



27th Annual Report 2011-2012



BOARD OF DIRECTORS

G. R. Morarka-Chairman
S. H. Nevatia
B. J. Maheshwari
Priyanka G. Morarka
Vijay S. Banka

COMPANY SECRETARY

Hemalkumar Shah

AUDITORS

D. P. Agarwal & Co.
Chartered Accountants

BANKER

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.
(Formerly Mondkar Computers Pvt. Ltd.)
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.



NOTICE

NOTICE is hereby given that the **Twenty-Seventh Annual General Meeting** of the Company will be held on Friday, 28th September, 2012 at 12.00 noon at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2012, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms Priyanka G. Morarka, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Shri B. J. Maheshwari, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act, 1956 read with Article 132 of the Articles of Association of the company, Shri Vijay S. Banka, who was appointed as an Additional Director with effect from September 29, 2011, and who holds office upto the date of ensuing Annual General Meeting of the company & in respect of whom, the company has received a notice in writing under section 257 of the Companies Act, 1956 together with requisite deposit, proposing his candidature as a Director of the company, be and is hereby appointed as a Director.

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution.

RESOLVED THAT pursuant to section 31, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Rule 10 – B of Companies (Central Government's) Rules and Forms, 1956, approval be and is hereby accorded to amend Article 134 of the Articles of Association of the company to increase the sitting fees payable to each of the directors of the company for attending the meeting of the Board of Directors or a Committee thereof by substituting the following new article in place of existing Article 134 of the Article of Association of the company.

Remuneration of Directors	The Board of Directors may, from time to time, decide to pay to Director out of the funds of the Company, by way of Sitting Fees, an amount not exceeding the maximum amount as may be prescribed by the Central Government under Rule 108 of the Companies (Central Government's) General Rules and
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	Forms, 1956 read with Section 310 of the Companies Act, 1956 or any amendment made thereunder, from time to time, for each such meeting of the Board or any Committee or Sub-committee thereof attended by them together with reimbursement of out of pocket and other expenses incurred by them for attending the meeting such reasonable additional remuneration as may be fixed by the Board may be paid to any one or more of its number for services rendered by him or them in signing the Share Certificates in respect of the Company's Capital or any Debentures issued by the Company. The Directors shall be paid such further remuneration (if any) as the Company in General Meeting shall from time to time determine; and such additional remuneration and further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.
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By order of the Board
FOR MORARKA FINANCE LIMITED

PLACE : New Delhi
 DATED : 30th May, 2012

Hemalkumar Shah
 Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote and the proxy need not be a member.
2. The instrument of proxy duly completed should be lodged at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 13th September, 2012 to Friday, 28th September, 2012 (both days inclusive).
4. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in **Form 2B** which can be obtained from the Company's Registrar & Transfer Agents M/s Universal Capital Securities Pvt. Ltd.
5. In terms of Article 146 of the Articles of Association of the Company, Shri B J Maheshwari, & Ms Priyanka G Morarka, Directors retire by rotation at the ensuing Annual General



Meeting and being eligible offer themselves for re-appointment. Shri Vijay S Banka, who has been appointed as an additional director w.e.f. September 29, 2011 is proposed to be appointed as a director of the company. Brief resume of Directors retiring by rotation / appointed / re-appointed in terms of requirement under Clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the Report of Corporate Governance forming part of the Annual Report.

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

Financial Year	Unpaid Dividend amount (Rs.) as on 31/03/2012	Due date of transfer to the Investor Education and Protection Fund
2004-05	196894.50	28/10/2012
2005-06	129057.00	25/10/2013
2006-07	66579.00	26/10/2014

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Shri Vijay S. Banka was appointed as an Additional Director of the company on September 29, 2011 by the Board. In terms of provisions of section 260 of the Companies Act, 1956 read with Article 132 of Articles of Association of the company. Shri Vijay S. Banka holds office upto the date of ensuing Annual General Meeting of the company & in respect of whom, the company has received a notice in writing under section 257 of the Companies Act, 1956 together with requisite deposit, proposing his candidature as a Director of the company.

The Board recommends the passing of this resolution. None of the directors except Shri Vijay S. Banka is interested in the resolution.

ITEM NO.6

As per the existing Article 134 of the Articles of Association, the directors of the company are entitled to receive an amount of Rs 250 /- only as a sitting fee for attending every meeting of Board of Directors or any committee constituted by the Board, which has been fixed long time ago.

As per rule 10-B - section 310 of the Companies (Central Governments) General Rules and Forms, 1956, amount of remuneration by way of sitting fees for attending each meeting of Board of Directors and committee thereof is allowed as under.

a)	Companies with paid-up share capital and free reserves of Rs 10 crores & above or turn over of Rs 50 crores & above	Upto Rs 20,000/-
b)	Other companies	Upto Rs 10,000/-

Since there was no revision in sitting fees for a long period of time and the company feels that the present limit is not at all commensurate to the efforts put in by the non executive directors and requires enhancement, the above amendments is proposed to the Articles Of Association together with reimbursement of out of pocket and other expenses incurred by the Directors to attend the meetings.

All the non executive directors of the company entitled to receive the sitting fees may be deemed to be interested in the resolution.

By order of the Board
FOR **MORARKA FINANCE LIMITED**

PLACE : New Delhi
DATED : 30th May, 2012

Hemalkumar Shah
Company Secretary



MANAGEMENT DISCUSSION & ANALYSIS

World in shackles of financial crisis

Post sub prime crisis in US in 2008, the apprehension of fast recovery across the globe has ended in a smoke and none of the efforts of stimulation packages, booster doses, tax benefits could derive any fruitful results to get rid of chronic depression still sustaining in the cosmos. No countries in the world can preclude itself from the shackles of economics & political crisis. The sovereign crisis took its start from US and grappled Dubai, Portugal, Ireland, Italy, Greece, Spain and other Eurozones. With US continuing to grow at lower pace and Euro to continue its troubles, the growth rate of global economy is projected at 3.5%. Even the emerging economies of BRICS are feeling the impact of slow down. Fastest growing China too has started giving the signs of slowdown.

Indian Economy chugging along

The GDP growth in India has been consistently going down from 9% to 6%. India is estimated to grow at 6.9 per cent in 2011-12 but grown at 6.5% pre-eminently due to high interest rate led by high inflation and commodity prices and in short run, there is no reason for cherish. But there are strong reasons to be bullish on Indian growth in long run mainly due to favourable demographics, strong consumption story, growing middle class disposable income and higher domestic saving rates. Political scams and lack of reforms are growth laggards, contributing negatively in sentiments.

