

## CORPORATE GOVERNANCE REPORT- 2018

### 1. COMPANY'S PHILOSOPHY:

The primary motive of the Company is to uphold good Corporate Governance and the management did not spare any effort in implementing all possible measures by adopting adequate steps in order to achieve this objective.

### 2. BOARD OF DIRECTORS:

#### **Composition and category of directors:**

As of 31st March, 2018 the total strength of the Board of Directors was five directors. All the directors except the Managing Director are Non-Executive Directors. 60% of the Board Members consisted of Independent Directors. Composition of the Board of Directors of the Company and their other Directorship(s)/Committee Membership(s)/Chairmanship(s) as on 31st March, 2018 was as under:

Eight Board Meetings were held during the period 2017-18. These meetings were held on 26th May, 2017, 14th August, 2017, 13th September, 2017, 14th December, 2017, 22nd December, 2017, 13th February, 2018, 2nd March, 2018 and 7th March, 2018.

The details are follows:

Sl. No	Name of Directors	Category of Directorship	No of Board Meetings Attended	Attendance at last AGM	No of other Directorship	No. of other Committee Membership or Chairmanship	
						Member	Chairman
1	Sri S. R. Gowda	Executive & Whole Time Director	8	Yes	18	2	0
2	Sri K B Shetty	Independent Non-Executive Director	8	Yes	Nil	3	1
3	Sri S S Kamath	Independent Non-Executive Director	8	Yes	10	3	1
4	Smt Jyothi V B	Non-Executive Director	8	Yes	Nil	1	0

### 3. COMMITTEES OF THE BOARD

#### a) AUDIT COMMITTEE:

Composition of the Audit Committee meets all the criteria under the law. The Committee comprises of three Directors, majority being Non-Executive and independent. It met five times during the period 2017-2018 on 26th May, 2017, 14th August, 2017, 13th September, 2017, 14th December, 2017 and 13th February, 2018.

**The Audit Committee comprised of the following members:**

Sri K B Shetty	Chairman
Sri S R Gowda	Member
Sri S S Kamath	Member

The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at the annual general meeting held on 29th September, 2017. The Composition of the committee is in accordance with the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The particulars of meetings and attendance by the members of committee during the year under review as are given in the table below:

Attendance of the Directors in the Audit Committee Meeting:

26th May, 2017	Sri K B Shetty Sri S S Kamath Sri S R Gowda
14th August, 2017	Sri K B Shetty Sri S S Kamath Sri S R Gowda
13th September, 2017	Sri K B Shetty Sri S R Gowda Sri S S Kamath
14th December, 2017	Sri K B Shetty Sri S R Gowda Sri S S Kamath
13th February, 2018	Sri K B Shetty Sri S R Gowda Sri S S Kamath

**Brief description of terms of reference:**

The Audit Committee of the Company is entrusted with the following responsibilities to supervise the Company's internal control and financial reporting process:

- 1) To recommend to appointment, remuneration and terms of appointment of auditors of the Company.
- 2) To approve payment to statutory auditors for any other services rendered by the statutory auditors.
- 3) To examine the financial statement and the auditors' report thereon:
- 4) To approve transactions of the Company with related parties and modifications thereof;
- 5) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- 6) To evaluate internal financial controls and the management systems;

**b) NOMINATION AND REMUNERATION COMMITTEE:**

The Board constituted a Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

The Committee consists of the following directors:

<b>Name of Director</b>	<b>Status</b>
Sri K B Shetty	Non-Executive-Independent Director
Sri S S Kamath	Non-Executive-Independent Director
Smt Jyothi V B	Non-Executive-Director

**Nomination and Remuneration Policy**

As required under Section 178 (3) of the Companies Act, 2013 the Company's Nomination and Remuneration policy is hosted on the website of the Company.

Details of remuneration paid to the Whole-Time Director and Managing Director during the period from 1.4.2017 to 31.3.2018 is given here below:

i) Whole-Time Director	:	3.83 lacs
ii) Managing Director	:	0.93 lacs
ii) Non-Executive Directors -		Nil

**c) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Committee comprising three members of the Board, approves transfers, transmission issue of duplicate shares and review and redress Share holders grievances/complaint on matters relating to transfer of shares and non-receipt of Balance Sheet. The Committee met 33 times during the year under report.

The composition of Stakeholders Relationship Committee and attendance of members in the meeting are given below:

Sl.No	Name of Director	Category of Directorship	No. of Meeting attended
1	Sri S R Gowda	Executive	71
2	Sri K B Shetty	Non-Executive-Independent	3
3	Sri S S Kamath	Non-Executive-Independent	71

Mr S S. Kamath heading the Committee, Company Secretary is the Compliance Officer.

