



MORARKA
FINANCE
LIMITED

38th 2023 ANNUAL REPORT

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

AUDITORS

M/S JAYESH DADIA & ASSOCIATES LLP, CHARTERED ACCOUNTANTS

BANKERS

PUNJAB NATIONAL BANK
ICICI BANK LTD

REGISTERED OFFICE

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

SOLICITORS

MULLA & MULLA & CRAIGIE BLUNT & CAROE

REGISTRAR & SHARE TRANSFER AGENTS

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

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NOTICE

NOTICE is hereby given that the **Thirty Eighth** (38th) Annual General Meeting of the Company will be held on Tuesday, September 26, 2023 at 12.00 noon IST at Kilachand Conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2023, Directors' Report and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2023.
3. To appoint a Director in place of Shri Gautam R. Morarka (DIN: 00002078), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. K. Savitha Rao (DIN: 00001271), who retires by rotation and being eligible, offers herself for re-appointment.

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

Divya Agarwal
Company Secretary &
Compliance Officer
ACS 55416

Place : Mumbai
Date : April 25, 2023

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

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote and the proxy need not be a member. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.

2. The instrument of proxy duly completed should be lodged at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. Proxy Form is annexed to this Report.
3. 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.
4. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
5. Members/proxies are requested to bring their copy of Annual Report, while attending the Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from **Wednesday, 20th September, 2023 to Tuesday, 26th September, 2023 (both days inclusive)** for the purpose of identification of members who shall be entitled to receive Dividend and attend Annual General Meeting of the Company.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities requests will be considered but the transmission or transposition of securities will be done in dematerialized form only. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Universal Capital Securities Private Limited ("RTA") for assistance in this regard.
8. To support the 'Green Initiative' by the Ministry of Corporate Affairs, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
9. 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.

10. 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.
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 to the Registered Office well in advance so that the same reaches the company at least ten days before the date of the meeting to enable the Management to keep the information required readily available.
14. 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.
15. The Notice of the 38th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s). Members who have not given specific consent for receipt of these documents in electronic form hitherto are requested to register their email addresses by sending their details to their Depository participants or Company or its RTA & also their consent by e-mail to investors@morarkafinance.in or by a written consent to Company's registered office or to its RTA. However, members shall be provided with copy of Annual Report free of cost on their request in writing. Members may note that Soft copy of the Annual report 2022-23 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.
16. 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.
17. At the 37th AGM held on June 28, 2022, the Members approved appointment of M/s Jayesh Dadia & Associates LLP, Chartered Accountants, Mumbai having ICAI Firm Registration No.121142W/ W100122 as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 42nd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 38th AGM.
18. In compliance of provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the company is pleased to provide its members facility to exercise their votes by electronic means (remote e-voting) and the business may be transacted through e-voting as per the instructions below:
 - a) **Details of Scrutinizer:** M/s VKM & Associates, Practicing Company Secretaries, (FCS No. F-5023 & COP No.4279) has been appointed as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
 - b) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
19. A Member can opt for only one mode of voting i.e. either through remote e-voting or in physical form at AGM. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid. The results declared along with the Scrutinizer's Report shall be placed on the Company's

website www.morarkafinance.com and on the website of CDSL www.evotingindia.com within two days of the 38th AGM of the Company and shall be communicated to BSE Limited at www.bseindia.com where the shares of the Company are listed.

20. The Notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from the RTA/ Central Depository Services Limited (CDSL) as on 18th August, 2023.
21. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates

that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. However, **no tax will be deducted on payment of dividend to the resident individual shareholder, if the total dividend, paid during Financial year ('FY') 2023-24, does not exceed ₹ 5,000/-.**

The TDS rate would vary depending on the residential status, category of the shareholder and is subject to provision of requisite declarations / documents to the Company as below:-

A. RESIDENT SHAREHOLDERS:

- A.1 Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding ₹ 5,000/- during the FY 2023-24)

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

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

S No.	Particular	Declaration / documents required
1	An Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> Copy of PAN card (<i>refer point (iii) to the Notes below</i>) Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.
2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, Business Trust (REIT, InVIT) etc.	<ul style="list-style-type: none"> Copy of PAN card Self-declaration (<i>Please download Annexure-1* from website of the company</i>), along with adequate documentary evidence (e.g., registration certificate), to the effect that no TDS is required as per provisions of section 194 of the Act.
3	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	<ul style="list-style-type: none"> Copy of PAN card Self-declaration (<i>Please download Annexure-1* from website of the company</i>), along with adequate documentary evidence, substantiating applicability of 196 of the Act.