NBFC sector

Non-banking financial companies (NBFCs) are mostly private sector institutions which provide a variety of services including equipment leasing, hire purchase, loans, and investments. NBFCs perform a diversified range of functions and offer various financial services to individual, corporate and institutional clients. They have been helping to bridge the credit gaps in several sectors where the institutions like banks are unable to venture. RBI recently has created a separate kind of NBFC being micro finance institution (MFI) with that, there are now seven categories of NBFCs namely asset finance company (AFC), investment company (IC), loan company (LC), infrastructure finance company (IFC), core investment company (CIC), infrastructure debt fund NBFC (IDF –NBFC) and NBFC micro finance institution (NBFC-MFI). NBFCs can also be classified on the basis of the kind of liabilities they access, the type of activities they pursue, and of their perceived systemic importance. On the basis of liabilities, there are two categories, (i) NBFCs holding and accepting public deposits or NBFCs-D, and (ii) NBFCs not having public deposits or NBFCs-ND. With higher inflation and high rate of interest, the credit off take shall continue to be disappointing and estimated at 17% in 2013. Even the banks were confronted immense credit squeeze in 2011-12 with high inflation and interest rates, the NBFCs also faced huge shrinkage in credit growth. With multiple hikes in interest rate in last 18 months, the bad loans are expected to be at Rs 2,00,000 crores by March 2013 as per CRISIL. Non

performing assets (NPAs) too are likely to go up to 2 to 3% for banks and NBFCs dampening the growth of all NBFCs. The capital market too being in lackluster has adversely effected the investment NBFCs. Banks too are sitting on piles of applications for Corporate Debt Restructuring (CDR) from corporate india showing their inability to pay the loans. All in all, the year 2011-12 was a challenging year for NBFC sector.

Outlook, Risks and Concerns

Seeing the large fiscal deficit, political constrains and reforms taking place at a snail's pace, leading rating agency standard and poors has downgraded India outlook from stable to negative with this the short term outlook for india is not so optimistic and hence Morgan Stanley has recently downgraded india's GDP forecast for 2013 from 6.9% to 6.3% but in long run, India is poised nicely on global footprints. After succession of rate hikes in last two years, the RBI has initiated reducing the rates. The monsoon prediction too is normal and hence going forward the rates are likely to ease faster than expectation. Good expected monsoon would increase the agriculture produce and that would in turn curb the inflation. The global economies too after a successive three years of worries, would once again gain momentum and the emerging economies like India, China, Brazil etc. would take their leaderships. Once the inflations and interest rates are at satisfactory levels, the NBFCs would again be on their growth trajectory in their retails financing, core investment and infrastructure finance businesses.

Opportunities and threat

The company is a core investment NBFC striving to pick up opportunities from the capital market which has been languishing in a narrow range. The much awaited recovery has a long waiting period of more than three to four years now. With sovereign financial crisis, the India too albeit not much adversely effected as the rest of the world is, but the pace of growth has faced slow down as one can't apply the theory of decoupling when various economies of the world are dependent on others in today's scenario when the world has become a global village.

In the primary market too during 2011-12, hardly Rs 5000 crores are mobilized through fund raising by new public offers and only 30 companies could sail smoothly in this financial Tsunami. The venture capital and PE funds too took back steps in this gloomy economic portrait. Government too failed to achieve its disinvestment target and found it extremely difficult to raise fund to cover the fiscal deficit.

The secondary market with expected earning per share (EPS) of Rs 1163 for year 2012 and Rs 1303 for year 2013 of BSE 30 companies, is expected to remain in narrow range of 14000 to 18000 on BSE sensex in 2012 -13 discounting the same at 12 to 14 times. The introduction of General Anti Avoidance rules (GAAR) has raised tax implication probabilities in minds of Foreign Institutional investors inducing them not only to hold their investment flows in India but to exit from present equity exposures in India.

**Internal control:**

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

Segment wise performance:

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

Company's financial scorecard

In this unstable economic environment and global carnage where most of the companies put a poor show, your company too is no exception to that incurring a loss of Rs 10.03 lacs in current fiscal as against profit after tax of Rs 42.10 lacs in the last year largely on account of subdued capital market. The company's revenue is derived from the dividend income, profit from sale of investments and interest income from advances etc. The fall in

market is taken up as an opportunity to buy the bellwether companies. The company would consistently look to pick up every available investment opportunity by doing the cherry pick of blue chip companies from the capital market.

Human Capital:

For enhanced performance of any organization, it is important that its human resources are abreast of new developments and possess relevant skill sets. To realize this, the emphasis on training and development activities has been increased. Executives were nominated for various program and seminars at local and national levels by premier institutes.

Cautionary Statement:

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



DIRECTOR'S REPORT

To

The Shareholders,

MORARKA FINANCE LIMITED

The Directors are pleased to present their report to the members together with the audited financial statements of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS:

	[IN RUPEES]	
	For the year Ended 31/03/2012	For the year Ended 31/03/2011
Profit / (Loss) before tax	(1,516,405)	4,052,540
Less : Provision for taxation for the year	-	-
Provision for taxation earlier year	-	-
Deferred Tax	(464,173)	(1,57,372)
Fringe Benefit Tax	-	-
Profit / (loss) after tax	(1,003,225)	4,209,912
Add : Balance b/f from previous years	4,16,05,161	3,73,95,249
Amount available for Appropriation	4,06,01,936	4,16,05,161
Appropriations:		
Proposed Dividend :		
- On Equity Shares	-	-
Additional Dividend Tax	-	-
Transfer to General Reserves	-	-
Balance Carried over to next year	4,06,01,936	4,16,05,161
	4,06,01,936	4,16,05,161

2. DIVIDEND:

Your directors have not recommended any dividends in view of losses incurred by the company.

3. DIRECTORS:

Pursuant to Article 146 of the Articles of Association of the company, Ms Priyanka G. Morarka, & Shri B. J. Maheshwari, Directors retire by rotation and being eligible offer themselves for re-appointment.

Shri Vijay S. Banka has been inducted as an Additional Director on the Board during the year. Notice u/s 257 of the Companies Act, 1956 together with requisite deposit, proposing his candidature as a Director of the company is received signifying his intention to propose their candidature for the appointment of Director of the company.

4. Statement of Director's Responsibilities:

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

- Selected suitable accounting policies and then applied them consistently.
- Made judgments and estimates those are reasonable and prudent.
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- Prepared the financial statements on the going concern basis.
- They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**5. CORPORATE GOVERNANCE:**

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

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

6. FORMATION OF VARIOUS COMMITTEES:

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

7. EMPLOYEES:

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

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

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

9. AUDITORS:

M/s. D.P. Agarwal & Co., Chartered Accountants retire at this Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board of Directors recommend re-appointment of M/s. D.P. Agarwal & Co., Chartered Accountants as statutory auditors of the Company for the Year 2012-2013.

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

10. DEPOSITS:

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

11. LISTING OF SHARES:

Your Company is listed on the Bombay Stock Exchange. The Listing fees for the financial years 2011-12 & 2012-13 are paid to the Stock Exchange within the prescribed time limits.

12. ACKNOWLEDGEMENT:

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

By order of the Board
For **MORARKA FINANCE LIMITED**

G. R. MORARKA
Chairman

B. J. MAHESHWARI
Director

PLACE : New Delhi

DATED : 30th May, 2012



REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Corporate Governance

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

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

CLAUSE 49 OF THE LISTING AGREEMENT

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

2. COMPOSITION OF Board of Directors

As at 31st March, 2012, the Board of Directors comprised 5 Directors as under:

- ❖ Mr K. P. Medhekar has resigned from the company w.e.f. October 3, 2011. Mr Vijay S Banka has been inducted to the Board w.e.f September 29, 2011
- ❖ All Directors are Independent Non-Executive Directors except Mr. G. R. Morarka, who is promoter & Non-Executive Chairman & Ms Priyanka G. Morarka.
- ❖ Ms Priyanka G. Morarka is daughter of Shri G. R. Morarka. Other Directors are not related to each other.

During the year, 5 Board Meetings were held on : May 30, 2011, August 12, 2011, September 29, 2011, November 11, 2011 and February 9, 2012.

The details of attendance and other Directorships of the Directors comprising the Company's Board of Directors during the financial year 2011-2012 are as under:

Name of Director	Category	Attendance Board Meeting	Last AGM	Other Board Representation*	
				Directorships	Committees
Shri G. R. Morarka	Promoter, Chairman & Non-Executive Director	5	No	4	-
Shri S. H. Nevatia	Independent Non-Executive Director	0	No	-	-
Shri B. J. Maheshwari	Independent Non-Executive Director	5	Yes	3	1
Shri Vijay S. Banka	Independent Non-Executive Director	0	N.A.	2	2
Ms. Priyanka G. Morarka	Promoter Non-Executive Director	5	No	2	-

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

3. COMMITTEES OF BOARD

A. Audit Committee

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



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

- Overseeing the financial reporting process.
- Appointment and remuneration of Auditors.
- Reviewing the financial and risk management policies.
- Reviewing the adequacy of internal control systems.
- Compliance with listing and other legal requirements.
- Changes in accounting policies and practices and reasons for the same.
- Periodical and yearly financial results of the Company.

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

During the year, 4 Audit Committee Meetings were held on : May 30, 2011, August 12, 2011, November 11, 2011, February 9, 2012.

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

Name	Executive / Non-Executive	Status	No. of Meetings Attended
Mr. G.R. Morarka	Non-Executive	Member	1
Mr. S.H. Nevatia	Non-Executive	Member	4
Mr. B.J. Maheshwari	Non-Executive	Chairman	4

B. REMUNERTION COMMITTEE

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

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

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

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

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

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

C. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

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

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

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

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



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

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

Investor Services

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

4. General Body Meetings

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

Financial Year	Location	Date	Time
2008-09	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020	29/09/2009	12.00 noon
2009-10	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020	29/09/2010	12.00 noon
2010-11	Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020	29/09/2011	12.00 noon

5. Code of business conduct and ethics

In keeping with its proactive approach to achieve best governance standards, your company has laid down the Code of Business Conduct and Ethics pursuant to Clause 49 of the Listing Agreement. The code has been posted on the website of the company.

6. Disclosures

- The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board.
- The Company has complied with all requirements of the Listing Agreement with the Stock Exchange as well as the Regulations and Guidelines prescribed by SEBI and statutory authorities related to the capital market, during the last three years. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.
- Disclosure of Related party transactions
All related party transactions have been entered into in the Ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis.
- Disclosure of Accounting Treatment
All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- Risk Management:
The Company has in place mechanism to inform the Board Members about the Risk Assessment and Minimisation procedures and periodical reviews, to ensure that risk is controlled by the Executive Management through the means of a properly defined policy.
- Subsidiary Companies:
There are no subsidiary companies.
- **Disclosures regarding appointment or reappointment of Directors [Pursuant to clause 49 of the Listing Agreement with the Stock Exchange] :**

Given below are the brief resumes of the directors retiring by rotation and / or seeking appointment / re-appointment.

Ms Priyanka G. Morarka : Age 27 years, has done her BMS and MBA. She is daughter of Shri G.R.Morarka and thus related to the Director of the company. She has excellent academic records and is presently engaged as a Vice President (Corporate Affairs) in Dwarikesh Sugar Industries Limited.

Shri B.J.Maheshwari: Age 52 years, is a Graduate with Honours from Bombay University and is a fellow member of the Institute Of Chartered Accountants Of India and the Institute Of Company Secretaries Of India. He has an experience of over 28 years in various capacities. Shri Maheshwari is a Whole Time Director & CS cum CCO of Dwarikesh Sugar Industries Limited.

Shri Vijay S Banka: Age 53 years, is a Chartered Accountant having more than two decades of experience in handling finance and strategy. Shri V S Banka is a Whole Time Director & CFO of Dwarikesh Sugar Industries Limited.



Details of Directors retiring by rotation seeking appointment / re- appointments

Particular	Ms Priyanka G. Morarka	Shri B. J. Maheshwari	Shri Vijay S. Banka
Date of appointment	March 22, 2004	September 27, 1996	September 29, 2011
Qualification	BMS, MBA	B Com; FCA, FCS	B.Com, FCA.
Expertise in specific functional arena	Wide experience of finance, business and industry	Rich experience of corporate law, accounts, finance, tax, business and industry	Rich experience in strategy, finance and industry
Directorship held in other public companies	Dwarikesh Trading Company Limited	Dwarikesh Sugar Ind.Ltd. Faridpur Sugars Ltd. Dwarikesh Informatics Ltd. Dwarikesh Agriculture Research Institute.	Dwarikesh Sugar Ind.Ltd. Faridpur Sugars Ltd.
Committee membership or chairmanship across public companies	Nil	Shareholders Grievance Committee - Dwarikesh Sugar Industries Limited	Shareholders Grievance Committee - Dwarikesh Sugar Industries Limited Audit Committee - Dwarikesh Sugar Industries Limited
Shareholding	Nil	Nil	Nil
Relationship with Directors inter-se	Ms Priyanka is daughter of promoter director and non executive chairman Shri Gautam R. Morarka	Not related	Not related

7. Means of Communication

The Company's quarterly results in the pro-forma prescribed by the Stock Exchanges pursuant to clause 41 of the Listing Agreement are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all Stock Exchanges on which the Company's shares are listed. These results are being published in leading newspapers - Free Press Journal in English & Navshakti in Marathi.

As per the requirements of clause 52 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern etc. has been posted on the Corpfilng website (www.corpfiling.co.in) and also on the Company's website: (www.morarkafinance.in) within the time prescribed in this regard. The Company's website also displays the official news releases.

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

8. General Shareholder Information:

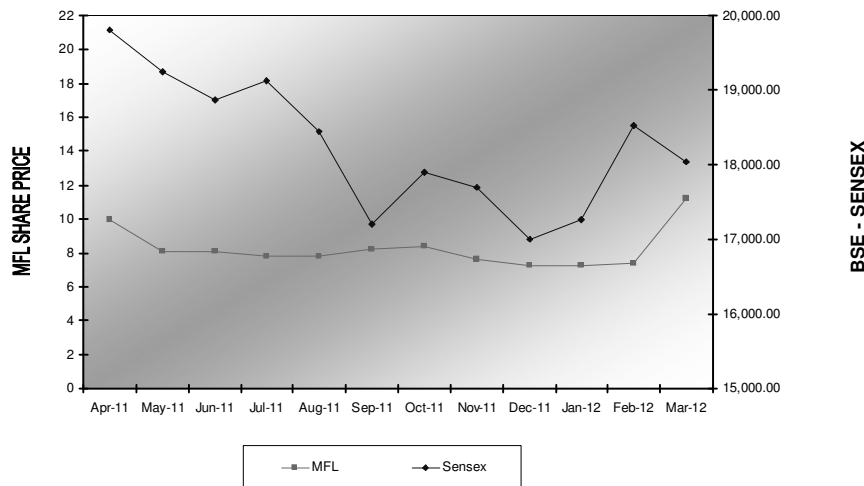
- Annual General Meeting 27th Annual General Meeting
Date, time and venue Friday, 28th September, 2012 at 12 noon at Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.
- Financial Calendar Particulars (April-March) Date of Approval/publication (tentative and subject to change)
First Quarter Results On or before 14th August, 2012
Second Quarter Results On or before 14th November, 2012
Third Quarter Results On or before 14th February, 2013
Last Quarter Results On or before 30th May, 2013
- Dates of Book Closure 13th September, 2012 to 28th September, 2012 (both days inclusive).
- Listing Details BSE

