

CORPORATE GOVERNANCE REPORT- 2019

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, 2019 the total strength of the Board of Directors was four directors. All the directors except the Managing Director are Non-Executive Directors. 50% 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, 2019 was as under:

Seven Board Meetings were held during the period 2018-19. These meetings were held on 5TH April, 2018, 30th May, 2018, 12th June, 2018, 21st July, 2018, 14th August, 2018, 14th November, 2018 and 11th February, 2019

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 Upto 21.7.2018	Non-Executive Director	3	Yes	13	2	0
2.	Sri K B Shetty	Independent Non-Executive Director	7	Yes	Nil	3	1
3.	Sri S S Kamath Upto 21.7.2018	Independent Non-Executive Director	1	Yes	9	3	1
4.	Sri Aspi Nariman Katgara	Executive Director	6	Yes	2	2	0
5.	Smt. Jyothi V B	Independent Non-Executive Director	7	Yes	Nil	3	2
6.	Sri Manjunath Manohar Singh From 21.7.2018	Non-Executive Director	3	No	3	2	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 2018-2019 on 30th May, 2018, 12TH June, 2018, 14th August, 2018, 14th November, 2018, and 11th February, 2019.

Sri K B Shetty	Chairman
Sri S R Gowda-upto 21.7.2018	Member
Sri S SKamath-upto 21.7.2018	Member
Sri Aspi Nariman Katgara from 21.7.2018	Member
Smt Jyothi V B from 21.7.2018	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 28th September, 2018. 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:

Date of Meeting	Members Present
30th May, 2018	Sri K B Shetty Sri S R Gowda
12th June, 2018	Sri K B Shetty Sri S S Kamath Sri S R Gowda
14th August ,2018	Sri K B Shetty Sri Aspi Nariman Katgara Smt Jyothi V B
14th November, 2018	Sri K B Shetty Sri Aspi Nariman Katgara Smt Jyothi V B
11th February, 2019	Sri K B Shetty Smt Jyothi V B

Roles and responsibilities of Audit Committee:

- (1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- (3) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (4) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (5) recommendation for appointment, remuneration and terms of appointment of auditors of the Company, including their replacement or removal;\
- (6) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (7) reviewing and monitoring with the management, independence and performance, of statutory and internal

- auditors, adequacy of the internal control systems, and effectiveness of audit process;
- (8) evaluation of internal financial controls and risk management systems;
 - (9) reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (10) discussion with internal auditors of any significant findings and follow up there on;
 - (11) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - (12) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (13) approval or any subsequent modification of transactions of the Company with related parties;
 - (14) reviewing of related party transactions entered into by the Company pursuant to omnibus approval(s), on quarterly basis
 - (15) scrutiny of inter-corporate loans and investments;
 - (16) valuation of undertakings or assets of the Company, wherever it is necessary;
 - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (18) Reviewing the financial statements, in particular the investments, if any made by the unlisted subsidiary company(ies)
 - (19) to review the functioning of the whistle blower mechanism/vigil mechanism;
 - (20) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (21) reviewing mandatorily the following information:
 - (a) The Management Discussion and Analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s); and
 - (f) Statement of deviation:
 - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
 - (22) Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory / regulatory requirement, as may be applicable.
 - (23) Review its Terms of Reference on an annual basis and recommend any changes to the Board;
 - (24) In terms of the Insider Trading Code adopted by the Company, the Committee shall consider the following matters: –
 - (i) To approve policies/framework in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code.
 - (ii) To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
 - (iii) To provide directions on any penal action to be initiated, in case of any violation of the Prohibition of Insider Trading Regulations by any person..

The powers of the Audit Committee will include the following:

1. To investigate into any matter in relation to the role/terms of reference and to obtain external professional advice, if necessary and shall have full access to the information contained in the records of the Company;
2. To seek information from employees and secure attendance of outsiders, if necessary; and
3. To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

The Chairperson of the Audit Committee shall be present at the Annual General Meeting of the Company to answer shareholder queries.

The Company Secretary shall act as Secretary to the Committee

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:

Name of Director	Status
Sri K B Shetty	Member
Smt. Jyothi V B	Chairman
Sri Manjunath Manohar Singh	Member

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 1.4.2018 to 31.3.2019 is given here below:

- i) Whole-Time Director: 0.00
- ii) Managing Director : 3.19 lacs
- ii) Non-Executive Directors - Nil

c) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee comprising three members of the Board, .

Roles and responsibilities of Stakeholders Relationship Committee:

1. To oversee and review all matters connected with the transfer of the Company's securities and to approve allotment, transfer transmission of securities;
2. To consider, resolve and monitor redressal of investors' complaints/ grievances like non-transfer of securities, non-receipt of annual report, non-receipt of dividends, etc.;
3. To approve issue of duplicate share certificates and new certificates on split/consolidation/renewal;
4. To oversee the performance of the Company's Registrar and Share Transfer Agent(s);
5. To recommend methods to upgrade the standards of services to investors;
6. Review its Terms of Reference on an annual basis and recommend any changes to the Board; and
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory / regulatory requirement, as may be applicable."