S No.	Particular	Declaration / documents required
4	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> Copy of PAN card Self-declaration (<i>Please download Annexure-1* from website of the company</i>) that AIF's income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, along with copy of registration certificate.
5	Any other entity exempt from TDS under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> Copy of PAN card Self-declaration by shareholders under section 197A of the Income Tax Act, 1961 (Annexure-1*) for availing the NIL tax rate deduction on dividend payment under the Income Tax Act, 1961 Self-declaration by individual Sikkimese resident shareholder covered under section 10(26AAA) of the Income Tax Act, 1961 (Annexure-2*) for availing the NIL tax rate deduction on dividend payment Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source for non-resident shareholders.

S No.	Category	TDS rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<ul style="list-style-type: none"> Copy of PAN card (if available) Copy of Tax Residency certificate (TRC) issued by revenue authority of country of residence of shareholder for the financial year 2023 and financial year 2024 (covering the period from April 1, 2023 to March 31, 2024) Electronically generated Form 10F (for non-resident possessing PAN) and in case of non-resident not possessing PAN, a hard copy of duly executed Form 10F along with a declaration that the shareholder is not required to have a PAN as per the provisions of the Act read along with Rules in (Annexure 3A and 3B*) Self-declaration by the non-resident shareholder of having no permanent establishment / Fixed base or place of business / Business Connection / Place of Effective Management/ beneficial ownership, in India in accordance with the applicable DTAA (pertaining to FY 2023-24) (<i>Please download the Annexure-5* from the website of the company</i>) <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</p>
2	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess) [#]	<ul style="list-style-type: none"> Copy of PAN card (if available) Self-declaration (<i>Please download Annexure-4* from the website of the company</i>) along with adequate documentary evidence substantiating the nature of the entity

S No.	Category	TDS rate	Declaration / documents required
3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Copy of PAN card (if available) 2. Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2023 and financial year 2024 (covering the period from April 1, 2023 to March 31, 2024) 3. Electronically generated Form 10F (for non-resident possessing PAN) and in case of non-resident not possessing PAN, a hard copy of duly executed Form 10F along with a declaration that the shareholder is not required to have a PAN as per the provisions of the Act read along with Rules in (Annexure 3A and 3B*) 4. Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] (<i>Please download Annexure-5* from the website of the company</i>) <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</p>
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA
5	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> • Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India. • Self-Declaration (<i>Please download the Annexure-6 & 7* from the website of the company</i>) that the conditions specified in section 10(23FE) have been complied with
6	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	NIL	Self-Declaration (<i>Please download Annexure-8* from the website of the company</i>) substantiating the fulfillment of conditions prescribed under section 10(23FE) of the Act
7	Availability of Lower/ NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	Copy of the lower TDS certificate obtained from Income Tax Department

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

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



Notes:

- i. Update your KYC data to receive all communications and dividend information - The shareholders are requested to update their KYC data viz., PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our Registrar & Share Transfer Agent (RTA) whose e-mail address is given morarkatds@uniseq.in Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.
- ii. TDS credit can also be viewed after login to Income Tax portal <https://www.incometax.gov.in/iec/foportal> (refer to Form 26AS).
- iii. The aforesaid documents and all the declarations such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be shared by email on morarkatds@uniseq.in by Monday, September 25, 2023. Any communication in relation to tax rate determination/deduction/TDS matters received after September 25, 2023 shall not be considered.
- iv. Where the shareholder being resident individual eligible for obtaining Aadhaar Number have not intimated/ linked the Aadhaar Number allotted with its PAN by March 31, 2023. In such a case, the allotted PAN would be treated as inoperative for the provisions of deduction of TDS on the dividend declared by the Company, as may applicable under the Act or relevant law/rules in force and taxes will be withheld accordingly.
- v. Additionally, in case a resident shareholder or a non-resident shareholder having a PE in India qualifies as a "specified person" as per section 206AB of the Act, **higher rate of TDS as per section 206AB of the Act shall be applied.** In this respect, the company reserves the right to independently verify whether the shareholder qualifies as a "specified person" as per section 206AB of the Act from the utility released by the income-tax authority and apply TDS at a higher rate as applicable.

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

- vi. After receipt of any of the above declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.
- vii. Determination of TDS rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form as on the Record Date, and other documents available with the Company / RTA. In this respect, the Company reserves the right to independently verify the PAN number of the shareholder from the National Securities Depository Ltd. ('NSDL') utility and if the same is found contrary to the PAN quoted/ provided, the Company will disregard the PAN and proceed as per the prevalent law.
- viii. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
- ix. The documents furnished by the shareholders (such as Form 15G/15H, TRC, Form 10F, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.
- x. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.
- xi. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.
- xii. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend