44
4	Uday Vasantlal Merchant	38,000	0.84	38,000	0.84
5	Moon Hasmukhrai Kamdar	35,022	0.78	35,022	0.78
6	Velammal S	35,000	0.78	35,000	0.78
7	S Sujatha	25,000	0.56	25,000	0.56
8	Dwarkadas Chandak	24,900	0.55	24,900	0.55
9	Kalluri Savitha Rao	20,800	0.46	22,690	0.50
10	Anmol Sekhri Consultants Pvt Ltd	16,617	0.37	16,617	0.37

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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vi. INDEBTEDNESS:

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

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

V REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

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

B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		S. H. Nevatia	Priyanka G. Morarka	
1.	Independent Directors			
	Fee for attending board / committee meetings	19,500	-	19,500
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	19,500	-	19,500



Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		S. H. Nevatia	Priyanka G. Morarka	
2.	Other Non-Executive Directors			
	Fee for attending board / committee meetings	-	21,000	21,000
	Commission	-		-
	Others, please specify	-		-
	Total (2)	-	21,000	21,000
	Total (B)=(1+2)	19,500	21,000	40,500
	Total Managerial Remuneration		₹ 40,500	
	Overall Ceiling as per the Act	₹ 1,00,000 per meeting attended		

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

Sl. No.	Particulars of Remuneration	CEO	Key Managerial Personnel		Total
			Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12,68,750	**8,33,067	-	21,01,817
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	12,68,750	8,33,067	-	21,01,817

** For the calculation of Remuneration of CS-3 months Salary of ₹ 3,86,374 paid to Mr. Hemal Shah and 9 months salary of ₹ 4,46,693 paid to Mrs. Himgauri Sumant Behera has been combined.

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Date: June 22, 2020

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ANNEXURE III

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

Disclosures on Remuneration

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

Designation	Ratio
Chief Executive Officer	2.08
Chief Finance Officer	-
Company Secretary	1.37**
Directors	-

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

** For the calculation of Remuneration of CS-3 months Salary of ₹ 3,86,374 paid to Mr. Hemal Shah and 9 months salary of ₹ 4,46,693 paid to Mrs. Himgauri Sumant Behera has been combined.

2. Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the FY- 2019-2020

Designation	Increase / Decrease %
Chief Executive Officer	0.26
Chief Finance Officer	-
Company Secretary	(0.41)*
Directors	--

*There is a decrease in the % remuneration of CS due to sudden casual vacancy and appointment of Mrs. Himgauri Sumant Behera as the CS & Compliance Officer of the Company.

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 in negative i.e (0.39) due to change of CS of the Company.

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

As of March 31, 2020, the company is having only five directors and three KMPs viz. CEO, CFO and CS and one Assistant CS.

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

The company is having only five directors, CEO & VP, CFO and CS. There is only 1 employee other than these Directors and KMPs and hence no comparison is required. The average decrease in the salary of CFO and CS is -0.39% and increase in the salary of CEO & VP is 0.26%. The increase in CEO & VP's remuneration is in line with the remuneration paid by peers in the Industry.

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

By order of the Board
FOR MORARKA FINANCE LIMITED

G. R. MORARKA
CHAIRMAN
(DIN:00002078)

B. J. MAHESHWARI
DIRECTOR
(DIN:00002075)

Place : Mumbai
Date: June 22, 2020



Annexure IV
FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[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, 2020 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, 2020 according to the provisions of:

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

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

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

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

- 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.

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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. During the year under review following change took place in the composition of the Board of Directors of the Company:

- * Shri Balkishan J. Maheshwari, Shri Vijay S. Banka and Shri Sudhir H. Nevatia were re-appointed as Independent Directors in the Annual general meeting held on 26th September, 2019 to hold office for 5 consecutive years.

The aforementioned change was carried out in conformity and compliance with the provisions of the Act.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

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

**For VKM & Associates
Practicing Company Secretary**

**(Vijay Kumar Mishra)
Partner**

FCS No. 5023

CP No. 4279

UDIN : F005023B000358277

Place: Mumbai

Date: June 19, 2020

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
Practicing Company Secretary**

**(Vijay Kumar Mishra)
Partner**

FCS No. 5023

CP No. 4279

UDIN : F005023B000358277

**Place: Mumbai
Date: June 19, 2020**

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MORARKA FINANCE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Global Economy

Prior to the COVID-19 outbreak, the global economy was going through a turbulent time, activity data remained soft but survey indicators had begun to stabilise or improve in both manufacturing and services. Financial conditions had also strengthened following moves to increase monetary policy accommodation and reduce trade policy tensions. Preliminary estimates suggest that global GDP growth slowed further in the fourth quarter of 2019, to just over 2.5% with strikes, social unrest and natural disasters affecting activity in a number of countries.

Investment data are also soft, held back in part by continued high uncertainty and weak expected future growth. Aggregate investment growth in the G20 economies (excluding China) slowed from an annual rate of 5% early in 2018 to only 1% in 2019. The higher tariffs imposed on US-China bilateral trade over the past two years are an important factor behind the weakness of global demand, trade and investment.

COVID-19 IMPACT:

The COVID-19 pandemic has radically changed the prospects of the global economy for the short, the medium and potentially for the long-term. In the short-term, as governments throughout the world introduce stringent measures limiting physical mobility and social activity to slow the spread of the virus and avert a health crisis, economic activity seriously contracted.

B) Global Outlook

Together with the recent marked deterioration in global financial conditions and heightened uncertainty, this will depress global GDP growth in the early part of the year, possibly even pushing it below zero in the first quarter of 2020. Even if the COVID-19 effects fade gradually through 2020, the global growth could still be lowered by up to 0.5% point this year. On this basis, global GDP growth is projected to slow from 2.9% in 2019 to 2.4% this year, before picking up to around 3.5% in 2021 as the effects of the coronavirus fade and output gradually recovers.

The current COVID-19 induced scenario suggests that we are in a financial crisis but fears of a global recession are increasing. On the upside, we have collectively overcome quite a few major global disruptions since the emergence of global trade with learnings from the past, combined with sound monetary and fiscal decision-making.