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 upto 21.7.2018	Non-Executive	34
2.	Sri K B Shetty	Non-Executive-Independent	34
3.	Sri S S Kamath upto 21.7.2018	Non-Executive-Independent	13
4.	Smt Jyothi V B From 21.7.2018	Non-Executive-Independent	51
5.	Sri Manjunath Manohar Singh From 21.7.2018	Non-Executive	51

Mrs. Jyothi V B heading the Committee, Company Secretary is the Compliance Officer.

No. of Share Holders Complaints received during the year	- 18
No. of Share Holders Complaints settled during the year	- 18
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
72	29.9.2016	12.00 noon	**3
73	29.9.2017	12.00 noon	*1
74	28.9.2018	12.00 noon	Nil

**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 2018-19 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 233.41 lakhs 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 four instalments. The payment of 5th and Final instalment is in progress .The outstanding balance of Deposit/Bond is Rs.2139.20 lacs as on 31st March,2019.

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 28 Staff members working in the entire organisation as on 31.3.2019.

8. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:	75th Annual General Meeting
Date:	30.09.2019
Time:	12.30 p.m
Venue:	Sri T Ramesh Pai Memorial Hall at Kurlon Factory, Jalahaali Camp Road, Yashwantpur, Bangalore – 560 022
b) Financial Year:	1st April to 31st March.
c) Date of Book-Closure:	24.9.2019 to 30.9.2019 (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 2018-19.
e) Registered Office:	3rd 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 2018-19 to NSDL and CDSL.
g) Stock Code BSE: NSE:	523384 MAHAPEXLTD
h) Demat ISIN Number of Equity Shares of the Company and liquidity:	INE843B01013 As on 31st March, 2019, 1,12,00,558 Equity forming 79.48% Share Capital of the Company stands Dematerialised.

c) Registrar and Share Transfer Agents:

M/s PurvaSharegistry (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.

i) Share Price Data:

Market price data of the Company's equity Shares in Bombay Stock Exchange Ltd for the period from April, 2018 to March 2019 is as below:

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (Rs.)
Apr-18	146.00	269.50	146.00	238.75	263805	1454	57732402.00
May-18	226.85	248.90	172.05	198.5	62737	507	12754290.00
Jun-18	200.00	207.95	156.00	163.9	42797	419	7566686.00
Jul-18	157.00	164.90	137.05	160.00	49098	398	7366722.00
Aug-18	152.60	169.30	147.05	153.40	29286	307	4547838.00
Sep-18	157.95	194.40	154	159.75	52697	477	9130732.00
Oct-18	155.00	158.00	115.15	128.50	55923	408	7433991.00
Nov-18	132.00	143.50	119	125.75	17105	144	2212735.00
Dec-18	119.50	134.40	109.6	131.70	30349	140	3612879.00
Jan-19	126.10	134.00	103.7	111.00	13561	118	1596836.00
Feb-19	106.00	115.95	98.65	106.90	23542	183	2431611.00
Mar-19	101.60	132.90	101.6	119.60	30108	251	3329068.00

d) DISTRIBUTION OF EQUITY SHAREHOLDING ON 31st MARCH, 2019

SHARE HOLDING OF NOMINAL VALUE OF (1)	NUMBER (2)	% TO TOTAL (3)	IN ₹ (4)	% TO TOTAL (5)
UPTO 5,000	8732	86.30	19439620.00	13.80
5,001 - 10,000	879	8.69	6322960.00	4.49
10,001 - 20,000	290	2.87	4118280.00	2.92
20,001 - 30,000	75	0.74	1813850.00	1.29
30,001 - 40,000	35	0.35	1203930.00	0.85
40,001 - 50,000	16	0.16	729230.00	0.52
50,001 - 1,00,000	45	0.44	3238260.00	2.30
1,00,001 AND ABOVE	46	0.45	104052830.00	73.84
T O T A L	10118	100.00	140918960.00	100.00



e. SHAREHOLDING PATTERN AS ON 31st MARCH, 2019

Category	No. of Shares Held	Percentage of Shareholding
A. Directors and Promoters	8813105	62.54
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	103932	0.74
G. Indian Public	4805640	34.10
H. NRI ((Repat& Non-Repat)	294981	2.09
I. Any other(Please specify)		
i.Hindu Undivided Family	68619	0.49
ii..Trust	4340	0.03
GRAND TOTAL	14091896	100

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

m) **Plant Locations: Nil**

n) **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: 29th May 2019

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: 29th May 2019

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
Maha Rashtra Apex Corporation Ltd.,
Bengaluru.**

Independent Auditors' Certificate on Corporate Governance

This certificate is issued in accordance with the terms of our engagement with **Maha Rashtra Apex Corporation Ltd.**, (the company)

We have examined the compliance of conditions of Corporate Governance by for the year ended on 31st March 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (l) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

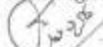
Opinion

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

FOR MAIYA AND MAIYA

Chartered Accountants
Firm Registration No. 001944S



Ravl Prasad K

Partner

Membership No: 228348.

Place: Bengaluru.

Date: 29/05/2019.

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