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

Name	Address	Stock Code
The Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	511549
International Securities Identification Number (ISIN)		INE 367A 01015

**➤ Market Price Data - Bombay Stock Exchange**

Month	Highest (Rs.) Of the Month	Lowest (Rs.) Of the Month	Volume (No. of Shares)
April, 2011	9.93	7.96	11622
May, 2011	8.08	6.44	9662
June, 2011	8.09	7.00	1771
July, 2011	7.80	7.80	1
August, 2011	NA	NA	0
September, 2011	8.19	7.43	211
October, 2011	8.40	7.99	821
November, 2011	7.60	7.60	1300
December, 2011	7.23	7.23	25
January, 2012	7.23	6.87	93
February, 2012	7.35	5.44	14799
March, 2012	11.19	7.69	373

MORARKA FINANCE SHARE PRICE VIS A VIS BSE SENSEX**MORARKA FINANCE SHARE PRICE V/S BSE SENSEX****➤ Registrar and Transfer Agents:**

Universal Capital Securities Pvt.Ltd;
21, Shakil Niwas
Mahakali Caves Road
Andheri (East)
Mumbai - 400 093.
Tel. No. : +91 22 2820 7201/03/04/05
Fax No. : +91 22 2836 9704
E-mail : info@unisec.in

➤ Share Transfer System

Effective November 29, 1999, the Company's shares are compulsorily traded in dematerialised form.

All share transfers and other share related issues are approved by a Director authorised by the Board; approvals are obtained at intervals not exceeding 15 days and during the last financial year, 4 Approvals were obtained.

The total number of shares in physical form transferred during the year under review was 3,300.



➤ **Distribution of Shareholding as on 31st March, 2012**

No. of Shares	No of Shareholders	Percentage	No. of Shares	Percentage
Upto 500	1955	83.015	437022	9.707
501 - 1000	225	9.554	179791	3.993
1001 - 2000	82	3.482	131359	2.918
2001 - 3000	26	1.104	66870	1.485
3001 - 4000	19	0.807	67627	1.502
4001 - 5000	15	0.637	70222	1.560
5001 - 10000	13	0.552	83753	1.860
10001 And Above	20	0.849	3465456	76.974
Total	2355	100.000	4502100	100.00

➤ **Categories of Shareholders on 31st March, 2012**

Category	No. of Shares of Rs. 10/- each	%
Promoters		
* Indian	510595	11.34
* Foreign	-	-
Persons Acting in Concert	2207831	49.04
Mutual Funds	-	-
Banks	-	-
Indian Institutional Investors	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	37408	0.83
General Public	1735325	38.54
NRIs, OCBs	7892	0.18
Clearing Members	3049	0.07
Total	4502100	100.00

➤ **Dematerialisation of Shares**

The company was amongst the first few companies to sign an agreement with the National Securities Depository Limited for joining the Depository System. The company has also signed an agreement with the Central Depository Services (India) Limited. As intimated by SEBI, trading in the shares of the company is compulsorily to be in the dematerialised form for all the investors with effect from November 29, 1999. As on 31st March, 2012, 93.41% 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 e-mail/address their communications/grievances/ queries to Mr. Hemalkumar Shah, Company Secretary at hemalshah@morarkafinance.in or at the above mentioned address.

➤ **Results**

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

➤ **Non-Mandatory Requirements:**

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

1. The Board

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

**2. Remuneration Committee**

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

3. Shareholders Rights

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

4. Audit Qualification

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

5. Training of Board Members

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

6. Mechanism for evaluating Non-Executive Board Members

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

7. Whistle Blower Policy

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

On behalf of the Board of Directors

Place : New Delhi
Dated : 30th May, 2012

B.J. Maheshwari
Director

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

To,

**The Shareholders of
Morarka Finance Limited**

Dear Sirs,

This is certify that your company has put in place the Code of Conduct for the Board of Directors and Senior Management with effect from 1st July, 2005 and the same has been revised with effect from 29th September, 2010 applicable to all the Directors of the company and the members of senior management, which includes the employees of the Company who are one level below the Whole time directors and all the functional heads. The Directors and Members of the Senior Management have affirmed compliance with the code of Conduct for Board and Senior Management as on 31st March, 2012.

For Morarka Finance Limited

Place : New Delhi
Date : 30th May, 2012

G. R. MORARKA **L.N. HEDA**
CHAIRMAN C.F.O.



To,

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

Re: Financial Statements for the year ended on 31st March, 2012

Dear Sirs,

We, G.R. Morarka Chairman and L.N. Heda, CFO of Morarka Finance Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ending 31st March, 2012 and to the best of our knowledge and belief, hereby clarify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2012 which are fraudulent, illegal and violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We hereby certify that:
 - a) there have been no significant changes in internal control during this year
 - b) there have been no significant changes in accounting policies during this year
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

For Morarka Finance Limited

Place : New Delhi
Date : 30th May, 2012

G. R. MORARKA **L.N. HEDA**
CHAIRMAN C.F.O.

Auditors' Report on Compliance of Conditions of Corporate Governance

To,

**The Shareholders of
Morarka Finance Limited**

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by M/s. Morarka Finance Limited for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange.

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

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

**FOR D. P. AGARWAL & CO.
CHARTERED ACCOUNTANTS**

Place: Mumbai
Date: 30th May, 2012

D P AGARWAL
PROPRIETOR
Membership No:35500



AUDITORS' REPORT

We have audited the attached Balance Sheet of M/S. MORARKA FINANCE LIMITED as at 31st March 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon and attached thereto give, in prescribed manner, the information required by the Act, and give a true and fair view in conformity with accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
- b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date,
- c) in the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For D.P. AGARWAL & CO.
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 30th May, 2012

D.P. AGARWAL
Membership No. FCA 35500

ANNEXURE TO THE AUDITORS' REPORT

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. We are informed that the fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
3. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.



4. In our opinion, and according to the information and explanation given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to book records.
6. The Company has not granted any unsecured loan to any associate / group companies which are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
7. In our opinion, the rate of interest and other terms and conditions on which loan has been granted to the company, if any listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
8. According to the records of the company and information and explanation given to us, repayment of principal amount and interest on the loan granted aforesaid are regular.
9. According to the record of the company and information and explanations given to us, there were no overdue amount of loan granted to companies covered in the register maintained under section 301 of the Companies Act, 1956.
10. The Company has not taken any Deposit from any parties covered in the register maintained under section 301 of the Act.
11. In our opinion, and according to the information and explanations given to us, there are adequate control procedure commensurate with the size of the company and nature of its business with regards to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
12. According to the information and explanations given to us, the transactions that need to be entered into register in pursuance of section 301 of the Companies Act 1956 have been duly entered.
13. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
14. The Company has not accepted deposits from the public; therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company. According to the information and explanation given to us, no order has been passed by the Company Law Board.
15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
16. According to the information and explanation to us, Central Government has not prescribed maintenance of cost record under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.
17. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income tax, Wealth Tax and other statutory dues applicable to it. As explained to us, the Company has no liability in the course of its business of Employee's State Insurance, Custom Duty, Excise Duty, Cess and Sales Tax during the year.
18. According to the records of the Company and the information and explanations given to us, there are no dues of Income Tax and Wealth Tax which have not been deposited on account of dispute.
19. The Company does not have any accumulated losses as at 31st March 2012.
20. The Company has made no borrowings from financial institutions or banks nor it has issued any debentures and therefore the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. According to the records of the Company and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
22. We are informed that the provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Society do not apply to the Company and, therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
23. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts in relation to dealing in shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the Company has held shares, securities, debentures and other securities in its own name.
24. The Company has not taken any term loans and therefore the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable.



25. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
26. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
27. The Company has not issued debentures and hence question of creating security does not arise.
28. The Company has not raised any money by public issue during the year.
29. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For D.P. AGARWAL & CO.
CHARTERED ACCOUNTANTS**

Place : Mumbai
Date : 30th May, 2012

D.P. AGARWAL
Membership No. FCA 35500



BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share capital	1	45,021,000	45,021,000
(b) Reserves and surplus	2	49,234,390	50,237,615
(c) Money received against share warrants		-	-
		94,255,390	95,258,615
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long term provisions	3	191,093	161,100
		191,093	161,100
(4) Current Liabilities			
(a) Short-term borrowings	4	1,190,000	-
(b) Trade payables	5	40,162	70,892
(c) Other current liabilities	6	-	-
Current maturities of long term debts		-	-
Others		141,198	115,768
(d) Short-term provisions		-	-
		1,371,360	186,660
TOTAL		95,817,843	95,606,375
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		1,019,849	1,078,889
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
		1,019,849	1,078,889
(b) Non-current investments	8	91,110,615	90,918,808
(c) Long term loans and advances		-	-
(d) Other non-current assets		-	-
		92,130,464	91,997,697
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	9	1,589,593	1,827,830
(c) Trade receivables		-	-
(d) Cash and bank balances	10	139,299	100,614
(e) Short-term loans and advances	11	217,285	403,175
(f) Other current assets		-	-
(g) Deferred tax assets (net)	12	1,741,202	1,277,059
		3,687,379	3,608,678
TOTAL		95,817,843	95,606,375

Significant Accounting Policies & Notes to Accounts from an integral part of these financial statements

As per our report of even date attached

For D.P. AGARWAL & CO.
Chartered Accountants

DAMODAR AGARWAL
Proprietor
Membership No.35500

Place: Mumbai
Date:30th May, 2012

G. R. MORARKA
Chairman

PRIYANKA G. MORARKA
Director

B. J. MAHESHWARI
Director

Place: New Delhi
Date:30th May, 2012



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	(Amount in ₹)	
		Year ended 31-03-2012	Year ended 31-03-2011
REVENUE:			
I. Revenue from operations (Gross)	13	354,211	590,933
II. Other income	14	128,590	5,172,959
III. Total Revenue (I +II)		482,801	5,763,892
IV. EXPENSES:			
Cost of materials consumed		-	-
Purchase of stock-in-trade		48,645	801,054
Changes in inventories of finished goods,	15	238,237	(681,885)
Employee benefit expenses	16	1,014,700	803,556
Finance cost	17	67,083	-
Depreciation and amortization expenses	18	59,040	63,300
Other expenses	19	571,500	725,326
Total Expenses		1,999,205	1,711,351
V. Profit before exceptional and extraordinary items and tax (III-IV)		(1,516,405)	4,052,541
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(1,516,405)	4,052,541
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		(1,516,405)	4,052,541
X. Tax expense:			
(1) Current tax			
Current year		-	-
Less: MAT credit entitlement		-	-
Add: Reversal of MAT credit entitlement		-	-
Previous year		(49,037)	-
(2) Deferred tax		(464,143)	(157,372)
XI. Profit/(Loss) for the period (IX-X)		(1,003,225)	4,209,913
XII. Earning per equity share:			
(1) Basic		(0.22)	0.94
(2) Diluted		(0.22)	0.94
Weighted average number of shares outstanding		4,502,100	4,502,100
Significant Accounting Policies & Notes to Accounts form an integral part of these financial statements			

As per our report of even date attached

For D.P. AGARWAL & CO.
Chartered Accountants

DAMODAR AGARWAL
Proprietor
Membership No.35500

Place: Mumbai
Date:30th May, 2012

G. R. MORARKA
Chairman

PRIYANKA G. MORARKA
Director

B. J. MAHESHWARI
Director

Place: New Delhi
Date:30th May, 2012


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2012

PARTICULARS	YEAR ENDED 31ST MARCH, 2012 (RUPEES)		YEAR ENDED 31ST MARCH, 2012 (RUPEES)
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT/(LOSS) BEFORE TAX		(1,516,405)	4,052,540
ITEMS			
ADJUSTMENTS FOR :			
DEPRECIATION	59,040		63,300
INVESTMENT INCOME	(128,940)	(4,950,344)	
		(69,900)	(4,887,044)
OPERATING PROFIT BEFORE WORKING CAPITAL		(1,586,305)	(834,504)
CHANGES			
ADJUSTMENTS FOR :			
TRADE AND OTHER RECEIVABLES	185,890		4,628,440
INVENTORIES	238,237		(681,885)
TRADE PAYABLES	24,693		(28,910)
DIRECT TAXES PAID	49,037	497,857	0
			3,917,645
CASH GENERATED FROM OPERATIONS		(1,088,448)	3,083,141
NET CASH FLOW FROM OPERATING ACTIVITIES		(1,088,448)	3,083,141
B. CASH FLOW FROM INVESTING ACTIVITIES :			
PURCHASE OF INVESTMENTS	(191,807)		(8,100,000)
INVESTMENT INCOME	128,940		4,950,344
NET CASH FLOW FROM INVESTING ACTIVITIES		(62,867)	(3,149,656)
C. CASH FLOW FROM FINANCING ACTIVITIES			
UNSECURED LOAN		1,190,000	0
NET INCREASE/DECREASE IN CASH AND		38,685	(66,515)
CASH EQUIVALENTS(A-B+C)			
CASH AND CASH EQUIVALENTS(OPENING BALANCE)		100,614	167,129
CASH AND CASH EQUIVALENTS(CLOSING BALANCE)		139,299	100,614

As per our report of even date attached

For D.P. AGARWAL & CO.
Chartered Accountants

DAMODAR AGARWAL
Proprietor
Membership No.35500

Place: Mumbai
Date:30th May, 2012

G. R. MORARKA
Chairman

PRIYANKA G. MORARKA
Director

B. J. MAHESHWARI
Director

Place: New Delhi
Date:30th May, 2012

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES****(annexed to and forming part of financial statements for the year ended March 31, 2012)****SIGNIFICANT ACCOUNTING POLICIES:****a. Basis of presentation**

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standard notified under section 211(3C) and other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non current as per company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the company has recognized its operating cycle being period of 12 months.

b. Fixed Assets

- (i) Fixed assets are valued at cost of acquisition.
- (ii) Expenditure relating to existing fixed assets is added to the cost of the assets where it increases the performance/life of the assets as assessed earlier.

c. Inventories

Inventories representing stock of shares, debentures etc. are valued at lower of cost or market price.

d. Investments

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

e. Retirement Benefits

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

f. Depreciation

The Company provides for depreciation on fixed assets at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, on written down value method.

g. Taxes on Income

- (i) Provision for income tax Rs. Nil is determined on the basis of the estimated taxable income of the current year in accordance with the Income Tax Act, 1961.
- (ii) Deferred tax is recognized in respect of deferred tax assets (subject to the consideration of prudence) and to the extent there is virtual certainty that the asset will be realized in future and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

h. Contingencies and events occurring after the Balance Sheet Date

Accounting for contingencies (gains & losses) arising out of contractual obligations, are made only on the basis of mutual acceptances. Events occurring after the date of the Balance Sheet are considered upto the date of approval of the accounts by the Board, where material.

i. Intangible Assets:

Intangible Assets are recognized only where:

- i. a) It is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and
b) The cost of the asset can be measured reliably.
- ii. Intangible Assets are capitalized at cost of acquisition including any import duty and other taxes and any directly attributable expenditure on making the assets ready for its intended use.
- iii. Amortization of Intangible Assets:
 - a) Intangible assets recognized are amortized over its best-estimated useful life, under a rebuttable presumption that the useful life of an intangible asset will not exceed ten years.
 - b) Where the expenditure incurred on intangible assets do not meet recognition criteria, it is recognized as an expense for the period.

j. Use Of Estimates:

The preparation of financial statements requires the use of estimates and assumptions to be made that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

k. Government Grants:

Grants relating to specific fixed assets are deducted from the original cost of specified assets.

l. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

m. Impairment:

Where the recoverable amount of the fixed asset is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided for on the revised carrying value of the asset over its remaining useful life. The impairment loss recognized in prior accounting period is reversed if there is a favourable change in the estimate of recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

		(Amount in ₹)	
Note No.	Particulars	As at 31/03/2012	As at 31/03/2011
1	SHARE CAPITAL		
	AUTHORISED:		
	48,00,000 equity shares of ₹ 10 each	48,000,000	48,000,000
	1% 1,50,000 Redeemable non cumulative preference shares of ₹ 100 each	15,000,000	15,000,000
		63,000,000	63,000,000
	ISSUED, SUBSCRIBED AND PAID UP:		
	45,02,100 equity shares of ₹ 10 each fully paid up	45,021,000	45,021,000
	Total Share Capital	45,021,000	45,021,000
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 2010-2011 & 2011-2012		
B	Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:	March 31, 2012	March 31, 2011
	Equity Shares:-		
	Dwarikesh Trading Company Limited	2,207,831	2,207,831
		49.04%	49.04%
	Pranay Gautam Morarka	431,174	431,174
		9.58%	9.58%
	Satishkumar Subbiah	226,000	226,000
		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. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.		
2	RESERVES AND SURPLUS		
	a) Capital redemption reserves*		
	As per last account	6,530,000	6,530,000
	Add: during the year	-	-
	Less: utilised during the year	-	-
		6,530,000	6,530,000



NOTES TO THE FINANCIAL STATEMENTS

		(Amount in ₹)	
Note No.	Particulars	As at 31/03/2012	As at 31/03/2011
b)	Other reserves		
	General reserve		
	As per last account	2,102,454	2,102,454
	Add: during the year	-	-
	Less: utilised during the year	-	-
		<u>2,102,454</u>	<u>2,102,454</u>
c)	Surplus in Profit and Loss Account		
	As per last account	41,605,161	4,209,912
	Add: during the year	(1,003,225)	37,395,249
	Less: appropriations	-	-
	Dividend on equity/preference shares	-	-
	Transfer to general reserve	-	-
		<u>40,601,936</u>	<u>41,605,161</u>
	Total Reserves & Surplus	<u>49,234,390</u>	<u>50,237,615</u>
	* Capital Redemption Reserve represents reserve created on account of: Redemption of 65,300 1% redeemable non cumulative preference shares of ₹ 100 each amounting to ₹ 65,30,000 in terms of section 80 of the Companies Act, 1956		
3	<u>LONG-TERM PROVISIONS</u>		
	Provision for employee benefits		
	Gratuity	150,510	125,050
	Leave encashment	40,583	36,050
	Total Long Term Provisions	<u>191,093</u>	<u>161,100</u>
4	<u>SHORT-TERM BORROWINGS</u>		
	Unsecured		
	Loan & advances from related parties inter corporate deposits	1,190,000	-
	Total Short Term Borrowings	<u>1,190,000</u>	<u>-</u>
5	<u>TRADE PAYABLES</u>		
	Others	40,162	70,892
	Total Trade Payables	<u>40,162</u>	<u>70,892</u>
6	<u>OTHER CURRENT LIABILITIES</u>		
	Other payables		
	TDS liability	7,779	7,084
	Salary & wages payable	66,060	66,889
	Security/Retention money payable	26,000	2,000
	Others	41,359	39,795
	Total Other Current Liabilities	<u>141,198</u>	<u>115,768</u>

NOTES TO THE FINANCIAL STATEMENTS

7 FIXED ASSETS

PARTICULARS	Gross Block				DEPRECIATION				Net Block	
	As at 01-04-2011 ₹	Added during the year ₹	Disposals	As at 3/31/2012 ₹	Up to 01-04-2011 ₹	For the year ₹	Disposals ₹	Up to 31-03-2012 ₹	As at 31-03-2011 ₹	As at 31-03-2012 ₹
i) Tangible Assets										
Buildings *	2,876,706	-	-	2,876,706	1,838,501	51,910	-	1,890,411	1,038,205	986,295
	(2,876,706)	-	-	(2,876,706)	(1,783,859)	(54,642)	-	(1,838,501)	(1,092,847)	(1,038,205)
Furniture and Fixtures	1,126,053	-	-	1,126,053	1,090,960	6,352	-	1,097,312	35,093	28,741
	(1,126,053)	-	-	(1,126,053)	(1,083,205)	(7,755)	-	(1,090,960)	(42,848)	(35,093)
Office equipment	79,227	-	-	79,227	73,636	778	-	74,414	5,591	4,813
	(79,227)	-	-	(79,227)	(72,733)	(903)	-	(73,636)	(6,494)	(5,591)
Total	4,081,986	-	-	4,081,986	3,003,097	59,040	-	3,062,137	1,078,889	1,019,849
ii) Intangible Assets	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Grand Total	4,081,986	-	-	4,081,986	3,003,097	59,040	-	3,062,137	1,078,889	1,019,849
Previous Year	(4,081,986)	-	-	(4,081,986)	(2,939,797)	(63,300)	-	(3,003,097)	(1,078,889)	-

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 five shares of Rs. 50/- each aggregating to Rs.250/-





NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note No.	Particulars	As at 31/03/2012	As at 31/03/2011
8	<u>NON-CURRENT INVESTMENTS</u>		
1	Trade investments	----	----
	long term, quoted investmes valued at cost in associate companies		
	Investment in equity instruments		
	23,59,118 Dwarikesh Sugar Industries Limited's equity shares of ₹10 each fully paid up (previous year 23,53,818) extent of holding : 14.46% (previous year 14.43%)	52,441,611	52,249,804
	Total	<u>52,441,611</u>	<u>52,249,804</u>
	Traded Investments		
	long term, unquoted investments valued at cost in associate companies		
	Non Traded Investments		
	a) Investment in equity instruments		
	(i) 12,582 Dwarikesh Trading company Limited's equity shares of ₹10 each fully paid up (previous year 12,582) extent of holding : 4.11% (previous year 4.11%)	326,553	326,553
	(ii) 19,100 Ormerods India Private Limited's equity shares of ₹ 4 each fully paid up in (previous year 19,100) extent of holding :18.40% (previous year 18.40%)	242,450	242,450
	(iii) 23,000 Dwarikesh Informatics Limited's equity shares of ₹ 10 each fully paid up in (previous year 23,000) extent of holding : 46% (previous year 46%)	1	1
	(iv) 10,000 Faridpur Sugars Limited's equity shares of ₹ 10 each fully paid up in (previous year 10,000) extent of holding : 20% (previous year 20%)	100,000	100,000
	b) Investments in preference shares		
	(i) 3,00,000 Dwarikesh Trading company Limited's 8% redeemable cumulative preference shares of ₹ 100 each fully paid up in (previous year 3,00,000) extent of holding : 100% (previous year 100%)	30,000,000	30,000,000
	(ii) 80,000 Dwarikesh Trading company Limited's 6% redeemable non cumulative preference shares of ₹ 100 each fully paid up in (previous year 80,000) extent of holding : 100% (previous year 100%)	8,000,000	8,000,000
	Total Non Traded Investments	<u>38,669,004</u>	<u>38,669,004</u>
	Total Non-Current Investments	91,110,615	90,918,808
	Aggregate amount of unquoted investments	38,669,004	38,669,004
	Aggregate amount of quoted investments	52,441,611	52,249,804
	Aggregate provision for diminution in the value of investments	-	-
9	<u>INVENTORIES</u>		
	(At lower of Cost or Market Value)		
	Stock of Shares & Debentures	1,589,593	1,827,830
	Total Inventories	1,589,593	1,827,830



NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note No.	Particulars	As at 31/03/2012	As at 31/03/2011
10	CASH & BANK BALANCES		
	Cash & Cash Equivalents		
	Balance with scheduled banks		
	Current accounts	59,658	23,038
	Cash on hand	79,641	77,576
	Total Cash & Cash Equivalents	139,299	100,614
	* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.		
11	SHORT TERM LOANS & ADVANCES		
	unsecured, considered good		
a)	Loans & advances to related parties	-	-
b)	Others		
	Security Deposit	15,730	15,730
	Advance taxes & TDS	129,855	149,487
	Advances recoverable in cash or in kind or for value to be received	71,700	237,958
	Total Short Term Loans & Advances	217,285	403,175
12	DEFERRED TAX LIABILITIES (NET):		
		As At 31-03-2012	As At 31-03-2011
	Particulars	Deferred Tax Asset	Deferred Tax Liability
		₹	₹
	Difference between book depreciation and tax depreciation		(179,090)
	Non payment of bonus, leave & gratuity	59,048	
	Brought forward losses & depreciation	1,861,244	
	Total	1,920,292	1,790,090
	Net Deferred Tax Asset /(Liability)	1,741,202	1,277,059

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.



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	(Amount in ₹)	
		Year ended 31-03-2012	Year ended 31-03-2011
13	REVENUE FROM OPERATIONS		
	Sale of Shares & Debenture	354,211	590,933
	Total Net Revenue From Operations	354,211	590,933
14	OTHER INCOME		
a)	Interest income (Tax deducted at source ₹ Nil previous year ₹ 44,482)	-	222,412
b)	Other non operating income	128,590	4,950,547
	Total Other Income	128,590	5,172,959
15	(INCREASE)/DECREASE IN STOCKS		
	Closing stock of shares & debentures	(1,589,593)	(1,827,830)
	Opening stock of shares & debentures	1,827,830	1,145,945
	NET (INCREASE)/DECREASE IN STOCK	238,237	(681,885)
	Total (Increase)/Decrease In Stocks	238,237	(681,885)
16	EMPLOYEE BENEFIT EXPENSES		
a)	Salary and wages		
	Salary	984,623	782,268
	Bonus	-	-
	Leave encashment	4,533	-
	Gratuity	25,460	21,204
		1,014,616	803,472
b)	Contribution to provident and other funds		
	Provident fund	84	84
		1,014,700	803,556
c)	Staff welfare expenses	-	-
	Total Employee Benefit Expenses	1,014,700	803,556
17	FINANCE COST		
	Other borrowing costs	67,083	-
	Total Finance Cost	67,083	-
18	DEPRECIATION AND AMORTIZATION EXPENSES		
a)	Depreciation		
	Depreciation of tangible assets	59,040	63,300
	Obsolescence	-	-
		59,040	63,300
b)	Amortization of intangible assets	-	-
	Total Depreciation and Amortization Expenses	59,040	63,300
19	OTHER EXPENSES		
	Rates and taxes*	23,924	21,662
	Travelling & conveyance	163,908	329,446
	Postage, telephone & telex	36,015	44,724
	Printing & stationery	19,126	20,439
	Repairs & maintenance - others	50,768	29,694
	Payment to the auditors	-	-
	Audit fees	30,000	30,000
	Taxation matters	-	-
	Reimbursement of expenses	-	-
	Miscellaneous expenses	247,759	249,361
	Total Other Expenses	571,500	725,326



NOTES TO THE FINANCIAL STATEMENTS

20 Related party disclosures as required by Accounting Standard AS-18 for the year ended 31st March, 2012

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

- i) **Enterprises over which key management personnel are able to exercise significant influence (Associate Companies)**
- Dwarikesh Sugar Ind. Ltd.
 - Dwarikesh Trading Company Limited
 - Dwarikesh Informatics Limited
 - Dwarikesh Agriculture Research Institute
 - Faridpur Sugars Limited
- ii) **Key Management Personnel**
- Shri Gautam .R. Morarka Chairman
 - Shri B.J.Maheshwari Director
 - Miss Priyanka Gautam Morarka Director
 - Mr. Vijay S. Banka Director
- iii) **Relatives of Key Managerial Personnel**
Shri G.R.Morarka
- Smt. Smriti G. Morarka (Wife)
 - Ms. Priyanka G. Morarka (Daughter)
 - Mr. Pranay G. Morarka (Son)

b) Details of Transactions

Sl. No.	Name of Related Party	Nature of Transaction	Volume of ₹	Amount due to (₹)	Amount due from (₹)	Investment (₹)
1	Dwarikesh Trading Co. Ltd.	Inter Corporate Deposit Repaid	Nil (Nil)	8,90,000 (Nil)		
		Inter Corporate Deposit Received	8,90,000 (Nil)			
		Interest Paid	33,257 (Nil)			
5	Faridpur Sugars Limited	Inter Corporate Deposit Repaid	Nil (Nil)	3,00,000 (Nil)		
		Inter Corporate Deposit Received	3,00,000 (Nil)			
		Interest Paid	27,118 (Nil)			

21. a) Provision for income tax has not been made in these accounts since the Company does not have taxable income.

b) The Company does not have taxable wealth and hence no provision for wealth tax has been made in these accounts.