C) Domestic Outlook

In the first three quarters of FY 2019-20, India's real GDP growth was under 5% - the lowest in the last six years. Due to various restrictions on economic activities, the forecast for the next few quarters looks quite bleak. In the final quarter of the year, that is, January-March, the growth rate of Gross Domestic Product (GDP) fell to 3.1%, reflecting the impact of the first week of the COVID-19 lockdown which began on March 25.

With the release of Q4 GDP growth, the full year 2019-20 GDP growth stood at 4.2 per cent. The government has also revised down the GDP growth in Q1, Q2, and Q3 to 5.2 per cent, 4.4 per cent, and 4.1 per cent respectively. As India travels through the path of economic uncertainty, the GDP growth in the fourth quarter becomes important as it includes the figures for one week of lockdown. It is also expected that today's figures will help to determine the impact of the pandemic more clearly. The growth projections for FY 2020-21 have been significantly revised downwards by various agencies. Even negative outlook has been expressed by some experts.

The year 2020 calls for a reinvention of the NBFC business model as a whole because the continued churn from the past few quarters now must give way to improved business processes, better underwriting and a long-term approach at sustainable benign credit cycle than a reckless boost of loan books.

India has been among the fastest-growing economies in the world over the past few years, lifting millions out of poverty. However, growth slowed to 5.0 percent in the April - June 2019 quarter (y/y), a six-year low. The deceleration of consumption and investment was exacerbated by weaknesses in the NBFCs sector and corporate and environmental regulatory uncertainty. Through August, inflation remained below the mid-point of the Reserve Bank of India medium-term inflation target band of 4 percent \pm 2 percent. After rising through late 2018, external vulnerabilities eased in the first three quarters of 2019, on lower oil prices and renewed portfolio inflows. Amid domestic and external headwinds, the outlook for India's growth in FY 2019-20 is more subdued than in recent years. In the staff's baseline scenario, growth gradually rises to its medium-term potential of 7.3 percent on continued commitment to inflation targeting and gradual macro-financial and structural reforms, including implementation of earlier reforms, such as the Goods and Services Tax and the Insolvency and Bankruptcy Code, as well as ongoing steps to liberalize foreign direct investment flows and further improve the ease of doing business.

Source: *International Monetary Fund (IMF), RBI*

D) Finance & Capital Market

Non-banking financial companies (NBFCs) are struggling to raise funds from the capital market due to higher cost and lack of availability of funds. NBFCs' borrowing profile has changed significantly from capital market instruments to bank borrowings. Banks' lending to NBFCs registered a growth of 34.7 per cent from September 2018 to January 2020. The overall composition of NBFCs in bank credit improved from 5.5 per cent in July 2018 to 6.6 per cent in March 2019 and 7.4 per cent in January 2020.



NBFCs are better placed with adequate liquidity to manage capital market debt repayments over the next two months and just about 4 percent of total debt is in shaky sectors such as aviation, gems and jewellery, real estate that could blow up. Sectors which are very critical to NBFCs such as auto, manufacturing and retail business are going through shock for a while. When the economy restarts, the banks and NBFCs will be pushed towards prudent lending for retrieving business which is going to add more pressure.

The outbreak of COVID-19 has resulted in lockdown and huge business disruption causing uncertainty in markets. The world over stock markets have tumbled, making equity investors lose money. Although financial market indicators are not to be taken as a conclusion, the economies world over, are showing clear signals of moving to recession.

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

We expect that with strong fiscal and policy measures the government will take more steps to ensure that the economy bounces back.

OPPORTUNITIES, THREATS AND STRATEGIES:

Over the last decade, India's non-banking financial companies (NBFCs) have assumed critical importance in the financial system. The total asset size of all NBFCs in India is more than \$370 billion. The importance of such a strong credit system in a growing economy like India can't be overemphasized. The industry is growing from strength to strength by serving the often ignored retail and MSME segments which are the backbone of India's growth story. Over the last five years, the NBFC lending book has grown at nearly 18% driven by a deep understanding of target customer segments, use of technology advances, lean cost structures and differentiated business models to reach credit-starved segments. The government took quick cognizance of the troubles in the sector and launched initiatives to provide relief. The Reserve Bank of India announced in August that banks can have an exposure of up to 20 per cent of their Tier 1 capital to a single NBFC as compared to the 15 per cent limit earlier. This helped boost credit flow as bank funding to NBFCs grew by 30 per cent year on year. At the same time, the regulator also eased the priority sector lending norms by allowing banks to provide funds to NBFCs for on-lending to agriculture up to INR 10 lakh, MSMEs up to INR 20 lakh and housing up to INR 20 lakh per borrower to be classified as priority sector lending.

However, recently, the sector has taken a beating in the stock market with defaults and liquidity challenges, specifically related to one large NBFC. Although the problem seems isolated, it has concerned regulators due to the risk of contagion effect and the overall governance in the sector. Another green shoot that emerged from the regulatory intervention as RBI introduced a new liquidity risk management framework to holistically counter future risks in the sector. Given the sector is fairly large now to impact the overall economy, this certainly entails some potential implications, including new compliance measures by the regulator, lending slowdown and potential consolidation by larger players. Furthermore, the NBFC lending model is also under pressure as a result of increased internal and external forces such as:

1. **Operational Risk**

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

2. **Credit Risk**

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

3. **Business Risk**

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

4. **Regulatory Risk**

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

5. **Human Capital Risk**

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

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

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

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MORARKA FINANCE LIMITED

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 ₹ 494.65 lakhs as against profit of ₹ 46.65 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 Indian Accounting Standard (IND AS) 108 - Operating Segment 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, 2020, the Board of Directors comprised of 5 Directors as under:

- All Directors are Independent Non-Executive Directors except Shri G. R. Morarka, who is Promoter & Non-Executive Chairman & Ms. Priyanka G. Morarka, who is Promoter Director.
- Ms. Priyanka G. Morarka is daughter of Shri G. R. Morarka.
- Other Directors are not related to each other.
- Shri Pranay G. Morarka has been appointed as a Vice President (Chief Executive Officer) pursuant to the requirements 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, Seven (7) Board Meetings were held on: May 30, 2019; July 17, 2019; August 12, 2019; September 09, 2019; November 14, 2019; February 14, 2020 & March 13, 2020.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2019-2020 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	7	No	4	0	0
Shri S. H. Nevatia	Independent Non-Executive Director	5	No	1	0	0
Shri B. J. Maheshwari	Independent Non-Executive Director	7	Yes	3	1	0
Shri Vijay S. Banka	Independent Non-Executive Director	7	Yes	2	2	0
Ms. Priyanka G. Morarka	Promoter Director	6	No	2	0	0

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

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

Director	Listed Entity	Category of Directorship	List of core skill expertise and competence
Shri G. R. Morarka	Dwarikesh Sugar Ind. Limited	Executive Chairman	Strategic Management, Cost Accounting
Shri B. J. Maheshwari	Dwarikesh Sugar Ind. Limited	Managing Director & CS cum CCO	Accounts, Secretarial, Corporate Law, Taxations
Shri Vijay S. Banka	Dwarikesh Sugar Ind. 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	Dwarikesh Informatics Limited	Additional Director	Finance, Strategic Management

Inter-se relationship:

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

Number of shares held by Non- Executive Directors:

Sr. No.	Name of Director	No. of shares held
1	Shri G. R. Morarka	99,800
2	Shri S. H. Nevatia	300
3	Shri B. J. Maheshwari	5
4	Shri Vijay S. Banka	5
5	Ms. Priyanka G. Morarka	0

Familiarization Programme:

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

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

Skills/Expertise/Competence of Board of Directors:

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

3. INDEPENDENT DIRECTORS:

A meeting of independent directors of the company was held on February 14, 2020 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/cms/newsimages/file/Jul%202019/Terms%20Conditions%20of%20appointment%20of%20Independent%20Directors.pdf>

4. DETAILS OF REMUNERATION AND SITTING FEES:

The details of remuneration to the non- executive directors and sitting fees and out of pocket expenses paid to independent directors for the year ended March 31, 2020 are as follows: (in ₹)

Particular	G. R. Morarka	B. J. Maheshwari	Vijay S. Banka	Priyanka G. Morarka	Sudhir Nevatia
Basic	-	-	-	-	-
Allowances	-	-	-	-	-
P F	-	-	-	-	-
Superannuation	-	-	-	-	-
Sitting fees and out of pocket expenses	-	-	-	21,000/-	19,500/-

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



5. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

Pursuant to Regulation 18 of the Listing Regulations and also pursuant to the provisions of Section 177 Companies Act, 2013, the Committee was reconstituted on 26th September, 2000, to comprise two Independent Non-Executive Directors and one Promoter Non-Executive Director. Members of Audit Committee are eminent persons in their field. The Company Secretary acts as the secretary to the Committee.

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

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

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

During the year, Four (4) Audit Committee Meetings were held on: May 30, 2019; August 12, 2019; November 14, 2019 & February 14, 2020.

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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	4
Shri B. J. Maheshwari	Non-Executive Independent Director	Chairman	4
Shri Vijay S. Banka	Non-Executive Independent Director	Member	4

B. NOMINATION & REMUNERTION COMMITTEE

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

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

During the year, there was Three (3) meeting of Nomination and Remuneration Committee held on: May 30, 2019; July 17, 2019 & February 14, 2020.

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

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

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

As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee attended the Annual General Meeting of the Company held on September 26, 2019.

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 Vijay S. Banka	Non-Executive Independent Director	Member	5
Ms. Priyanka Morarka	Non-Executive Director	Member	6
Shri B. J. Maheshwari	Non-Executive Independent Director	Chairman	6

During the year, Six (6) meetings of Stakeholder's Relationship Committee held on: May 30, 2019; June 27, 2019; August 12, 2019; November 14, 2019; December 24, 2019 & February 14, 2020.

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, 2020, there were no investor's complaints pending at the beginning of the year.

As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee attended the Annual General Meeting of the Company held on September 26, 2019.

Complaints, Share Transfer & Issue of Duplicate Share Certificates:

During the year ended 31st March, 2020, 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/cms/newsimages/file/Jul%202019/Whistle%20Blower%20Policy.pdf>

8. CODES AND POLICIES WEBLINK:

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

9. INSIDER TRADING

The Company has adopted new Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with effect from April 01, 2019, so as to bring it in line with amended SEBI (Prohibition of Insider Trading) Regulations, 2018 wherein some new requirements are brought in and the companies are required to revise its existing code of conduct on prohibition of Insiders Trading by a new set of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII). 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/cms/newsimages/file/Jul%202019/Code%20of%20Fair%20Disclosure%20\(Prohibition%20of%20Insider%20trading\).pdf](https://www.morarkafinance.in/cms/newsimages/file/Jul%202019/Code%20of%20Fair%20Disclosure%20(Prohibition%20of%20Insider%20trading).pdf)

10. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2016-17	Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	26/09/2017	12.00 noon
2017-18	Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	28/09/2018	12.00 noon
2018-19	Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.	26/09/2019	12.00 noon

SPECIAL RESOLUTIONS PASSED IN GENERAL MEETINGS DURING LAST 3 YEARS

Date	Particulars
September 26, 2017	1) Approval for related party transaction of entering into Management Consultancy Arrangement with related party – Dwarikesh Sugar Industries Limited
September 28, 2018	1) Approval for related party transaction of entering into Management Consultancy Arrangement with related party – Dwarikesh Sugar Industries Limited 2) To charge from a member in advance, a sum equivalent to the estimated actual expenses for delivery of the document(s) through a particular mode upon receipt of such request from a member. 3) To negotiate & finalise the terms & conditions of renewal of Leave and License Agreement with related party - Dwarikesh Sugar Industries Limited

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Date	Particulars
September 26, 2019	1) Approval for related party transaction of entering into Management Consultancy Arrangement with related party – Dwarikesh Sugar Industries Limited. 2) To re-appoint Shri Vijay S. Banka (DIN: 00963355) as an Independent Director. 3) To re-appoint Shri B. J. Maheshwari (DIN: 00002075) as an Independent Director 4) To re-appoint Shri S. H. Nevatia (DIN: 00001258) as an Independent Director

No postal ballots conducted during the year.

b) Extraordinary General Meeting: No extraordinary general meeting of the members was held during FY 2019-2020.