No. of Share Holders Complaints received during the year - 3  
 No. of Share Holders Complaints settled during the year - 3  
 No. of Complaints pending for settlement - Nil

**4. GENERAL MEETINGS:**

The last three Annual General Meetings were held at Sri T Ramesh Pai Memorial Hall at Kurlon Factory, Jalahalli Camp Road, Yashwantpur, Bangalore the details are given here below:

AGM No.	DATE	TIME	Special Resolution required for
70	30.9.2015	11.00 a m	NIL
71	30.9.2016	12.00 a.m	**3
72	29.9.2017	12.00 noon	*1

\*Re-appointment of Mr. Subbarame Gowda as Whole Time Director of the Company for a period of 3 years w.e.f 10th December, 2014.

\*\*1. To Approve of borrowing Limits of the Company.

\*\*2. To Approve the limits for investing Funds of the company.

\*\*3. To adopt new set of Articles of Association.

\*Re-appointment of Sri Subbarame Gowda as Whole Time Director for a period of 3 years.

All the resolutions as set out in the respective notices were passed by the Share holders. No special resolution was passed through Postal Ballot in the financial year 2017-18 and the Company does not propose to pass any Special Resolution through Postal Ballot as on the date of report.

**5. DISCLOSURES:**
**Disclosure regarding Material Related Party Transaction:**

The Company does not have any related party transactions during the year, that are material in nature either with its promoters and/or their subsidiary Companies, Directors, Management and relatives etc that may have potential conflict with the interests of company at large.

**Disclosures regarding non-compliance:**

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

**Vigil Mechanism:**

Your Company has in place a Vigil Mechanism for Directors and employees to report concern about the unethical behaviour, actual or suspected fraud and violation of the Code of Conduct or Ethics Policy. The Policy is in line with your Company's Code of Conduct, Vision and Values and forms part of good Corporate Governance.

**Compliance with mandatory requirements:**

The Company has complied with all the mandatory requirements of Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**6. MEANS OF COMMUNICATION:**

- a) Quarterly/Half/Yearly Financial Results of the Company were forwarded to Stock Exchanges in addition to getting the same published in the leading English Daily (Indian Express) & Regional Newspaper (Kannada Prabha) as per the Listing Agreement and SEBI (LODR) Regulations, 2015.
- b) The financial results also displayed on the Company's website – www.maharashtraapex.com
- c) Company has not made any presentations to any institutional Investors/Analyst during the year.

**7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Consequent upon the cancellation of the NBFC license the Company desisted from accepting deposit and doing Hire Purchase/Lease/Loan Business. At present Company's activities are restricted to recovery of Hire Purchase instalments/Loans. The Company is also concentrating on repayment of Deposit/Bonds as per the Scheme of arrangement/ restructure sanctioned by the Hon'ble High Court of Karnataka.

**BUSINESS REVIEW:**

During the year Company collected Rs. 48.68 lakh by debt recoveries.

**REPAYMENT OF DEPOSIT/BOND:**

In terms of Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the Company has completed three instalments. The payment of 4th instalment is in progress. The outstanding balance of Deposit/Bond is Rs.2816.55 lacs as on 31st March, 2018.

**INTERNAL CONTROL SYSTEM:**

All payments are made from Head Office only and existing Branches are not permitted to disburse any amount without obtaining prior approval from Head Office.

**DISCUSSION ON FINANCIAL PERFORMANCE:**

This subject has been covered in the Directors' Report

**HUMAN RESOURCE DEVELOPMENT:**

The Number of staff has been reduced to the minimum which is essential to run the organisation. There are only 30 Staff members working in the entire organisation as on 31.3.2018.

**8. a) GENERAL SHAREHOLDER INFORMATION:**

a) Annual General Meeting:	74 <sup>th</sup> Annual General Meeting
Date:	28.09.2018
Time:	11.00 a.m.
Venue:	Sri T Ramesh Pai Memorial Hall at Kurlon Factory, Jalahaali Camp Road, Yashwantpur, Bangalore – 560 022
b) Financial Year:	1 <sup>st</sup> April to 31st March.
c) Date of Book-Closure:	22.9.2018 to 28.9.2018 (both days inclusive) for the purpose of Annual General Meeting of the Company.
d) Dividend:	The Board of Directors has not recommended any dividend for the period 2017-18.
e) Registered Office:	3 <sup>rd</sup> Floor, Front Wing, North Block, Manipal Centre, 47, Dickenson Road, Bangalore – 560 042
f) Listing on Stock-Exchanges:	The Equity Shares are listed at the Bombay Stock Exchange Ltd & National Stock Exchange Ltd. The Listing Fee for the year 2017-18 has been paid to both of the Stock Exchanges and custodial fees paid for the year 2017-18 to NSDL and CDSL.
g) Stock Code BSE:	523384
NSE:	MAHAPEXLTD
h) Demat ISIN Number of Equity Shares of the Company and liquidity:	INE843B01013 As on 31st March, 2018, 1,02,61,806 Equity Shares forming 72.52% Share Capital of the Company stands Dematerialised.