22. The Board of Directors are of the opinion that with respect to the disclosure of investments in shares and debentures held by the Company for trade as at 31st March, 2012 as required by Part I of Schedule VI to the Companies Act, 1956, in view of the number of scrips bought and sold being large, it is not practicable to disclose the same individually.

23. Pursuant to the Accounting Standard 22 relating to "Accounting for Taxes on Income", the Company has recognized net Deferred Tax Assets to the extent of **Rs.1,741,202/-** for the year. The same has been recognized since the management is virtually certain of realizing the same in due course within the statutory time frame of allowability of the unabsorbed losses / allowances under the Income Tax Act, 1961, particularly in view of the income arising from financing activities in the subsequent period.

24. **Earning per Share:**

In view of Accounting Standard 20 on "Earning per Share" issued by "The Institute of Chartered Accountants of India" and made mandatory w.e.f. 1st April, 2001, the following are the disclosures in respect of the calculation of earnings per share for the year ended 31st March, 2012.

Particulars		31/03/2012	31/03/2011
a) Numerator Profit / (loss) after tax	Rs.	(1,003,225)	4,209,912
b) Denominator			
Weighted average number of equity shares	Nos.	4502100	4502100



c) Earnings per Share (Basic & diluted) =

Numerator / Denominator	Rs.	(0.22)	0.94
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ii. **Contingent Liabilities in respect of :**

PARTICULARS

	Amount [Rs. In Crores]	
	2011-2012	2010-2011

a) In respect of show cause notice from SEBI under
Regulation 8(3) of SEBI take over code regulation

0.0175	0.0175
--------	--------

25. Related Party Disclosures:

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

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

ii. Key Management Personnel:

Name	Designation
Shri G. R. Morarka	Chairman
Miss Priyanka G. Morarka	Director

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

31st March, 2012

	Associates	Key Management Personnel
	Rs.	Rs.
1. Interest Income	-	
2. Dividend received	-	
3. Interest Exp.		
Dwarikesh Trading Co. Ltd. & Faridpur Sugars Limited	67083	-
4. Amounts Payable		
Dwarikesh Trading Co. Ltd. & Faridpur Sugars Limited	1190000	-
5. Amounts Receivable	-	
6. Maximum amount due at any time	-	
Dwarikesh Trading Co. Ltd. & Faridpur Sugars Ltd.	1190000	
7. Maximum amount Receivable at any time	-	

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.
- Additional information pursuant to the provision of Part II of the Schedule VI to the Companies Act, 1956 is not applicable to the Company for the year.
- There are no Small Scale and Ancillary Industrial Undertakings to which the Company owes any sum for a period exceeding thirty days.
- There are no amounts due and outstanding to be transferred to Investor Education & Protection Fund as on 31st March, 2012
- 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.
- Figures for the previous year have been regrouped, wherever necessary.



Balance Sheet Abstract and Company's General Business Profile as per Part (IV) of Schedule VI to the Companies Act, 1956.

I. Registration Details

Registration No.:	L 67120 MH 1985 PLC 035632	State Code	11
Balance Sheet Date:	31/03/2012		

II. Capital raised during the year (Amount Rs in '000)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount Rs in '000)

Total Liabilities	95,817.84	Total Assets	95,817.84
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Source of Funds

Paid-Up Capital	45,021.00	Reserves & Surplus	49,234.39
Secured Loans	NIL	Unsecured Loans	1190.00

Application of Funds

Net Fixed Assets	1019.85	Investments	91,110.62
Net Current Assets	2316.02	Deferred Tax Assets	1,741.20
Accumulated Losses	NIL	Misc. Expenditure	NIL

IV. Performance of Company

Turnover	482.80	Total Expenditure	1999.21
Profit/(Loss)Before Tax	(1,516.41)		
Profit/(Loss)After Tax	(1,003.23)		
Earning per Share	(0.22)	Dividend Rate	NIL

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

Item Code No.	NIL
Product Description	Financial / Leasing / Investments/Advisory Services etc.

As per our Report of even date

**FOR D.P. AGARWAL & CO.
CHARTERED ACCOUNTANTS**

D P AGARWAL
PROPRIETOR
Membership No:35500

PLACE: Mumbai
DATED: 30th May, 2012

G.R.MORARKA
CHAIRMAN

PRIYANKA G. MORARKA
DIRECTOR

B.J.MAHESHWARI
DIRECTOR

PLACE: New Delhi
DATED: 30th May, 2012



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

(as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 –Circular reference no. DNBS(PD)CC no. 25/0202/2002-03 dtd. 29th March, 2003

Particulars	(Rs. in lakhs)	
	Amount out-standing	Amount overdue
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures		
Secured	-	-
Unsecured (Other than falling within meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	11.90	-
(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	-	
(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	524.62
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (Please specify)		-
2. Unquoted:		
(i) Shares:	(a) Equity	6.69
	(b) Preference	380.00
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (Please specify)		-

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same Group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other related parties	-	-
i) DSIL Equity Shares	911.80	524.62
ii) DTCL - Preference Shares	380.00	380.00
iii) DTCL - Equity	3.27	3.27
iv) DIL - Equity	0.00	0.00
iv) FSL - Equity	1.00	1.00
2. Other than related parties		
i) Ormerods India - Equity	2.42	2.42
Total	1298.49	911.31

** 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



MORARKA FINANCE LIMITED
 Regd. Office : 511, Maker Chamber - V,
 221, Nariman Point, Mumbai - 400 021

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I / We hereby record my / our presence at the **27th ANNUAL GENERAL MEETING** of the above named Company at at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 at 12 noon. on Friday, 28th September, 2012.

NAME(S) OF THE MEMBER(S)

Registered Folio No. _____

Name of Proxy (in Block Letter)

(To be filled in, if the proxy attends instead of the Member)

MEMBER'S/PROXY'S SIGNATURE

----- (TEAR HERE) -----



MORARKA FINANCE LIMITED
 Regd. Office : 511, Maker Chamber - V,
 221, Nariman Point, Mumbai - 400 021

PROXY FORM

Regd. Folio No. _____

I / We _____ of _____

being a Member/Members of **Morarka Finance Limited** hereby appoint _____

_____ of _____

or failing him _____ of _____

as may / our proxy to attend and vote for me/us on my/our behalf at the **27th ANNUAL GENERAL MEETING** of the above named Company at Kilachand conference Room, Indian Merchants' Chambers Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 at 12 noon. on Friday, 28th September, 2012.

As WITNESS my/our hand(s) the _____ day of _____ 2012

Signed _____

Affix
 Re.1
 Revenue
 Stamp

Note: Proxy must reach the Company's Registered Office not less than 48 hours before the time of holding the Meeting.

Book Post

If undelivered, please return to :

MORARKA FINANCE LIMITED

511, Maker Chambers V,
221, Nariman Point,
Mumbai - 400 021.