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/cms/newsimages/file/code_conduct.pdf

12. DISCLOSURES

- The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board.
The Company has complied with all requirements of the applicable Listing Regulations with the Stock Exchange as well as the Regulations and Guidelines prescribed by SEBI and other statutory authorities related to the capital market, during the last three years. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.
- **Disclosure of Related party transactions**
All related party transactions have been entered into in the Ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis.
- **Disclosure of Accounting Treatment**
All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- **Risk Management:**
The Company has in place mechanism to inform the Board Members about the Risk Assessment and Minimisation procedures and periodical reviews, to ensure that risk is controlled by the Executive Management through the means of a properly defined policy.
- **Subsidiary Companies:**
There are no subsidiary companies.
- 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	35 th Annual General Meeting
Date, time and venue	Monday, 31 st August, 2020 at 12 noon through VC facility provided by CDSL. The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 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, 2020
Second Quarter Results	On or before 14 th November, 2020
Third Quarter Results	On or before 14 th February, 2021
Last Quarter Results	On or before 30 th May, 2021
Dates of Book Closure	Tuesday, 25 th August, 2020 to Monday, 31 st August, 2020 (both days inclusive).
Dividend Payment Date	Will be paid within 30 days of AGM, if declared.
Listing Details	BSE

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

Name	Address	Stock Code
The Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	511549
International Securities Identification	INE367A01015	
Number (ISIN)	The securities of the Company have never been suspended from trading.	

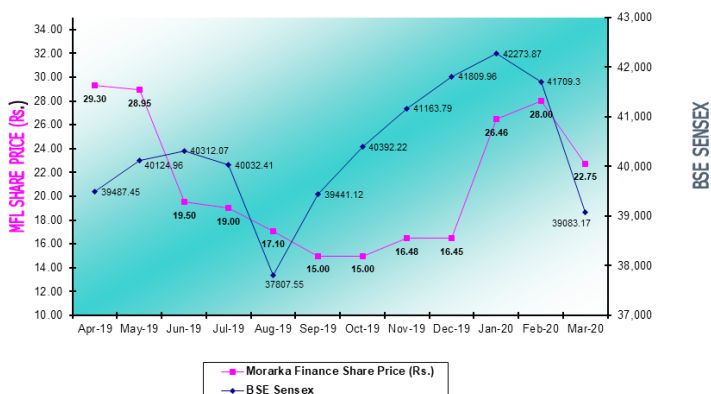
16. MARKET PRICE DATA:

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, 2019	29.30	23.10	16,088
May, 2019	28.95	18.05	9,348
June, 2019	19.50	18.05	3,588
July, 2019	19.00	17.10	3,201
August, 2019	17.10	15.45	1,870
September, 2019	15.00	15.00	1
October, 2019	15.00	14.25	866
November, 2019	16.48	14.96	221
December, 2019	16.45	13.30	2,800
January, 2020	26.46	14.25	22,608
February, 2020	28.00	20.95	31,776
March, 2020	22.75	16.90	5,165

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

MORARKA FINANCE SHARE PRICE V/S BSE SENSEX



18. PAYMENT OF LISTING FEES:

Annual listing fee for the year 2020-21 (as applicable) has been paid by the Company to BSE.

19. REGISTRAR AND TRANSFER AGENTS:

Universal Capital Securities Pvt.Ltd;

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

Tel: 28207203 / 7204 / 7205, Fax: 28369704, E-mail: info@unisec.in

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- 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, 2020:**

No. of Shares	No of Shareholders	Percentage	No. of Shares	Percentage
Upto 500	1,203	79.987	2,47,824	5.505
501 - 1,000	154	10.239	1,22,685	2.725
1,001 - 2,000	64	4.255	99,321	2.206
2,001 - 3,000	23	1.529	58,855	1.307
3,001 - 4,000	16	1.064	54,996	1.222
4,001 - 5,000	11	0.731	50,194	1.115
5,001 - 10,000	10	0.665	64,532	1.433
10,001 And above	23	1.529	38,03,693	84.487
Total	1,504	100.000	45,02,100	100.00

- Categories of Shareholders on 31st March, 2020:**

Category	No. of Shares of ₹ 10/- each	%
Promoters		
* Indian	7,29,031	16.19
* Foreign	-	-
Persons Acting in Concert	22,09,831	49.08
Mutual Funds	-	-
Banks	-	-
Indian Institutional Investors	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	32,401	0.72
General Public	13,03,050	28.95
NRIs, OCBs	7,692	0.17
Clearing Members	1,200	0.03
HUF	48,730	1.08
IEPF Suspense Account	1,70,165	3.78
Total	45,02,100	100.00

- Dematerialisation of Shares**

The company was amongst the first few companies to sign an agreement with the National Securities Depository Limited for joining the Depository System. The company has also signed an agreement with the Central Depository Services (India) Limited. As intimated by SEBI, trading in the shares of the company is compulsorily to be in the dematerialised form for all the investors with effect from November 29, 1999. As on 31st March, 2020, 97.80% 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 Mrs. Himgauri Sumant Behera, Company Secretary & Compliance Officer 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 17 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

STATUS OF UNPAID DIVIDEND & SUSPENSE ACCOUNT:

Dividend for the year	Amount of Dividend (₹)	Amount of unpaid dividend as on 31.03.2020 (₹)	Due Date of transfer to IEPF
2017-18	45,02,100	1,84,560	03/11/2025

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

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

24. EQUITY SHARES IN SUSPENSE ACCOUNT

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

25. 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, 2020 are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

On behalf of Board of Directors

Place: Mumbai
Date: June 22, 2020

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/cms/newsimages/file/code_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 2019-20.

For & on behalf of Board of Directors

Place: Mumbai
Date: June 22, 2020

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 be known as "the Company"), having its Registered Office at 511, Makers Chambers V, Nariman Point, Mumbai – 400021, Maharashtra, India incorporated vide its Company Registration Number L67120MH1985PLC035632 on 15th March, 1985 under the jurisdiction of Registrar of Companies, Mumbai, Maharashtra.

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

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

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

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

For VKM & ASSOCIATES
Company Secretaries

(Vijay Kumar Mishra)
Partner

M. No. F-5023
COP No. 4279

UDIN : F005023B00035823

Place: Mumbai
Date: June 19, 2020



CEO AND CFO CERTIFICATION

To,

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

Re: Financial Statements for the year ended on 31st March, 2020

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, 2020 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

Date: June 22, 2020

Pranay G. Morarka
CEO

P. P. Singh
C.F.O.

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MORARKA FINANCE LIMITED

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, 2020 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, 2019 to March 31, 2020.