**b) Share Price Data:**

Market price data of the Company's equity Shares in Bombay Stock Exchange Ltd for the period from April, 2017 to March 2018 is as below:

Month	High	Low
April, 2017	102.50	76.70
May, 2017	94.15	69.50
June, 2017	72.90	63.20
July, 2017	63.10	54.00
August, 2017	61.00	49.90
September, 2017	55.40	49.10
October, 2017	63.75	52.80
November, 2017	77.00	66.70
December, 2017	84.85	80.85
January, 2018	159.70	85.90
February, 2018	189.90	155.25
March, 2018	174.00	125.00

**c) Registrar and Share Transfer Agents:**

M/s Purva Sharegistry (India) Pvt Ltd.  
 Unit MahaRashtra Apex Corporation Ltd  
 9 Shiv Shakti Industrial Estate, 7-B J R BorichaMarg  
 MUMBAI-400 011  
 Tel: 23010771, 23016761  
 Email – purvashr@gmail.com  
 Web site – www.purvashare.com

**Share Transfer Systems**

Shares received for transfer by the Company or its Registrar and Transfer Agent in physical mode are processed and all valid transfers are approved. The Share Certificates are duly transferred and dispatched within stipulated time.

**d) DISTRIBUTION OF EQUITY SHAREHOLDING ON 31st MARCH, 2018:**

SHARE HOLDING OF NOMINAL VALUE OF (1)	NUMBER (2)	% TO TOTAL (3)	IN ₹ (4)	% TO TOTAL (5)
UPTO 5,000	9315	86.39	21689210	15.33
5,001 - 10,000	965	8.95	6884970	4.87
10,001 - 20,000	296	2.75	4150560	2.93
20,001 - 30,000	76	0.7	1858930	1.31
30,001 - 40,000	31	0.29	1082600	0.77
40,001 - 50,000	13	0.12	595000	0.42
50,001 – 1,00,000	45	0.42	3330970	2.35
1,00,001 AND ABOVE	41	0.38	101908760	72.02
<b>T O T A L</b>	<b>10782</b>	<b>100.00</b>	<b>141501000</b>	<b>100.00</b>



**e. SHAREHOLDING PATTERN AS ON 31st MARCH, 2018**

Category	No. of Shares Held	Percentage of Shareholding
A. Directors and Promoters	8672255	61.29
B. Institutional Investors	0.00	0.00
C. Mutual Funds and UTI	0.00	0.00
D. Banks	1279	0.01
E. FIIs	0.00	0.00
F. Private Corporate Bodies	279200	1.97
G. Indian Public	4855529	34.31
H. NRI ((Repat& Non-Repat)	254546	1.80
I. Any other(Please specify)		
i.Hindu Undivided Family	67317	0.48
ii.Trust	4340	0.03
iii.Clearing Member	15234	0.11
<b>GRAND TOTAL</b>	<b>14150100</b>	<b>100</b>

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - Nil

**f) Plant Locations: Nil**

**g) ADDRESS FOR INVESTORS CORRESPONDENCE:**

M/s PurvaSharegistry (India) Pvt Ltd.  
Unit MahaRashtra Apex Corporation Ltd  
9 Shiv Shakti Industrial Estate  
7-B J R BorichaMarg  
MUMBAI-400 011  
Phone: (022) 2301 6761  
E-mail:busicomp@vsnl.com  
Web site – www.purvashare.com

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the 'Code of Conduct' for the Financial Year 2017-18.

Place: Bengaluru  
Date: 30th May 2018

**K. B. Shetty**  
Chairman  
DIN: 01451944

## MANAGING DIRECTOR/CFO CERTIFICATION

To

The Board of Directors  
MAHA RASTRA APEX CORPORATION LTD  
Bangalore

We, Managing Director, and Chief Financial Officer of the Company certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) there is no significant changes in internal control over financial reporting during the year;
  - (ii) there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there are no instances of significant fraud of which they have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**CHIEF FINANCIAL OFFICER**

**MANAGING DIRECTOR**

Place: Bengaluru  
Date: 30th May 2018



## AUDITORS' CERTIFICATE

We have examined the compliance of corporate governance by Maha Rashtra Apex Corporation Ltd (the Company) for the year ended 31st March, 2018, as stipulated in:

Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations for the period from April 01, 2017 to March 31, 2018.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for the ensuring the compliance of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on such examination, to the best of our information and according to the explanations given to us, we certify that the Company has complied with the material conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

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 **Maiya & Maiya**  
Chartered Accountants  
FRN:001944S

**Ravi Prasad K**  
Partner  
Membership No. 228348

Place: Bengaluru  
Date: 30<sup>th</sup> May 2018