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, 2020.
7. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Restriction on use

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

For VKM & Associates
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner

FCS No. 5023

C P No.: 4279

UDIN No. F005023B000366311

Place: Mumbai

Date: June 22, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of Morarka Finance Limited

Report on the Audit of the Financial Statements

Opinion

1. 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, 2020, 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").
2. 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 accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2020, 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

3. 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

4. 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, 2020. 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, 2020:

Key Audit Matter	Auditor's Response
Fair Valuation of investments	
The company's investments are measured at fair value at each reporting date and these fair value measurements significantly impact the company's results. Within the company's investment portfolio, the valuation of certain assets such as unquoted equity / preference requires significant judgement as a result of quoted prices being unavailable and limited liquidity in these markets.	We have assessed the company's process to compute the fair value of various investments. For quoted instruments we have independently obtained market quotations and recalculated the fair valuations. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

5. 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.
6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. 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. 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

8. 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.

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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.

9. 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

10. 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.
11. 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 understating 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.
12. 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.
13. 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.
14. 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

15. As required by the Companies (Auditor's Report) order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B Statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable



16. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss (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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the company for the year ended 31st March, 2020.

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

Subodh Mody
Partner

Place : Mumbai
Date: June 22, 2020

Membership No.: 37866
UDIN: 20037866AAAAAI4820

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ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 16(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, 2020.

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, 2020 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.

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, 2020, 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.,
CHARTERED ACCOUNTANTS
Firm Registration No.103155

Subodh Mody
Partner

Place : Mumbai
Date: June 22, 2020

Membership No.: 37866
UDIN: 20037866AAAAAI4820



ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 15 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, 2020

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets 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 fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
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 granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the company and hence not commented upon.
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, 2020.
8. In our opinion and according to the information and explanations given to us, the company did not have any loans or borrowing from financial institution, bank, government or dues to any debenture holders during the year. Accordingly paragraph 3(viii) of the order is not applicable to the company.
9. 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(ix) of the Order is not applicable to the company.
10. 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 by its officers or employees of the company has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the company, no remuneration is paid to any Director in terms of the provision of Section 197 read with Schedule V to the Companies Act, 2013 except sitting fees, which is paid within the limits provided under the Companies Act, 2013.
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. According to the information and explanations given to us and based on the documents and records produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order is not applicable.
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.
16. 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.

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

Subodh Mody
Partner

Membership No.: 37866
UDIN: 20037866AAAAAI4820

Place : Mumbai
Date: June 22, 2020

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BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in ₹)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
I. ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	1	2,34,32,875	6,61,247
(b) Bank Balance other than (a) above		-	-
(c) Derivative Financial instruments		-	-
(d) Receivables			
(i) Trade Receivables		-	-
(ii) Other Receivables		-	-
(e) Loans		-	-
(f) Investments	2	13,79,03,435	11,08,77,758
(g) Other financial assets	3	23,217	23,713
		16,13,59,527	11,15,62,718
2 Non-Financial Assets			
(a) Inventories	4	13,60,722	16,83,168
(b) Current tax assets (Net)		-	-
(c) Deferred tax assets (Net)	5	-	1,48,099
(d) Investment Property		-	-
(e) Biological assets other than bearer plants		-	-
(f) Property, Plant and Equipment	6	6,61,385	6,97,309
(g) Capital work-in-progress		-	-
(h) Intangible assets under development		-	-
(i) Goodwill		-	-
(j) Other intangible assets		-	-
(k) Other non-financial assets	7	17,55,854	16,96,745
		37,77,961	42,25,321
Total Assets		16,51,37,488	11,57,88,039
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Derivative financial instruments		-	-
(b) Payable	8		
(I) Trade Payable			
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding due of creditors other than micro and small enterprise		26,260	9,728
(II) Other Payable			
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding due of creditors other than micro and small enterprise		-	-
(c) Debt Securities		-	-
(d) Borrowing (other than debt securities)		-	-
(e) Deposits		-	-
(f) Subordinate Liabilities		-	-
(g) Other financial liabilities		-	-
		26,260	9,728
2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)	9	-	2,03,566
(b) Provisions	10	3,63,850	3,36,661
(c) Deferred tax liabilities (Net)	5	82,475	-
(d) Other non-financial liabilities	11	3,36,020	3,74,757
		7,82,345	9,14,984
3 Equity			
(a) Equity Share Capital	12	4,50,21,000	4,50,21,000
(b) Other Equity		11,93,07,883	6,98,42,327
		16,43,28,883	11,48,63,327
Total Liabilities and Equity		16,51,37,488	11,57,88,039

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

Subodh Mody
Partner
Membership No.37866
UDIN - 20037866AAAAAI4820

Place: Mumbai
Date: June 22, 2020

G. R. Morarka
Chairman
DIN : 00002078

B. J. Maheshwari
Director
DIN : 00002075

Vijay S. Banka
Director
DIN : 00963355

Himgauri Sumant Behera
Company Secretary
A36155

Place: Mumbai
Date: June 22, 2020



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

	Particulars	Note No.	Year ended 31-03-2020	Year ended 31-03-2019
I	Revenue from Operation			
(i)	Interest Income		-	-
(ii)	Dividend Income		4,86,63,884	44,64,525
(iii)	Rental Income		15,49,800	15,49,800
(iv)	Fees and commission Income		-	-
(v)	Net gain on fair value changes		-	-
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Sale of products (Including Excise Duty)		-	-
(viii)	Sales of services		1,79,957	1,85,642
(ix)	Managemnt Consultancy Income		39,00,000	33,60,000
			5,42,93,641	95,59,967
II	Other Income	13	11,334	18,834
III	Total Income (I+II)		5,43,04,975	95,78,801
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		-	-
(viii)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	14	3,22,446	1,30,957
(ix)	Employee Benefits Expenses	15	26,19,422	29,45,965
(x)	Depreciation, amortization and impairments	16	35,924	38,053
(xi)	Others expenses	17	15,68,787	11,18,136
	Total Expenses (IV)		45,46,578	42,33,111
V	Profit/(loss) before exceptional items and tax (III-IV)		4,97,58,397	53,45,691
VI	Exceptional items		-	-
VII	Profit/(loss) before tax (V-VI)		4,97,58,397	53,45,691
VIII	Tax Expense			
	(1) Current Tax		62,266	-
	(2) Deferred Tax		2,30,574	6,79,742
			4,94,65,557	46,65,949
IX	Profit/(loss) for the period from continuing operations (VII-VIII)			
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)		4,94,65,557	46,65,949
XIV	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	(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		-	-
XV	Total Comprehensive income for the period (XIII+XIV)		4,94,65,557	46,65,949
XVI	Earning per equity share			
	Basic (₹)		10.99	1.04
	Diluted (₹)		10.99	1.04
	Weighted average number of shares outstanding		45,02,100	45,02,100
	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

Subodh Mody
Partner
Membership No.37866
UDIN - 20037866AAAAAI4820

Place: Mumbai
Date: June 22, 2020

G. R. Morarka
Chairman
DIN : 00002078

B. J. Maheshwari
Director
DIN : 00002075

Vijay S. Banka
Director
DIN : 00963355

Himgauri Sumant Behera
Company Secretary
A36155

Place: Mumbai
Date: June 22, 2020

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars		2019-2020		2018-2019	
		₹	₹	₹	₹
A	CASH FLOW FROM OPERATING ACTIVITIES :				
	NET PROFIT/(LOSS) BEFORE TAX		4,97,58,397		53,45,691
	Item				
	ADJUSTMENTS FOR :				
	Depreciation and amortisation	35,924		38,053	
	Net(gain)/loss on sale of investment	-	35,924	-	38,053
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		4,97,94,321		53,83,744
	WORKING CAPITAL CHANGES				
	(Increase)/decrease in trade and other receivables	89,484		1,77,168	
	(Increase)/decrease in inventories	3,22,446		1,30,957	
	Increase/(decrease) in trade payables	16,532		(21,941)	
	(Increase)/decrease in direct tax and deferred tax	(2,92,840)		(6,79,742)	
	Increase/(decrease) in provisions	27,189		1,15,602	
	Increase/(decrease) in other non-financial liabilities	(1,59,828)		61,272	
	Dividend income consider seperately	(4,86,63,884)	(4,86,60,901)	(44,64,525)	(46,81,210)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		11,33,420		7,02,534
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of investments	(2,70,25,676)		2,48,694	
	Proceeds from sale of investment				
	Dividend received	4,86,63,884	2,16,38,208	44,64,525	47,13,219
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		2,16,38,208		47,13,219
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Dividend Paid	-		(45,02,100)	
	Dividend distribution tax paid	-	-	(9,25,420)	(54,27,520)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		-		(54,27,520)
	NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A-B+C)		2,27,71,628		(11,767)
	CASH AND CASH EQUIVALENTS(OPENING BALANCE)		6,61,247		6,73,014
	CASH AND CASH EQUIVALENTS(CLOSING BALANCE)		2,34,32,875		6,61,247

Notes :

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

As per our report of even date attached

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

Subodh Mody
Partner
Membership No.37866
UDIN - 20037866AAAAAI4820

Place: Mumbai
Date: June 22, 2020

G. R. Morarka
Chairman
DIN : 00002078

B. J. Maheshwari
Director
DIN : 00002075

Vijay S. Banka
Director
DIN : 00963355

Himgauri Sumant Behera
Company Secretary
A36155

Place: Mumbai
Date: June 22, 2020



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

(Annexed to and forming part of financial statements for the year ended March 31, 2020)

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended 31st March 2019, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31st March 2020 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS.

2. First time adoption of IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

(i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iii) Lease

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.

3. Income

A. Dividend income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

B. Other Revenue from operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

C. Taxes

Incomes are recognised net of the Goods and Services Tax, wherever applicable.

4. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

5. Taxes

A. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

B. Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

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, if any, 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 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 taxation authority.

6. Property, Plant and Equipment

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

7. Investments

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

8. Retirement Benefits

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



STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital

(Amount in ₹)

Particulars	Amounts
Issued, subscribed and fully paid up	
Balance as at 1st April 2019	4,50,21,000
Change during the year	0
Balance as at 31st March 2020	4,50,21,000

B. Other Equity

Particulars	Reserve and Surplus					Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Debt Instruments through OCI	Equity Instruments through OCI	
Balance as at 1st April 2019	65,30,000	21,02,454	6,12,09,873	-	-	6,98,42,327
Profit/(loss) for the year	-	-	4,94,65,557	-	-	4,94,65,557
Other Comprehensive income/(loss)	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	4,94,65,557	-	-	4,94,65,557
Dividend paid on equity share (Including tax thereon)	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Balance as at 31st March 2020	65,30,000	21,02,454	11,06,75,430	-	-	11,93,07,884

As per our report of even date attached

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

G. R. Morarka
Chairman
DIN : 00002078

Vijay S. Banka
Director
DIN : 00963355

Subodh Mody
Partner
Membership No.37866
UDIN - 20037866AAAAAI4820

B. J. Maheshwari
Director
DIN : 00002075

Himgauri Sumant Behera
Company Secretary
A36155

Place: Mumbai
Date: June 22, 2020

Place: Mumbai
Date: June 22, 2020

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MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
1	CASH AND CASH EQUIVALENTS		
	Cash on hand	14,789	15,601
	Cheque and drafts on hand	-	-
	Balance with bank in current accounts	2,34,18,086	6,45,646
		<u>2,34,32,875</u>	<u>6,61,247</u>
2	INVESTMENTS		
	Units of mutual funds		
	(a) Aditya Birla Saving Fund Daily Dividend-Direct Plan	5,25,19,770	2,54,94,092
	Government securities	-	-
	Debt securities	-	-
	Equity instruments of other entities		
	(a) Dwarikesh Sugar Industries Limited	4,74,41,611	4,74,41,611
	(b) Dwarikesh Trading Company Limited	3,26,553	3,26,553
	(c) Ormerods (India) Private Limited	-	1
	(d) Dwarikesh Informatics Limited	1	1
	(e) Faridpur Sugars Limited	95,000	95,000
	(f) Maker Chambers V Premises Co-op Society Ltd	500	500
	(g) Dwarikesh Trading company Limited - (8% Non redeemable cumulative preference shares)	3,00,00,000	3,00,00,000
	(h) Dwarikesh Trading company Limited - (6% Non redeemable cumulative preference shares)	75,20,000	75,20,000
	Total - Gross (A)	<u>13,79,03,435</u>	<u>11,08,77,758</u>
	(i) Investment outside india	-	-
	(ii) Investment in india	13,79,03,435	11,08,77,758
	Total - Gross (B)	<u>13,79,03,435</u>	<u>11,08,77,758</u>
	Less - Allowance for impairment loss ('C)	-	-
	Total - Net (D) (A-C)	<u>13,79,03,435</u>	<u>11,08,77,758</u>
3	OTHER FINANCIAL ASSETS		
	Security Deposit	15,230	15,230
	Other	7,987	8,483
		<u>23,217</u>	<u>23,713</u>
4	INVENTORIES		
	Stock of Securities	13,60,722	16,83,168
		<u>13,60,722</u>	<u>16,83,168</u>

NOTES TO THE FINANCIAL STATEMENTS

5 DEFERRED TAX ASSETS /(LIABILITIES):

Particulars	AS AT 31-03-2020		AS AT 31-03-2019	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
	₹	₹	₹	₹
Difference in WDV as per books and as per income tax		(1,22,693)		(1,31,205)
Provision for leave encashment and gratuity disallowance	40,218	-	28,901	-
Brought forward losses & depreciation	-	(1,22,693)	2,50,403	-
Total	40,218	(1,22,693)	2,79,304	(1,31,205)
Total	(82,475)		1,48,099	

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

6 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-04-2019	Added during the year	Disposals	As at 31-03-2020	Up to 01-04-2019	For the year	Disposals	Up to 31-03-2020	As at 31-03-2019	As at 31-03-2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(I) Buildings *	28,76,706	-	-	28,76,706	21,87,940	34,438	-	22,22,378	6,88,766	6,54,328
	(28,76,706)	-	-	(28,76,706)	(21,51,689)	(36,251)	-	(21,87,940)	(7,25,017)	(6,88,766)
(II) Furniture and Fixtures	11,26,053	-	-	11,26,053	11,18,950	1,286	-	11,20,236	7,103	5,817
	(11,26,053)	-	-	(11,26,053)	(11,17,380)	(1,570)	-	(11,18,950)	(8,673)	(7,103)
(III) Office equipment	79,227	-	-	79,227	77,787	200	-	77,987	1,440	1,240
	(79,227)	-	-	(79,227)	(77,555)	(232)	-	(77,787)	(1,672)	(1,440)
Grand Total	40,81,986	-	-	40,81,986	33,84,677	35,924	-	34,20,601	6,97,309	6,61,385
Previous Year	(40,81,986)	-	-	(40,81,986)	(33,46,624)	(38,053)	-	(33,84,677)	(7,35,362)	(6,97,309)

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

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



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MORARKA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
7	OTHER NON-FINANCIAL ASSETS		
	Prepaid Expenses	-	6,000
	Cess Receivables	33,404	33,404
	TDS Profesion -2017-18	-	3,00,000
	TDS Profesion -2018-19	-	3,36,000
	TDS Profesion -2019-20	3,90,000	-
	TDS Lease Rent-2017-2018	-	1,54,980
	TDS Lease Rent-2019-2020	1,54,980	-
	TDS Lese Rent-2018-2019	-	1,54,980
	TDS. Refund Account	352	352
	Tax on Purchase from URD	450	-
	Prepaid Tax A.Y. 2019-2020	1,08,400	-
	Prepaid Tax A.Y. 2017-2018	-	5,113
	Mat cedit entitlement account	10,68,268	7,05,916
		17,55,854	16,96,745
8	PAYABLE		
	(I) Trade Payable		
	(i) Total outstanding dues of micro and small enterprises	-	-
	(ii) Total outstanding due of creditors other than micro and small enterprise	26,260	9,728
	(II) Other Payable		
	(i) Total outstanding dues of micro and small enterprises	-	-
	(ii) Total outstanding due of creditors other than micro and small enterprise	-	-
		26,260	9,728
9	CURRENT TAX LIABILITIES (NET)		
	Provision for tax	-	2,03,566
		-	2,03,566
10	PROVISION		
	Provision for employee benefits		
	(I) Gratuity	-	1,18,269
	(II) Leave encashment	3,63,850	2,18,392
		3,63,850	3,36,661
11	OTHER NON-FINANCIAL LIABILITY		
	TDS liability	24,190	20,160
	Salary & wages payable	1,82,760	2,31,140
	GST Payable	1,28,670	1,23,457
	Profession tax payable	400	-
		3,36,020	3,74,757



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31/03/2020 ₹	As at 31/03/2019 ₹
12	EQUITY SHARE CAPITAL		
	AUTHORISED:		
	48,00,000 equity shares of ₹ 10 each	4,80,00,000	4,80,00,000
	1% 1,50,000 Redeemable non cumulative preference shares of ₹ 100 each	1,50,00,000	1,50,00,000
		6,30,00,000	6,30,00,000
	ISSUED, SUBSCRIBED AND PAID UP:		
	45,02,100 equity shares of ₹ 10 each fully paid up	4,50,21,000	4,50,21,000
		4,50,21,000	4,50,21,000

- A** Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:
There was no change in the paid up capital (Equity) of the company during the Financial Years 2018-2019 & 2019-2020.
- B** Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

	31-Mar-20	31-Mar-19
Equity Shares:-		
Dwarikesh Trading Company Limited	22,09,831	22,09,831
	49.08%	49.08%
Pranay Gautam Morarka	5,06,032	5,06,032
	11.24%	11.24%
Satishkumar Subbiah	2,26,000	2,26,000
	5.02%	5.02%

- C** Rights & restrictions attached to various shares are as under:
Equity Shares:-

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
13	OTHER INCOME		
	Long Term Profit on Sale of shares	954	-
	Others	10,380	18,834
		11,334	18,834
14	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
	Closing stock of shares & debentures	(13,60,722)	(16,83,168)
	Opening stock of shares & debentures	16,83,168	18,14,125
		3,22,446	1,30,957
15	EMPLOYEE BENEFIT EXPENSES		
	a) Salary and wages		
	Salary and wages	23,45,918	27,62,665
	Bonus & Exgratia	1,18,567	67,422
	Leave encashment	1,54,683	1,03,775
	Gratuity	-	11,827
		26,19,168	29,45,689
	b) Contribution to provident and other funds		
	Provident fund	254	276
		254	276
	c) Staff welfare expenses		
		-	-
		26,19,422	29,45,965
16	DEPRECIATION, AMORTIZATION AND IMPAIRMENTS		
	a) Depreciation on Property, Plant and Equipment	35,924	38,053
	b) Amortization of intangible assets	-	-
		35,924	38,053
17	OTHER EXPENSES		
	Rates and taxes	1,77,333	10,971
	Travelling & conveyance	65,900	92,974
	Postage, telephone & telex	1,44,853	1,78,753
	Printing & stationery	46,970	1,19,614
	Short Term Loss On sale of Mutual Fund	-	91,748
	Payment to the auditors		
	Audit fees	40,000	40,000
	Taxation matters	-	-
	Reimbursement of expenses	-	-
	Miscellaneous expenses	10,93,731	5,84,077
		15,68,787	11,18,136



NOTES TO THE FINANCIAL STATEMENTS

18 Related party disclosures as required by Accounting Standard AS-18 for the year ended 31st March, 2020

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

- | | | | |
|------|---|--|---|
| i) | Enterprises over which key management personnel are able to exercise significant influence | Group Companies

-Dwarikesh Trading Company Limited
-Dwarikesh Informatics Limited
-Faridpur Sugars Limited
-Dwarikesh Sugar Industries Limited | |
| ii) | Key Management Personnel | -Shri Pranay G. Morarka
-Shri P. P. Singh
Himgauri Sumant Behera | CEO And President
CFO
CS & Compliance Officer |
| iii) | Relatives of Key Managerial Personnel | -Shri Pranay G. Morarka
-Smt. Smriti G. Morarka (Mother)
-Ms. Priyanka G. Morarka (Sister)
-Shri G.R. Morarka (Father) | |

b) Details of Transactions

Sl. No.	Name of Related Party	Nature of Transaction	Volume of Transaction (₹)	Amount due to (₹)	Amount due from (₹)
1	Dwarikesh Sugar Industries Ltd.	Inter Corporate Deposit Repaid	(Nil)	(Nil)	(Nil)
		Inter Corporate Deposit Received	(Nil)	(Nil)	(Nil)
		Management consultancy Received	46,02,000/-	(Nil)	(Nil)
		Lease Rent Received	18,28,764/-	(Nil)	(Nil)

19. Provision for net Current Tax is NIL, since TDS deducted on company is higher than tax liability.

20. Pursuant to the Indian Accounting Standard (IND AS-12) relating to "Income Tax" the Company has recognized net **Deferred Tax Liabilities** to the extent of ₹ **82,475/-**

21. Earnings Per Share:

In view of Indian Accounting Standard (IND AS-33) "Earning per Share", the following are the disclosures in respect of the calculation of earnings per share for the year ended 31st March, 2020.

Particulars	31/03/2020	31/03/2019
Profit/(loss) after tax	4,94,65,557	46,65,949
Weighted average number of equity share	45,02,100	45,02,100
Earnings Per share	10.99	1.04

Contingent Liabilities in respect of:

PARTICULARS	Amount [₹ In Crores]	
	2019-2020	2018-2019
a) In respect of show cause notice from SEBI under Regulation 8(3) of SEBI take over code regulation	0.0175	0.0175

NOTES TO THE FINANCIAL STATEMENTS

22. Related Party Disclosures:

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

i. Group Companies:

Dwarikesh Trading Company Limited.
Dwarikesh Informatics Limited.
Faridpur Sugars Limited.
Dwarikesh Sugar Industries Limited.

ii. Key Management Personnel:

Name	Designation
Mrs. Himgauri Sumant Behera	CS
Shri Pranay G. Morarka	CEO and Vice President
Shri P. P. Singh	CFO

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

		31st March, 2020	
		Associates	Key Management Personnel
		₹	₹
1. (a)	Lease Rent Received	18,28,764/-	-
(b)	Management Consultancy	46,02,000/-	-
2.	Maximum amount Receivable at any time	-	-

C. Related parties have been identified by the management. This has been relied upon by the auditors. No amounts have been written off / back in respect of the aforesaid related parties.

23. There are no outstanding dues of Micro enterprise and Small enterprises.

24. There are no amounts due and outstanding to be transferred to Investor Education & Protection fund as on 31st March 2020

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



Refer to in Note No. 25 to Notes on Accounts Schedule to the Balance Sheet of a Non-Banking Financial Company

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

(₹ in lakhs)

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

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MORARKA FINANCE LIMITED

(5)	Break-up of Investments :			
	Current Investments :			
	1.	Quoted:		
		(i) Shares:	(a) Equity	-
			(b) Preference	-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (Please specify)		-
	2.	Unquoted:		
		(i) Shares:	(a) Equity	-
			(b) Preference	-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (Please specify)		-
	Long Term investments :			
	1.	Quoted:		
		(i) Shares:	(a) Equity	474.42
			(b) Preference	-
		(ii) Debentures and Bonds		-
		(iii) Mutual funds		525.20
		(iv) Government Securities		-
		(v) Others (Please specify)		-
	2.	Unquoted:		
		(i) Shares:	(a) Equity	4.22
			(b) Preference	375.20
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (Please specify)ABSL Saving Fund		-
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :			
	Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same Group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	-	-	-
	Total	-	-	-



(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			(₹ in lakhs)
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties **			
(a) Subsidiaries	-		-
(b) Companies in the same Group	-		-
(c) Other related parties	-		
i) DSIL Equity Shares	3562.54		474.42
ii) DTCL - Preference Shares	375.20		375.20
iii) DTCL – Equity	3.27		3.27
iv) DIL – Equity	0.00		0.00
iv) FSL – Equity	0.95		0.95
2. Other than related parties			
i) ABSL Saving fund	524.13		525.20
Total	4466.09		1379.04

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

(8) Other information

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

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our report of even date attached

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

G. R. Morarka
Chairman
DIN : 00002078

Vijay S. Banka
Director
DIN : 00963355

Subodh Mody
Partner
Membership No.37866
UDIN - 20037866AAAAAI4820

B. J. Maheshwari
Director
DIN : 00002075

Himgauri Sumant Behera
Company Secretary
A36155

Place: Mumbai
Date: June 22, 2020

Place: Mumbai
Date: June 22, 2020

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